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SDGs: G77 position on economic issues and finance and technology

The following is a statement on behalf of the Group of 77 and China by Mr. Peter Thomson, Ambassador, Permanent Representative of Fiji to the United Nations, Chairman of the Group of 77, at the 6th session of the Open Working Group on Sustainable Development Goals (New York, 9 December 2013). This statement deals with economic issues and the means of implementation (finance and technology).

The Group holds the view that the post-2015 development agenda should build on existing commitments and lessons learned from the implementation of the MDGs to ensure that new initiatives, both at international and national levels, reinforce previous successes while address important implementation gaps and systemic shortcomings.

We believe a transformative global development agenda must fulfill five key policy objectives: rapid and sustained economic growth; industrialisation; full employment; greater distributional equity; and environmental sustainability.

While the primary responsibility for sustainable development lies with the countries concerned, for developing countries, success depends on two fronts. At the national level, development success depends on effective design and implementation of industrial, macroeconomic and social policies. At the international level, success depends on the support of the international community and the need to have adequate policy space and an enabling global environment that ensure an appropriate pace and pattern of integration into the global economy. The international context therefore must take into account the different development status, priorities and circumstances of developing countries. This calls for a genuine departure from the market-based policies of development fashioned on the so-called 'Washington Consensus'.

In the context of the SDGs, the Group holds the view that each SDG should be linked with the strengthened global partnership for development with an effective means of implementation. The notion of 'means of implementation' consists of, among others, a mix of financial resources, technology development and transfer, as well as capacity-building. These means of implementation must be supported by actions from developed countries at the international level, such as time-bound financing targets; associated trade and economic

policies; technology transfer and other resources to assist and enable developing countries efforts.

On financial resources, the Group of 77 reiterates its position that the Monterrey and Doha conferences on financing for development are a strong foundation for a post-2015 development agenda financing strategy. Sustainable development financing comes from external and domestic sources, and includes both public and private flows. They should complement but not substitute for each other as each source of financing has its own role and objectives.

Public policies and sources of revenue are critical both to address market failures and to raise resources for financing long-term investments in infrastructure, high risk investment such as innovation and new technologies, global public goods, the development of small and medium enterprises and other important aspects of an inclusive society like social protection, basic education, decent sanitation and gender equality. Despite previous debt relief initiatives and recent efforts, many developing countries still have substantial amount of state resources tied up in debt repayments. In this regard, it is imperative that a permanent and effective sovereign debt workout mechanism must be created to resolve the debt problem. Moreover, concerted efforts are also required to address the illicit financial flows, which seriously undermine many developing countries' efforts to mobilise domestic resources.

Globally, official development assistance remains an important source of public financing for developing countries, particularly those without sufficient access to other sources. We express grave concerns that ODA has fallen for two consecutive years, by a total of 6 per cent in real terms, to \$125.6 billion in 2012. We urge for prompt action to reverse this decline and call for progress towards the 0.7 per cent of GNI target, including the 0.15 per cent to 0.20 per cent target for least developed countries.

The pivotal importance of science, technology and innovation, knowledge-sharing and capacity building for eradicating poverty and achieving sustainable development has recently been confirmed at the Rio+20 Conference. STI can be the "game changer" of the socio-economic situation of developing countries. Development of STI capacities has been proven to be an important prerequisite for the social and economic transformations that enable sustainable economic growth, human development and poverty eradication. Technology plays a key role in addressing development challenges across a wide scope of cross-cutting sustainability dimensions, including food and agriculture, water, energy, and industry development.

Developing countries rely heavily on technology in order to shift to a more sustainable development path. To help developing countries overcome obstacles to economic growth to achieve specific development goals, it is imperative to bridge the technological divide to promote sustainable industrialisation and inclusive growth across the developing world.

Despite recent progress in access to technology, technological and innovation divides between countries and regions persist. Around 70 per cent of R&D spending worldwide, still takes place in developed countries. Disparities in scientific capacity and STI development levels between developed and developing countries remain significant.

Developing countries are still facing many obstacles, particularly with regard to access to finance, capacity building and training throughout different stages of the technology life cycle, from research to development, demonstration, market formation, and eventual diffusion in the market place. An effective technology innovation system is one that excels in each stage and seamlessly bridges the gaps between them. In such a system, capacity-building, finance and technology transfer can play an important role in all stages.

As we stress the need for a 'transformational' change in the framework of SDGs and the post-2015 development agenda, it is difficult to envisage how it could take place without a break-through in international cooperation in the field of technology transfer. There is an urgent need for a technology mechanism that can accelerate technology transfer and diffusion on a global scale which commensurates with the sustainable development challenge.

The Rio+20 Outcome Document recognised technology as one of the key 'means of implementation' along with finance, capacity building and trade. It called for exploring options for a facilitation mechanism that promotes the development, transfer and dissemination of clean and environmentally sound technologies, taking into account existing models. The process to establish such a mechanism is an integral part of the Rio+20 package, a third stream that complements the other two streams on SDGs and finance. For this purpose the Secretary General issued two reports, and four workshops held earlier in 2013 provided an opportunity for in-depth discussions. They validated the analysis contained in the first report by the Secretary General recommending the establishment of an open-ended intergovernmental working group to decide on the modalities and organisation of a UN global technology facilitation mechanism, and they emphasised the view that a comprehensive approach is needed.

The Group notes with satisfaction that it has been decided recently that efforts will continue to advance the initiative further by holding four structural dialogues during the current GA session, to focus on considering the possible arrangements, as well as the possible modalities and organisation for such a mechanism. A summary of the discussions and recommendations will be submitted by the President of GA to the 68th session, for consideration and action at the 69th session with the aim of reaching a conclusion in this regard. To this end, we call on the General Assembly to develop the format and modalities for this technology facilitation mechanism.

The full potential of Science, technology and innovation, knowledge-sharing and capacity building for poverty eradication and sustainable development will be best harnessed by building coherent enabling legal, policy, financial and institutional frameworks at the national, regional and international levels. In this regard, the Group believes that in addition to linking the means of implementation to each SDG, STI must be an integral part of the over post-2015 development framework. Such an inclusion is important in addressing efforts needed at all levels in order to increase innovation capacities, technology transfer and scientific capacity building in developing countries.

Lastly, the Group of 77 and China underscores that capacity-building is a cross-cutting issue in the field of sustainable development. We call for the continued implementation of the Bali Strategic Plan for Technology Support and Capacity-building, as endorsed by the General Assembly.

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For more information, please contact Vicente Paolo Yu of the South Centre: Email yu@southcentre.int, or telephone +41 22 791 80 50.