

Domestic resource mobilisation within a future global partnership for development

UN General Assembly side event proposal (draft)

Proposal by the Governments of Indonesia, Nigeria and the United Kingdom.
24 June 2013

This document contains a proposal for a high-level side event to be held in New York to coincide with the 68th session of the UN General Assembly (23-27 September 2013).

This draft was submitted by the UK Permanent Mission to the United Nations on behalf of Indonesia, Nigeria and the UK. It is shared with interested stakeholders [for information](#).

Particular attention is drawn to the scope for synergies with the President of the General Assembly's Special Event on the MDGs (25 September).

I. Background

The Global Partnership for Effective Development Co-operation brings together over 160 governments and 45 organisations to help stakeholders work better together to eradicate poverty. It was born from the Busan High Level Forum on Aid Effectiveness (Korea, 2011) and offers a political platform to advance international efforts towards better co-operation for development.

In 2014, ministers and high-level representatives from international organisations, civil society, the private sector and others will come together for the first inclusive, high-level meeting of the Global Partnership. Its ministerial Co-chairs – Armida Alisjahbana (Indonesia), Justine Greening (United Kingdom) and Ngozi Okonjo-Iweala (Nigeria) – are leading broad consultations and preparations in advance of this major gathering.

Domestic resource mobilisation has been identified as one of the top priorities for action at the first Global Partnership ministerial.

While tax systems in many developing countries have been improved in recent years, challenges remain. Evidence suggests that half of all sub-Saharan Africa countries mobilise less than 17 per cent of their GDP in tax revenues – a level deemed by the United Nations to be insufficient to achieve the Millennium Development Goals.² Organisational capacity and political will are among some of the constraints that developing countries face in growing domestic revenue. The transfer pricing practices of multinational firms can result in particularly important losses for developing countries. For some, dependence on natural resources such as oil means that current government revenues will not be sustainable over time unless alternative approaches are identified.

Illicit flows also present an important challenge for the international community. In 2007, international estimates suggested that between USD 20 and 40 billion of funds had been looted by corrupt leaders in low-income countries and kept in safe havens abroad.⁴ While a number of conventions and initiatives are in place to tackle illicit flows, more needs to be done to track, investigate and return illegal assets to developing countries.

“Working together, in and through domestic and international institutions, governments could bring about a swift reduction in corruption, money laundering, tax evasion and aggressive avoidance, hidden ownership of assets, and the illicit trade in drugs and arms. They must commit themselves to doing so.”

- Report of the High-Level Panel of Eminent Persons on the Post-2015 development Agenda.³

“A post-2015 framework will need to help countries on a path to self-sufficiency as well as reaffirm commitments on aid volumes and quality. Critical to this are developing countries’ efforts to raise taxes – including in fragile states. We all need to work in a myriad of ways to reduce “leakages” both internationally and in our own countries.”

- Armida Alisjahbana, Justine Greening and Ngozi Okonjo-Iweala, Open letter to the UN Secretary-General’s High Level Panel on the post 2015 development agenda.¹

The Global Partnership for Effective Development Co-operation is exploring how development co-operation can be scaled up, deepened and improved in quality to address these challenges. As an inclusive, multi-stakeholder political alliance, it has the potential to stimulate action where it is most needed, and generate lessons for the future.

Further information on the Global Partnership, its Co-chairs, and the work of its 18-member Steering Committee can be found online at www.effectivecooperation.org.

II. Objectives of this event

The aims of this high-level side event are threefold:

- **Raise awareness of key challenges** to domestic resource mobilisation in developing countries, and build political support for a forward-looking agenda for international co-operation to strengthen developing countries' efforts in this area.
- **Engage a broad range of stakeholders in a debate** on how better co-operation for domestic resource mobilisation might feature as part of the post-2015 United Nations development agenda.
- **Set the scene for inclusive and action-oriented discussions** on this topic at the first ministerial-level meeting of the Global Partnership (early 2014).

III. Format and participation

Ministers Armida Alisjahbana (Indonesia), Justine Greening (United Kingdom) and Ngozi Okonjo-Iweala (Nigeria) will lead this event in their capacities as Co-Chairs of the Global Partnership for Effective Development Co-operation. (Proposed duration: 1.5 hours).

The three ministers are keen to invite high level participation in the discussion, including roles for a limited number of heads of state or government. The event should be timed to maximise synergies with the Special Event on the Millennium Development Goals, preferably immediately prior (25 September 2013). In this way, the discussion should both invite reflection on the thematic issues described above in the context of a global partnership for development, as well as providing an input to broader debate on the shape and nature of a future, renewed global partnership to implement a post-2015 framework.

Three or four fast-paced, interactive and inspiring presentations by leading figures are expected to help set the scene for open discussion and debate among participants. Speakers could include current or former heads of state, ministers and high-level officials, civil society or business leaders.

Questions that participants could explore include: what is needed to make illicit flows a challenge of the past? How can the international community target aid and other forms of support in ways that help developing countries raise their own revenues, thereby making aid dependency a thing of the past? How might the pioneering work of the Global Partnership for Effective Development Co-operation support the design and implementation of the post-2015 development framework in this area?

This event is open to all interested stakeholders (subject to logistical / venue constraints – to be determined in due course), with anticipated participation of 80-150 people.

¹ Full text of the Open Letter by the Global Partnership Co-Chairs available at <http://www.effectivecooperation.org/files/Letter%20from%20the%20Co-chairs%20on%20monitoring.pdf>

² UNDP (2010), *What will it take to achieve the Millennium Development Goals? An international assessment*.

³ United Nations (2013), *A new global partnership: Eradicate poverty and transform economies through sustainable development*, The Report of the High-Level Panel of Eminent Persons on the post-2015 Development Agenda, May 2013.

⁴ UNODC / World Bank (2007), *Stolen Asset Recovery (StAR) Initiative: Challenges, Opportunities and Action Plan*, IBRD / The World Bank, Washington D.C.