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Parliamentary Meeting on the Occasion on the First High-Level Meeting of the GPEDC 14 April, 2014 Mexico City, Mexico

Opening remarks by the IPU Secretary General, Mr. Anders B. Johnsson

Thank you, Senator Rojas, for your kind hospitality, and welcome to all,

As we know, Busan expanded the focus on aid effectiveness to other “beyond aid” issues that can help developing countries raise their own resources for development or attract other kinds of development cooperation flows. Among other things, it called for a closer involvement of the private sector as a development actor.

This is all good, but it is important that as we review progress on the commitments of 2011 we keep in mind the larger perspective and not just look at the numbers in the various monitoring reports.

Let me start with aid.

Even though, globally, aid is becoming a smaller share of development cooperation, very clearly it remains pivotal not only because it can help support the public sector, where private sector funding would not normally play a role, but also because the processes of aid coordination, planning and implementation are in themselves catalytic of other flows of development cooperation. I suppose one reason why many of the progress indicators of the Global Partnership are still aid-related is precisely because the aid effectiveness agenda remains unfinished. Fixing aid will help us fix many other things that are broken in development cooperation.

We hear a lot today about the changing geography of poverty, with more of the poor living in middle income countries, but we need to remember that the least developed countries, some 49 of them, are still in dire need and that aid is critical to them. There are countries represented in this room where up to half of the national budget comes from donors.

This is not to say they should remain aid dependent: no one wants that - or should want that. But it is simply to say that as long as aid matters, donors, both public and private, must maintain their commitments, and all partners must finally get their act together to make sure that aid actually produces development results and benefits those for whom it was intended.

A long list of things is needed to accomplish that, but for us a key step is a strong national aid policy that clearly outlines how global aid commitments will be localized in countries, and with clear roles assigned to both providers and recipients. Parliaments must be involved in fashioning these policies and in their final adoption so that they can exercise oversight of those commitments. Unfortunately, progress in this area is almost non-existent, as the latest data indicate.

There is definitely a catalytic role for aid to attract other flows of development cooperation, including from the private sector, though the risks with that must be managed carefully. But let's be clear: an increasing focus here should be on building the capacities of governance institutions and of the public

sector so that they can manage all flows of development cooperation, including domestic resources like taxes, more effectively.

The basic challenge when it comes to reforming the tax system is to ensure that all pay their fair share, and that public expenditures do not overlook the poor and most marginalized in the economy and in society as a whole. People and entrepreneurs must trust the system to deliver to them fairly, and free of corruption, for the virtuous cycle of tax compliance and increasing public investments to take hold.

Accomplishing all this, once again, will require massive investments in building the capacities of parliaments and related bodies, such as independent budget offices and auditor generals, to perform their legislative and oversight roles, as well as to become more representative of all constituencies, including of course women. It is disappointing that in the last two years since the birth of the global partnership parliamentary strengthening does not yet get the priority it deserves.

Again looking at this whole issue in perspective, let's not forget that what will really get developing countries on their feet is not just more or better aid, an expanded tax base, more effective legal frameworks for the extractive industries, and so forth. At the end of the day, none of that will matter without deep reforms in global economic governance, beginning of course with the trade and investment regime that is still fundamentally stacked against the developing countries. There are huge questions of policy coherence that must be addressed so that what developing countries receive with one hand is not taken away from them with the other.

Another important caveat in the discussions we will hear tomorrow and the day after, is that many proposals that could make a fantastic difference in terms of generating more funding for development cooperation, particularly from the private sector, continue to languish on the drawing board at the UN, the G20 or other centers of economic decision-making.

The best example of this is the international tax on financial transactions. After years of talks, there is no commitment yet to institute such a tax at the global level even though it is technically feasible, it would help cool off an overheated financial sector, and could generate hundreds of billions more for development every year.

Friends,

Together with our partners at AWEPA, IPU has been working to insert the voice of parliaments into this debate for several years now, and we have succeeded to a considerable extent. From Paris to Accra and then Busan, there has been an increasing acknowledgement of the role of parliaments with regard to ensuring country ownership and accountability of development cooperation. Yet there is still a huge gap between statements of principle and actual practice.

We will hear a lot in the coming days about "a mixed picture" and "some progress" taking place, but we must remember that only some of the commitments made in Busan are being monitored systematically at the global level. What we need to get a full picture of development cooperation is for more extensive and inclusive monitoring to take place at the country level, which is really where the rubber hits the road. The whole global partnership will need to get deeper at the country level if it is to make a real difference.

And this is partly why we are here today: to hear from you what is actually taking place where it matters most, and to send a clear message to the high level meeting that your concerns must be heard.

Thank you.