

First High-Level Meeting of the Global Partnership for Effective Development Co-operation: Building towards an Inclusive Post-2015 Development Agenda

(Third Draft of the Mexico HLM Communiqué, 1 April 2014)

- I. **The Global Partnership for Effective Development Cooperation and the implementation of the Post-2015 Development Agenda**
 1. We, Ministers and leading representatives of developing and developed countries, multilateral, regional and bilateral development and financial institutions, parliaments, local authorities, private sector entities, philanthropic foundations and civil society organizations, met in Mexico City on 15-16 April 2014, in a spirit of full inclusion and solidarity, for the First High Level Meeting of the Global Partnership for Effective Development Cooperation (GPEDC), to build upon the shared principles, common goals, and differential commitments that unite us in our collective pursuit of inclusive and sustainable development worldwide.
 2. Global development is at a critical juncture. Despite progress on the MDGs, poverty and inequality, in their multiple dimensions and across all regions, remain the central challenges. Slow and uneven global economic growth, insecurity in supplies of food, water and energy, lack of quality education and decent work for all, and instances of conflict, fragility and vulnerability to economic shocks, natural disasters, and health pandemics are also pressing concerns in many areas of the world. Managing climate change and the global commons add further complexity to our global agenda. At the same time, the possibilities for human development are immense and we have at our disposal the means to end poverty at global scale in the course of one generation. But to achieve this, we must muster our political will for bold and sustained action for shared development, improved gender equality, and the promotion and protection of human rights, including the right to development.
 3. As the United Nations works to design a unified and universal agenda for inclusive and sustainable development post 2015, to be implemented decisively, the GPEDC will seek to advance efforts to bring about more effective development cooperation, with poverty eradication at its core, as part of the “how” of the implementation of this new global agenda. With this purpose, we pledge to work in synergy and cooperation with others, such as the United Nations Development Cooperation Forum.
 4. Critically, the GPEDC is committed to implementing a paradigm shift from aid effectiveness to effective development cooperation, sustained by the systematic use of the catalyzing effect of ODA, as the main source of international development assistance, in order to better support the long-term and broad

developmental impact of a strengthened mobilization of domestic resources and the convergence of efforts of all public and private development stakeholders at all levels.

5. With this conviction, we undertake to fulfill all our quantitative and qualitative commitments in support of financing for inclusive and sustainable development, particularly those agreed in the Monterrey Consensus and its follow up and at the United Nations Conferences on the Least Developed Countries, especially regarding ODA. Upon this foundation, we reaffirm our determination, as articulated at the Busan High Level Forum on Aid Effectiveness, to generate tangible results and opportunities for all and secure a sustainable future that leaves no one behind.
6. We recognize and embrace the diversity of roles that all stakeholders in cooperation can play to support development on the basis of common goals and shared principles. In this context, we encourage increased efforts to support effective development cooperation based on our specific country situations. We also reaffirm that the nature, modalities and responsibilities that apply to South-South cooperation differ from those that apply to North-South cooperation. The principles, commitments, actions and working arrangements agreed in this Communiqué of the First High-Level Meeting of the GPEDC shall be the reference for South-South partners on a voluntary basis.

II. Concrete actions towards inclusive and sustainable development results

II.A. Progress since Busan and inclusive development

7. North-South cooperation plays a distinctive role in the fulfillment of the commitments undertaken at the Busan High Level Forum on Aid Effectiveness in 2011. These commitments built upon the 2008 Accra Agenda for Action, the 2005 Paris Declaration on Aid Effectiveness, and the 2003 Rome Declaration on Harmonization. We welcome the valuable information provided by the GPEDC global monitoring report on the implementation of these commitments with the support of 46 countries that volunteered to participate in the exercise, as well as the additional data provided by other relevant national reports and by entities such as the post-Busan Building Blocks. Based upon this information, we recognize the progress made in upholding the Busan principles of country ownership, focus on results, inclusiveness, and transparency and mutual accountability. However, we also recognize that many more efforts and behavioral changes are required to fully implement these commitments. The unfinished aid effectiveness agenda remains a critical concern. Thus, with renewed political will and sense of urgency, we commit to expeditiously address identified shortcomings and bottlenecks through sustained concrete actions. As we move forward, we underline the following:

Ownership of development priorities by developing countries

8. We acknowledge the actions undertaken in both donor and recipient countries as well as by multilateral institutions to ensure that ODA is aligned to national priorities and strategies and tailored to country-specific situations and needs. We encourage recipient countries to continue promoting domestic reform and development agendas that contribute to the social and economic wellbeing of citizens and encourage donors to fully support these efforts.

9. In this context, we agree to strengthen our actions to continue enhancing country ownership and leadership by aligning and tailoring aid to the national development agenda and context. In particular, we agree to invigorate efforts to strengthen and use country systems as the default option, promote assessment and dialogue on where use is appropriate, consider budget support in the appropriate mixture of delivery instruments, continue untying aid as much as possible, enhance the localization of development cooperation, including by promoting local procurement, and support partner countries' ambitions to better coordinate, assess and manage the plurality of aid.
10. Also, in accordance to the priorities and policies set out by recipient countries, we will continue avoiding aid fragmentation pursuing division of labor under country leadership, strengthening joint programming, taking actions and improving coordination to address the challenge of potentially under-aided countries, making better use of multilateral institutions and pooled funding facilities, and, on a priority basis, ensuring the predictability of ODA flows in line with the commitments undertaken in Paris, Accra and Busan. In this context, we encourage all providers of development assistance to actively participate in country-led coordination mechanisms.

Focus on results

11. We recognize and encourage the broadening and strengthening of the initiatives, operational policies and instruments undertaken for improving country results frameworks in order to better manage, monitor, evaluate and communicate progress, and thus to provide a solid platform to promote scaling up of support, strengthening national capacities and leveraging additional resources and initiatives in support of the maximization and sustainability of development results and impacts, in accordance with the priorities and policies set out by recipient countries.

Inclusive partnerships and development

12. We encourage continued progress in ensuring that all stakeholders and voices are duly acknowledged and the necessary space is given and expanded to enhance inclusive and democratic ownership of the development agenda, including through women's empowerment, in the spirit of openness, trust, and mutual respect and learning from the different and complementary roles of all development partners.
13. We encourage strengthening the critical role of parliaments in linking citizens with government, laying down the legislative framework for effective development cooperation, including norms to channel private sector investments and revenue toward inclusive and sustainable development, and overseeing development cooperation processes and action plans.
14. We also encourage providing further support to local governments to enable them to assume more fully their roles in policy making, service delivery and in enhancing participation, transparency and accountability at the subnational level, including through decentralization, capacity building, access to data, legal protection and international cooperation.
15. Civil society organizations (CSOs) play an important role in enabling people to claim their rights, in shaping development policies and partnerships, and in overseeing their implementation. In this regard, we encourage the establishment

of inclusive multi-stakeholder dialogue mechanisms at country level, which maximize the contributions of CSOs to effective development cooperation.

16. We recognize that the private sector is an important actor in development cooperation in partnership with the public sector and other stakeholders, as underlined in section II.E of this Communiqué.
17. We acknowledge the added value that philanthropic foundations bring to development cooperation. In particular, we welcome the voluntary Guidelines for Effective Philanthropic Engagement developed in conjunction with the OECD network of Foundations Working for Development and encourage continuous multi-stakeholder dialogue and cooperation to foster their implementation and follow up.

Transparency and accountability to each other

18. We acknowledge global progress made towards increased transparency and accountability, as more providers of cooperation are improving the availability of information on the scope and results and impacts of their cooperation actions and budgets, including through efforts to implement the common standard by 2015, taking into account the statistical reporting systems of the OECD-DAC and the complementary efforts of the International Aid Transparency Initiative. To ensure that the gains made on transparency at the global level translate into real benefits at country level, we encourage accelerated efforts to fulfill the commitments made in Paris, Accra and Busan in terms of timeliness, comprehensiveness, comparability, accessibility, usability and forward-looking nature of information, taking particular note to improve quality and thereby greater use of information, as critical steps toward enhanced mutual accountability.

Supporting transition to resilience of fragile and conflict-affected states

19. We reaffirm the priority and urgency of supporting fragile and conflict-affected states in their transition out of fragility and towards resilience and the centrality of peace to sustainable development, including in the context of the Post-2015 Development Agenda. Those of us who have endorsed the New Deal developed by the International Dialogue on Peacebuilding and Statebuilding and the g7+ group, will continue to fully implement our agreed commitments. To this end, we will set clear benchmarks and make concrete plans for cooperation delivery, ensure the fulfillment of both the FOCUS and TRUST principles. We collectively commit to address the challenges to improve the effectiveness and results of ODA going to the poorest fragile states. In addition, we will redouble our efforts to ensure that all development cooperation serves to reinforce stability and address the drivers of conflict. We recognize that such efforts will require additional support to the areas prioritized by the Peacebuilding and Statebuilding Goals as determined by context-specific assessments that include the voices of communities and civil society.

II.B. Domestic resources mobilization

20. We recognize the critical challenge of ensuring the adequate mobilization of public and private domestic resources to support development. Adequate mobilization of government revenues is required for direct financing and for leveraging private funds for investments in public services and social protection, institutional and human development, basic infrastructure, and strong and inclusive economic growth.

21. We undertake to support the strengthening of taxation systems sustained by a broader tax base and a progressive structure that is fair and just, in line with international standards of tax good governance. We reaffirm our commitment to combating corruption, money laundering, and illicit flows, including by the return of stolen assets and the reinforcement of the implementation of the UN Convention against Corruption and other agreements to which we are party, such as the OECD Anti-Bribery Convention. We also welcome the OECD/G20 project on Base Erosion and Profit Shifting. Moreover, we acknowledge and further encourage efforts by countries, the UN Committee of Experts on International Cooperation in Tax Matters, and multilateral and bilateral institutions to enhance international cooperation and information exchange between countries on tax matters, and to provide expertise, technical assistance and capacity-building on fiscal matters as required by developing countries.
22. The strengthening and development of an inclusive domestic financial sector, affordable access of small and medium-sized enterprises, individuals and households to the full range and means of financial services, the reduction of transfer costs of migrant workers' remittances, the transition of individuals and firms into the formal economy, as well as the sustainable management of natural resources, are also key avenues to support inclusive economic growth and mobilize and channel domestic resources for development, which we undertake to actively support.

II.C. Middle Income Countries

23. Middle Income Countries (MICs) are categorized as such upon an indicator – income per capita–, which is limited in scope and does not capture the diversity and the complexity of the development challenges that these countries face, such as poverty, inequality, vulnerabilities to economic shocks, climate change and natural disasters, lack of innovation and competitiveness in dynamic economic sectors, risks of “middle-income trap”, and institutional weaknesses. MICs have the largest number of people in poverty in the world. Global development cooperation would not be effective if support to them were to be phased out solely upon the income per capita criteria.
24. We recognize the need to devise methodologies to better account for the complex and diverse realities of MICs and to provide an improved basis for flexible, targeted and differentiated strategies for effective development cooperation with MICs, based on their specific country situations and relevant sectorial and regional capacities, including through innovative finance mechanisms and the provision of loans and technical cooperation as well as grants where necessary, and bilateral ODA for those countries that still require so, in particular Lower-MICs, and we encourage concrete proposals from all stakeholders to address this challenge.
25. We stress that the support to MICs shall not be undertaken at the expense of the support provided to other categories of countries, such as Least Developed Countries, Small Island Developing States, and other low-income countries in Africa and other regions. Moreover, we highlight the need to explore ways and means to support soft transitions of countries from a lower-income to a higher-income category in order to ensure that eventual adjustments on concessional regimes and other development cooperation instruments do not hamper the development gains achieved by these countries.

26. As we recognize the increasing importance of MICs in the global economy and in addressing global, regional and cross-border challenges, we acknowledge the dual role that some MICs are playing as both providers and recipients of development cooperation and underline the importance of supporting their valuable role in South-South cooperation and in triangular cooperation.

II.D. South-South Cooperation, Triangular Cooperation, and Knowledge Sharing

27. Southern partners are increasingly active in exchanging developmental experiences and in cooperating with other developing countries, especially through infrastructure and economic development, public services and social protection, resilience building, knowledge sharing, and regional cooperation and integration initiatives. We welcome the positive impact of these valuable demand-driven cooperation efforts and encourage their broadening and strengthening, in partnership with all development stakeholders, while recognizing that North-South cooperation is still the mainstream of international development cooperation and that South-South cooperation is not a substitute but a supplement to North-South cooperation. In this context, we welcome the initiatives undertaken by Southern partners to deepen the understanding of the nature and modalities of South-South cooperation and the ways and means to enhance its developmental impact as well as its synergies with the efforts of other development cooperation partners and modalities.
28. Triangular cooperation is an innovative way of inclusive partnering, which puts the role and will of the recipient countries at the core and provides an opportunity to bring together the diversity and richness of the experiences, lessons learned and different assets of Northern and Southern partners, as well as multilateral, regional and bilateral development and financial institutions, by maximizing, through well-supported cooperation schemes, the use of effective, locally owned solutions that are appropriate to specific country contexts. We encourage the deployment of triangular cooperation initiatives, both at strategic and project level, which optimally draw on the respective advantages of all development partners in accordance to the priorities and policies set out by recipient countries.
29. We recognize the importance of country-led knowledge sharing for development effectiveness, especially considering its valuable contribution to the enhancement of national and local capacities. Knowledge sharing can involve North-South, South-North, South-South and triangular and regional approaches including the engagement of public and private stakeholders and the valuable support of multilateral organizations. We encourage the development of networks for knowledge exchange, peer learning and coordination among all development partners. In this context, we encourage the active promotion of voluntary technology transfer, on mutually agreed terms and conditions, and capacity building in support of developing country efforts to address inclusive and sustainable development challenges.
30. Critically, as agreed in the Bali High-Level Meeting on South-South Cooperation in July 2012, we will foster the sharing of knowledge and mutual learning through knowledge hubs by strengthening the capacity of country institutions to systematically engage in results-oriented knowledge sharing. In the future, this initiative is expected to promote more country led processes of knowledge sharing as well as the continuance of regular High Level Meeting on Country Led

Knowledge Hub.

II.E. Business as a Partner in Development

31. We recognize the important contribution of business to poverty eradication and sustainability through strong and inclusive economic growth, wealth and decent jobs creation, entrepreneurship, productivity and innovation, knowledge sharing and technology transfer, and expanded access to goods and services for all. In this context, we emphasize the critical importance of promoting an enabling business environment conducive to inclusive and sustainable development, through appropriate policy and regulatory frameworks.
32. We welcome the efforts made to strengthen and to put in place platforms and hubs for inclusive and structured multi-stakeholder dialogue on the broad range of public-private partnerships, with the aim of improving the alignment of business and development core objectives through the enhancement of shared value delivery along the breadth of the value chain, sustainable consumption and production patterns, and corporate social and environmental responsibility. We look forward to learning from the results and development impact of these efforts and to working together in their follow-up.
33. We encourage the development of innovative public-private finance mechanisms that appropriately share investment risks, maximize economic, social and environmental development impact next to financial returns, and enhance entrepreneurship and financial inclusion. We also encourage further efforts to scale up private financing for development in partnership with all stakeholders in strategic sectors such as agriculture, health, education, water, sanitation and infrastructure.
34. Small and medium-size enterprises play a critical role in achieving inclusive economic growth, creating decent jobs, and expanding access of the poor to finance, goods and services, particularly in developing countries. We emphasize the need to fully support these enterprises and enhance their development impact, including through adequate framework conditions, strengthened financial inclusion, technical cooperation and capacity building.

III. Working arrangements and evolving role of the GPEDC

35. We will convene every two years a High Level Meeting of the GPEDC to take stock on progress made and identify ways and means to further advance effective development cooperation. Our next High Level Meeting will take place in [...].
36. We will continue advancing our process under the leadership of a Steering Committee that is accountable to and representative of the different constituencies and reflects the multi-stakeholder and action-oriented nature of the GPEDC. The Steering Committee will continue to meet regularly. We look forward to its first meeting after Mexico on the eve of the UN Development Cooperation Forum in July 2014 in New York. With gratitude to the Steering Committee members stepping down, we congratulate our newly elected Co-chairs, and extend our warm welcome to all new members.
37. We welcome with appreciation Korea's initiative on hosting an annual workshop to take stock and bring together partners to review the implementation of the Busan commitments at country level, in order to support building up of evidence-based global high level political dialogue and commitment on effective development cooperation. We support calls for a data revolution for sustainable

- development to build capacity for quality data collection and statistical analysis to monitor progress and evaluate impact.
38. We agree to undertake a comprehensive, multi-stakeholder review of the global arrangements for monitoring and reporting on the fulfillment of the Busan commitments towards the end of 2015 or early 2016 with a view to assessing ways and means for their continuous improvement and their relevance to the upcoming Post-2015 Development Agenda.
 39. We thank the United Nations Development Program and the Organization for Economic Cooperation and Development for their support to the GPEDC and invite them to continue supporting its effective functioning. We will also explore ways and means for increased cooperation with regional organizations and platforms.
 40. Together, we undertake to make sure that the GPEDC continue to have a constructive and action-oriented role in international cooperation for development now and once a post-2015 framework is agreed. With this purpose, we entrust the Steering Committee with the responsibility of submitting the message and results of this First High-Level Meeting of the GPEDC to all convergent intergovernmental and multi-stakeholder processes, including the UN Development Cooperation Forum, the UN International Conference on Small Island Developing States, the International Conference on Financing for Development, and the UN deliberations to devise the Post 2015 Development Agenda.

ANNEX: Voluntary Initiatives at the GPEDC

The Annex on Voluntary Initiatives will provide a valuable platform to highlight important action-oriented efforts led by diverse stakeholders of the GPEDC and anchored in the HLM agenda. The guidelines for the presentation of such initiatives are the following:

1. *Announcements/Engagements/Pledges should not exceed 100 words and contain a short-description of the initiative, deliverables and expected outcome.*
2. *Please specify partners involved and ways for interested partners to get involved.*
3. *Please provide timeline for the deliverables till the next HLM post-Mexico.*
4. *If possible, please provide links to more information.*
5. *Please provide contact person.*

*Please note that the deadline for the presentation of such initiatives is **10 April 2014**.*