

## **Salamanca Conclusions on Equitable Development**

**March 20-21, 2014**

Taking into account the contributions that experts from the academia, representatives of governments, international institutions and civil society have made in the debate “Equitable Development” which took place in Salamanca (Spain), in the days 20 and 21 March, and with the aim of contributing to the reflection that the international community keeps on the development of the post-2015 agenda and the reform of the aid system, whose most immediate appointment is the High Level meeting of the Global Partnership for Effective Development Cooperation, to be held in Mexico in the month of April, the General Secretariat of International Cooperation for Development (SGCID), of the Government of Spain, formulates the following considerations:

- 1- The target of the cooperation for development is to improve the living conditions of the people who endure extreme lacks in the developing countries and to contribute to the generation of dignified and equitable societies, societies which offer progress opportunities to all its members. For this reason it is necessary to ensure the rights of the people and to eradicate poverty, but also to cope with the high levels of inequality existing, both at the international level and within individual countries. It is important, therefore, that the international development agenda considers this topic in all its dimensions appropriately and incorporates it into the relation of those targets that summon the international effort. An agenda that should be universal both in its objectives and indicators and in the involvement and commitment of the countries. And an agenda, in short, that addresses the challenges that entails environmental degradation as one of the cornerstones of the new commitment towards human, sustainable and inclusive development.
- 2- Without detriment to the priority that in the channeling of resources of the aid the poorest countries must have, countries of intermediate development still have specific needs that must be faced. Therefore, it is groundless that donors should continue in the process of withdrawal of support to middle-income countries. This is especially important if we bear in mind that these countries concentrate more than 70 % of the people who suffer poverty and exclusion of the world.
- 3- The exclusive or preferential use of per capita income as a criterion of eligibility or graduation of countries in their access to international support measures is clearly unsatisfactory. There are many limitations, weaknesses or vulnerabilities in some countries where there is not a clear or linear relationship with development and the per capita income. It is necessary, therefore, for donors to use a more complex, more complete and better adapted diagnosis to study the conditions of the countries and to take into account a more pluralistic consideration of factors in the process of allocation of aid. In fact, the donors can apply reliable criteria in the allocation of the aid without the need to create new classifications. This is why it is important that the attention of the international community moves toward the identification of those problems which deserve international attention, by selecting the countries that are affected by these problems and designing specific support measures to deal with them. Only in those cases where the problem is relevant and could require international coordination to tackle with it, considering the creation of new categories of countries would make sense.
- 4- MIC suffer major gaps in their capacity of mobilization of domestic and international resources, in addressing problems related to social deprivation of their populations and their country's development. In addition, these countries suffer from bottlenecks in their processes of change (the so-called middle-income traps) that affect, very specifically, the conditions of governance and social cohesion, financial inclusion and macroeconomic

stability, the transition to a sustainable energy model and the promotion of productive and technological change along with the creation of quality employment. All these bottlenecks can affect their processes of convergence towards higher levels of income and welfare. International cooperation can be a good mechanism to help mitigate these financial gaps and stimulate the overcoming of these bottlenecks, facilitating the sustainability of development processes in the affected countries.

- 5- The middle income countries require their own agenda, adapted to their own circumstances, and accompanied by a strategy of differentiated cooperation. In these cases, the relevant aspect of international cooperation is not so much the volume of resources transferred, as its strategic and selective nature, their potential for leverage and of mobilizing new resources and its ability to bring about a change in the framework of incentives for the development of the country. In particular, the international cooperation should support the efforts of the countries to promote social cohesion, the efforts to improve institutional quality, and to improve the access to the technological knowledge and strengthen their national systems of innovation and development and education and training of the people to move towards a development with equity.
- 6- Additionally, MIC are called for greater involvement and a more active role in the international agenda. International cooperation can help developing countries to achieve this goal. Particularly through the support of South-South cooperation, through the promotion of peer-to-peer cooperation at the regional level or through their more active participation in the provision of regional and global public goods. Meanwhile, changes in the rules and mechanisms of global governance should be supported, to ensure a better distribution of participation and development opportunities internationally.
- 7- Over the recent years, the international community has made significant progress in the fight against absolute poverty thanks to the Millennium Development Goals momentum. However, the way in which this phenomenon has been measured up to now is unsatisfactory. The definition of poverty lines based solely on money income limits the perception of a phenomenon that is essentially multidimensional. Therefore, it is high time to move towards its richer and more comprehensive understanding. In this regard, the progress made by UNDP along with some academic institutions in order to define a multidimensional poverty measure is very positive. This index should be incorporated in the new agenda post2015. Additionally, the international community should broaden the extension of its approach and consider not only the population living below the poverty line, but also those who, being above that threshold, have high levels of vulnerability.
- 8- The persistence of high levels of inequality, both internationally and within countries, entails a high cost in terms of growth, institutional strength, achievements in poverty eradication or well-being and social cohesion. Although there is a broad consensus on the need to achieve fuller equal opportunities within societies, there is a lack of agreement about the ways of measuring equality and the policies necessary to guarantee it. However, it is the task of public authorities to design policies that encourage progress towards more inclusive societies and promote social cohesion. Fiscal policy and the provision of accessible and quality social services are crucial in achieving that goal. Although there are discrepancies in the ways of dealing with vertical inequality, there is a broad consensus on the need to stop horizontal inequalities that prevail between different groups. Among them, the most relevant inequality, for its central role in shaping societies, is gender inequality. Ambitious and specific targets on gender should be integrated by the international community into its new agenda, but gender criteria must also be incorporate in every objective, establishing appropriate indicators for measuring and monitoring. In the same line, we should advance in the fight against other social segregation issues and the rise of horizontal inequalities, such as inequalities which are

born from different age strata, ethnic reasons, people's disabilities or the place of residence, among others.

- 9- The increasing heterogeneity of the developing world and also the emergence of new powers from the South provide an opportunity to build a more inclusive international cooperation system. The presence in development policy of new actors, in some cases involving the private sector, contributes to this process.) The fact that a growing part of the development agenda is shared, with common problems between developed and developing countries (such as the fight against environmental degradation, the youth unemployment or citizen insecurity, among others) extends the possibilities of erecting a system of cooperation based on more horizontal relations of collaboration between the countries, with a more plural presence of actors and with a wider and diversified agenda. The most efficient and equitable provision of international public goods (regional and global) should be present as one of the lines of action of the system based on horizontal cooperation relationships between countries, according to the principle of "common but differentiated responsibilities".
- 10- The governance mechanisms of the development cooperation system must be adapted to the new international reality. Both the *UN Development Cooperation Forum* and the *Global Partnership for Effective Development Cooperation* are initiatives along these lines. It is important for donor countries to support their efforts, consolidate their work dynamics and foster a closer relationship between the two bodies, in order to facilitate the coordination and the voice of all the agents in the cooperation system.