POLICY BRIEF AND PROPOSALS:
COMMON BUT DIFFERENTIATED RESPONSIBILITIES

INTERNATIONAL MOVEMENT ATD FOURTH WORLD

Introduction

The concept of Common But Differentiated Responsibilities (CBDR) was enshrined as Principle 7 of the Rio Declaration at the first Rio Earth Summit in 1992. The declaration states:

"In view of the different contributions to global environmental degradation, States have common but differentiated responsibilities. The developed countries acknowledge the responsibility that they bear in the international pursuit of sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command." Similar language exists in the Framework Convention on Climate Change; parties should act to protect the climate system "on the basis of equality and in accordance with their common but differentiated responsibilities and respective capabilities."

The principle holds that although all countries are responsible for the development of global society, each has a different set of capabilities that they can contribute to this project. The Stockholm declaration, for instance states that policy makers must consider, "the applicability of standards which are valid for the most advanced countries but which may be inappropriate and of unwarranted social cost for the developing countries." CBDR aims to take these differences into account when goals and benchmarks are applied to global development agendas. The logic is that if the expectations levied on countries are more appropriate to their national capabilities (social, economic, environmental, etc.), individual country efforts will more effectively complement each other.

Current Applications of CBDR:

Before laying out proposals that more effectively represent the CBDR principle in the context of the post-2015 agenda, it is important to explore the different ways the principle has been manifested in existing policies.

Environment

We have seen the clearest manifestation of CBDR under the environmental pillar of sustainable development. For example, the 1997 Kyoto Protocol made a distinction between proposed goals for developed and developing countries by requiring "**developed countries to reduce their emissions while developing countries only needed to report** their emissions." Certainly, this implication would shift the burden and responsibility to developed countries."[1] This manifestation of CBDR led to the agreement of developed countries to reduce their greenhouse gases (GHG) via a binding agreement. These countries now fall under **Annex 1 of the Kyoto Protocol and are committed to reducing the GHG emissions in compliance with certain pre-agreed targets.**

Poverty Eradication

In most existing literature, CBDR applies to poverty eradication by encouraging the countries with the highest rates of poverty to focus on this as their most pressing issue. Countries with lower rates of poverty—developed countries—can focus on areas such as securing aid, technology transfer, international partnerships, etc. to *assist* other countries in their poverty eradication efforts.

[1] Stakeholder Forum, *Common But Differentiated Responsibility at Rio+20*

Contact: Cristina Diez cristina.diez@atd-fourthworld.org

This differentiation is manifested via MDG 8 and MDG 1. LDCs and other developing countries argue that they have much more work to do in the area of poverty eradication while developed countries can accept that they have less. The **Monterrey Consensus calls for increased levels of ODA in accordance with commitments from Paragraph 42 of the Monterrey Consensus** reaffirming that "developed countries that have not done so to make concrete efforts towards the target **of 0.7 percent of gross national product** (GNP) as ODA to developing countries."

In *The Future We Want* outcome document **developed countries** are mentioned eight times. Themes covered in these paragraphs include: **technology gaps; strengthening human capacities and democratic institutions and technology transfer in Africa; ODA; and capacity building in general**. Although CBDR is not mentioned in any of the paragraphs along with the "developed countries" term, this focus on assistance-related responsibilities captures the principle of common but differentiated responsibilities when it comes to poverty eradication. As international policy stands, developing countries should *perform* eradication of poverty in their countries while developed countries should *assist* them in this process.

Financing

CBDR can be identified in the area of development financing most clearly in the Monterrey Consensus. In this document, the first clear responsibility that falls on developed countries is "**the objective of duty-free and quota free access"** to developed country markets for LDC exports. This is also measured in MDG 8 under target 8.B.

Paragraph 22 of the consensus also calls for "**appropriate institutions in source countries to increase their support for private foreign investment in infrastructure development and other priority areas".** This paragraph demonstrates that developed countries are expected to facilitate the flow of private capital to developing countries.

Importantly, paragraph 15 of the Millennium Declaration also calls on **industrialized countries to "implement the enhanced program of debt relief for the heavily indebted poor countries"**. Debt relief is thus an important aspect of developed countries' responsibilities in the area of development finance.

The main areas of responsibilities for developed countries, namely: the implementation of effective trade policy; the encouragement of foreign investment; debt relief; and increasing and improving the effectiveness of ODA. In contrast, the responsibilities of developing countries include cooperation with other developing countries, the liberalization of trade and, strengthening of national institutions. For example, one recurring call made of developing countries is their engagement in South-South cooperation aimed at capacity building in developing countries (par. 19 in Monterrey Consensus). Moreover, Paragraph 37 asks developing countries to reduce "trade barriers among themselves".

Paragraph 27 calls for the creation of institutions and policies that lead to trade liberalization in developing countries. Developing countries are expected to make sure that ODA is used effectively within their institutions to meet international goals and targets, as stated in paragraph 42 of the Monterrey Consensus.

There is a sharp contrast between the responsibilities of developing and developed countries in the area of development finance. With the exception of some calls for national trade policy reform, developed countries are expected to provide the means to lessen financial burdens on developing countries while developing countries are expected to demonstrate their own national financial sustainability.

Principle Analysis:

After demonstrating how responsibilities are differentiated between developed and developing countries, it is important to analyze the principle's ramifications and its implicit assumptions.

With respect to the environment, the greatest impacts of climate change are felt by developing countries[2], whilst the greatest per capita GHG emissions are concentrated in developed countries[3]. So, the principle holds that if developed countries have the highest rates of GHG emissions (which is representative of their contribution to climate change) and they have the greatest capacities to reduce their emissions, they should also take on the greatest brunt of the *performance* of climate change mitigation. This was the goal under the Kyoto Protocol's application of CBDR. However, it is important to remember that many countries in transition are now contributing significantly more to global emissions rates than before their transition. These countries should no longer have the same responsibilities as most developing countries, particularly with regards to GHG emissions.

With respect to poverty eradication CBDR has manifested itself in the expectation that developed countries provide assistance, while their share of performance-related work in the area of poverty eradication is effaced. Although developed countries may not have poverty under the $1.25/day measure (a measure that CSOs around the world reject[4]), many of the financial systems that they (along with developing countries with increasing spheres of influence) implement, and the trading agreements that they broker play key roles in the poverty level fluctuations among developing countries. The bulk of the *performance*-related work of developed countries should have fallen under MDG 8. However, due to the weakness in measurement of Target 8A and the general underperformance of the international community under MDG 8, CBDR was applied unequally in the area of poverty eradication.

Additionally, a full implementation of CBDR in the area of poverty eradication has not been possible because developed countries did not report on key indicators that could have shed more light on the nature of poverty within their own borders[5]. Without a doubt, the income-based measures of poverty specified in the MDGs were inapplicable for the national realities of developed countries. However, Target 1.A's indicator, *the poorest quintile's share in national income or consumption (percentage),* is a relative measure that could have demonstrated how the most excluded in the developed world fared during the MDG period. People living in poverty exist in developed countries - they may be materially better off than their counterparts in developing countries, but they experience the same kind of exclusion, barriers to services and denial of rights that all people living in poverty face. Insights on these populations would reveal potential areas for developed countries to take on performance-related work at the domestic level.

Developing countries should certainly focus on the continued performance of poverty eradication. With regards to this responsibility, MDG 1 would benefit from process-based indicators which are more likely to direct energy to the targeted populations. Within this goal, the participation of people living in poverty should be a priority for enhancing the effectiveness of development projects and the delivery of public services. Developing countries should continue to develop their national institutions and policies to address the many dimensions of poverty within their borders. Under CBDR, these responsibilities are largely already assigned to developing countries. The UN Guiding Principles on Extreme Poverty and Human Rights is an effective tool for both developed and developing countries to perform their respective responsibilities under poverty eradication.

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[2] Davies, Mark et al. "Climate Change Adaptation, Disaster Risk Reduction and Social Protection" *IDS Working Papers* 2009.320 (2009)
[3] http://hdr.undp.org/en/statistics/data/climatechange/shares/
[4] NGLS, *Advancing Regional Recommendations on the Post-2015 Development Agenda: A consultation with Civil Society.* p. 20 (2013)
[5] *UN Data,* http://data.un.org/Data.aspx?d=MDG&f=seriesRowID%3A585

In the area of finance, the principle of CBDR could be applied to enforce more emphatic reforms in the international systems that reproduce and entrench poverty in developing countries (as mentioned above with regards to MDG 8). However, the persistence of the *assistance* role for developed countries, and the weakening of CBDR, reduces the expectations of developed countries to development assistance. Paragraph 13 of the Millennium Declaration, brings forth a very specific statement holding that success in reaching the development goals depends **"on good governance at the international level, and on transparency in the financial, monetary, and trading systems."** Yet, the passage fails to attribute the responsibility of identifying, supporting and encouraging good governance to developed countries, or even developing countries with increasing spheres of influence. In addition, the MDGs make no mention of the role of IFIs and the responsibilities of member states to ensure their activity is in the best interest of national populace.

Furthermore, Paragraph 22 in the Monterrey Consensus encompasses a strong passage calling for more concrete measures whereby developed countries can help stimulate growth and investment in developing countries. However, these forceful sentences are not attributed to a particular group of countries, thereby weakening the strength of the call.

Before concluding, it is important to recognize that there are certain responsibilities that are common to developed, developing, and middle-income countries. For example, in order for investment capital to flow to developing countries, all three of these have to restructure their internal policies, "given each country's varying degree of national capacity[6]. Also, CBDR could be applied to the private sector, differentiating the expectations of small, medium, and large scale enterprises. This, however, was not discussed in this brief.

This analysis highlights that a weakened application of CBDR leads developed countries to focus on primarily assistance-related tasks while developing countries still maintain the burden of performance. The following recommendations will attempt to distribute the burden of performance by applying CBDR more fully.

Policy Proposals for the Effective Implementation of CBDR:

- In the spirit of the Kyoto Protocol, **strengthen the call for significant GHG emissions reductions among developed countries and countries in transition**
- In the spirit of paragraph 6 of the Millennium Declaration, **end the current habits of unsustainable consumption and production, particularly within developed countries**
- **Apply Multidimensional Poverty Indexes,** particularly those that are created through the participation of people living in poverty, to identify the different **aspects** of poverty within developed countries, and to fine-tune development programs in all countries
- Encourage **all countries** to report data on the **poorest quintile's share in national income or consumption,** and use it as a key measure of progress in poverty reduction in all countries
- **Include indicators to measure progress on target 8.A of the MDGs**. Bring the principles of MDG 8 to the forefront of the UN's sustainable development framework. Recognize people living in poverty as one of the potential partners in a "Global Partnership for Development"
- **Enforce par. 15 of the Millennium Declaration**: implement the enhanced programme of debt relief for the heavily indebted poor countries without further delay and to agree to cancel all official bilateral debts of those countries in return for their making demonstrable commitments to poverty reduction
- **Apply the UN Guiding Principles on Extreme Poverty and Human Rights**

[6] UN DESA, *Monterrey Consensus for Financing for Development.* Par. 25 (2002)

Contact: Cristina Diez cristina.diez@atd-fourthworld.org