

# SUSTAINABLE DEVELOPMENT GOALS



## The people's agenda

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Achieving safe sanitation, hygiene and water for all unlocks multiple benefits across the Sustainable Development Goals (SDGs).

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# The people's agenda

*The SDGs herald the start of 15 momentous years that have the potential to change our world and its people immeasurably for the better. With commitment and hard work, the opportunity is ours to grasp*

By **Ban Ki-moon**, Secretary-General, United Nations

In a world beset by so many challenges, problems and disputes, it is a sign of hope that world leaders came together in 2015 to adopt both the far-reaching 2030 Agenda for Sustainable Development and the ambitious Paris Agreement on Climate Change.

At the heart of the 2030 Agenda are the Sustainable Development Goals (SDGs): 17 bold yet achievable goals to end extreme poverty, fight inequality and build peaceful societies on a healthy planet.

The SDGs are the result of the most open consultation process in the history of the United Nations. Countless individuals, community organisations, businesses, scientists, academics and other partners worked with governments and the United Nations to define a vision for a better world and to outline what is needed to attain it. The result is truly the people's agenda.

The goals are universal: they apply to all countries, since we know that even the wealthiest have yet to conquer poverty and inequality, realise full gender equality or achieve environmental sustainability.

No one goal is more important than any other; they are integrated and mutually reinforcing. Access to sustainable energy will allow a child to study at night. This energy might come from a solar source, helping to tackle climate change. In turn, the solar panel industry might be helping a developing country grow its economy. Greater opportunity to study, in turn, can lead to better job opportunities and innovation.

One important cross-cutting element of the SDGs is the need to combat climate change. The subject of its own Goal 13, climate action is also directly or indirectly related to realising almost all the other goals. The adoption of the Paris Agreement in December 2015 sends a clear signal to markets and entrepreneurs that the transformation of the global economy to



***We will not reach the SDGs without renewed resolve to end today's conflicts and violence***

low-emission, climate-resilient growth is inevitable, beneficial and underway.

More than 185 countries have submitted national climate plans to reduce greenhouse gas emissions and strengthen resilience. The implementation of these climate plans will provide significant impetus towards reaching the SDGs.

The goals also have strong links to our efforts to foster international peace and security. It is in countries affected by conflict where so much human need resides. When hostilities start, so much else comes to a halt: schooling, vaccination campaigns, economic





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growth, development itself. We will not reach the SDGs without renewed resolve to end today's conflicts and violence.

At the same time, achieving the goals will help address the frustrations and grievances that can fuel instability. The new goals therefore aim to promote inclusive societies, access to justice, the full participation of women and accountable institutions. A sustainable world will be a safer world.

Making such dramatic improvements in the span of 15 years will be no small feat. Yet we know that global goal-setting works. The efforts to meet the Millennium Development Goals, adopted in 2000, improved the lives of hundreds of millions of people. Global poverty continues to decline; more people have access to improved sources of water; more children than ever are attending primary school; and targeted investments in fighting malaria, AIDS and tuberculosis have saved millions. But much more needs to be done, especially to reach the most marginalised and vulnerable, to

safeguard ecosystems and resources, and put our societies on a more sustainable footing.

The new agenda and goals embody a commitment to leave no one behind. They are for millennials and grandparents, city dwellers and rural communities, employers and employees, developed and developing countries alike. Transforming this agenda from a promise to concrete action will take high-energy, high-level political commitment. Institutions – starting with the United Nations – must adapt and rise to the challenge.

Many people joined in the process of articulating the SDGs. Many took to the streets and kept the heat on political leaders for climate action. With the SDG framework and a climate agreement now in hand, we need to keep these coalitions together and elicit effort from everyone, everywhere. The United Nations looks forward to working with people across the world to bring the goals to life, to transform our world and to build a future of dignity for all. That's the plan; that's the promise. Let's get to work! ●

▲ Secretary-General Ban Ki-moon visits Santa Rita, a rural indigenous community in Bolivia

# A new era for development

*Making the SDGs count will require global co-operation, public involvement and effective institutions that transcend the buzzwords of “partnerships”, “engagement” and “reform”*



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▲ On the island of Lesbos, Greece, a newly arrived refugee from Syria is carried by a volunteer, himself a former refugee. The UN's role in supporting refugees is one of the most visible reminders of why the UN is needed

By **Jeremy Greenstock**, Chairman, UNA-UK and **Natalie Samarasinghe**, Executive Director, UNA-UK

**T**he adoption of the Sustainable Development Goals (SDGs) and the Paris agreement on climate change in 2015 – a year marked by instability and violence – is testament to the UN's enduring ability to forge global solutions.

Since 1945, the UN has worked to realise the vision expressed in its Charter of “social progress and better standards of life in larger freedom”. Most people today live longer, healthier and freer lives. For all their flaws, the Millennium Development Goals (MDGs) were arguably the most successful anti-poverty initiative in history. Over

the past 15 years, the goals have served as a development blueprint, generating programmes and funding that have helped to lift over a billion people out of extreme poverty, fight hunger and boost health and education.

The extent to which the UN deserves credit for these developments is debated. But there are areas where its impact is obvious, in the targeted campaigns on maternal and infant health and on school enrolment for example. Less successful areas – such as gender equality and a fairer trade system – are invariably those that require greater political will and cultural compromise, and broader social and structural transformation.

As we embark on the SDGs, the context for progress is dramatically different from that of 2000. Today, we



are witnessing the fading effect of the UN's guiding principles in restraining nationalistic ambitions, as well as rising big power tensions and cross-border extremism. Recent conflicts have broken the 70-year downward trend in casualties and contributed to the biggest displacement crisis since records began.

Global economic power has shifted east and south, and financial volatility has triggered crises on all continents. Twenty years ago, 93 per cent of the world's poor lived in low-income countries. Now, the Institute of Development Studies reports that 72 per cent are in middle-income countries. This should generate a re-think in development assistance and trade/investment approaches.

Inequality has emerged as a key challenge. While the number of people in the working middle class (living on more than \$4 a day) almost tripled between 1991 and 2015, the gap between rich and poor has barely narrowed. This year, Oxfam reported that the world's richest 62 people own as much as the poorest 50 per cent. Many experts acknowledge that lifting the 'next billion' out of extreme poverty, and improving the lot of those who fall just outside that definition, will be much harder.

Aid – as a concept and practice – is increasingly challenged, driven by domestic pressures in donor countries, but also by calls for transparency and results by people in recipient countries. It is also a much smaller element of the funding mix, as foreign direct investment, remittances and portfolio equity flows have grown.

The impact of conflict, human rights abuses, poor governance and climate change on development is now more widely understood and accepted. This is clear from the range of issues covered by the SDGs.

The number of development actors, too, has increased. New institutions, regional organisations, companies and NGOs are now heavily involved in policy-making, delivery, financing and evaluation. In many environments, they are the leading actors.

And then there is the growing voice of the people, who are making themselves heard by taking to the streets, to social media and movements, and to the ballot box, where populist leaders are increasingly gaining ground.

This latest volume in UNA-UK's global development goals series brings together authors – from the UN, national governments, business, academia and civil society – to provide an appraisal of the SDGs and the context for achieving them, as well as evidence-based recommendations on implementation. From the range of issues covered, four themes emerge:

- This is a universal agenda – the goals require all countries, developed and developing, to undertake programmes within their own borders and to work together on major structural reforms, such as improvements to international financial and tax systems.

- This is a local agenda – targets need to be prioritised and adapted at the community level. This is a key lesson from the MDG period, during which gains on the ground were often delivered by small-scale NGOs that understood their beneficiaries and worked closely with them.
- This is a collective agenda – implementing the goals will require global cooperation on a scale and intensity that transcends traditional concepts of 'partnership'. The global mobilisation to tackle HIV/AIDS and CFCs are two examples of successful cross-sectoral collaboration.
- This is a people's agenda – civil society is more than NGOs. People must be involved in the design, delivery, monitoring and evaluation of the SDGs on an ongoing basis. This will improve effectiveness as well as accountability, and sufficient time, money and energy must be spent on facilitating meaningful participation.

What role should the UN play in this? The last two articles in this volume focus on institutional change and leadership. Both are vital to addressing the reforms needed, as well as the bigger question of whether the UN should move away from on-the-ground delivery over the next 15 years and focus on capacity building, advocacy and funding.

In this regard, the appointment of a new Secretary-General in 2016 offers opportunities. UNA-UK has played a leading role in *1 for 7 Billion* – the global campaign for a selection process that genuinely engages all UN member states and civil society.

International peace is invariably at the top of any Secretary-General's agenda, but this has been reinforced by the selection process, which has hitherto put the decision in the hands of the Security Council, guided by five rich military powers, instead of the wider UN membership that is more development-oriented. This time, broader involvement, including by civil society and the media, is likely to result in more emphasis on development, particularly in the first 'implementation' year of the SDGs.

A better selection process, along with a single term of office, could give the next post-holder a stronger mandate to deliver on these commitments, and free her or his hand in making high-quality appointments, particularly a Deputy Secretary-General who could focus on the development system.

Secretary-General Ban Ki-moon was instrumental in galvanising support for the SDGs. It is only fitting that his successor takes up the mantle by generating serious debate on the structural and operational changes needed at the UN to achieve them. ●

# Development re-imagined

*Achieving the SDGs will require a very different approach than for the MDGs – one that recognises the changing world we now inhabit, the interrelatedness of the goals, the growing importance of data and new sources of development finance*



© Reuters/Zohra Bensemra



By **Mahmoud Mohieldin**, Senior Vice President for the 2030 Development Agenda, United Nations Relations, and Partnerships, World Bank

**T**he Sustainable Development Goals (SDGs) are ambitious. They aim to meet the dual challenge of overcoming poverty and protecting the planet, while leaving no one behind. They will build on the experience acquired in pursuing the Millennium Development Goals (MDGs) and pick up the unfinished agenda. But the SDGs go further, highlighting a comprehensive vision of sustainable development that embraces economic, social and environmental dimensions.

The world we live in today is fundamentally different from the world we lived in when the MDGs were adopted. The world is more prosperous and the gravity of the global economy is shifting. In 2000, 41 per cent of the global population lived in low-income countries. Today this stands at a mere 12 per cent. Developing countries now account for a much larger share of global GDP, up from 22 per cent in 2000 to 41 per cent in 2014. The proportion of the world's population living in extreme poverty has fallen by more than half, from 28 per cent in 2000 to about 9.6 per cent (or approximately one in ten people) in 2015.

While highlighting definite progress, these numbers still mean that some 700 million people live on less than \$1.90 a day. At the same time, the world is at a demographic turning point, with the global population growing more slowly and ageing more rapidly. Globally, the working-age population peaked in 2012 and is now on a decline.<sup>1</sup>

### Major shifts

Trade, finance, communications and migration have all expanded rapidly, bringing the world closer together. Between 1990 and 2015, global merchandise trade grew 1.4 to 2.4 times as fast as the world economy, rising to the equivalent of around 60 per cent of

world GDP. Over the same period, financial flows – including foreign direct investment (FDI), official development assistance (ODA) and private capital – rose from about \$87 billion to \$1.3 trillion. The composition of financial flows has also undergone a major shift. In 1990, FDI was \$21 billion, less than half of ODA at \$53 billion. By 2014, FDI reached \$735 billion and was more than five times larger than ODA flows of \$135 billion.

However, in low-income countries and fragile and conflict-affected states, private inflows are limited and domestic resources constrained, with ODA continuing to play a critical role. Global communications have skyrocketed: for example, mobile subscriptions rose from five per million in 1980 to more than 90 for every 100 people today.<sup>2</sup> People are also on the move, with one billion international tourists in 2013, and 232 million international migrants (compared with 154 million in 1990).<sup>3</sup> Another 750 million people have migrated internally. In seeking to address many of the world's most difficult challenges, the SDGs reflect the unprecedented connectedness of the present age.

Global consumption is growing rapidly, especially in emerging-market economies, and it will be essential to promote patterns that are environmentally sustainable. On top of existing ecological challenges, the current trajectory of resource and energy-intensity of production, scaled to this future level of demand, show impacts that are unsustainable in terms of water, forests, fish, pollution and climate. The consuming class is benefiting greatly from new technologies, with information, applications and online services increasingly available at zero or extremely low cost. However, as emphasised in the SDGs, it will be paramount that emerging production and consumption patterns be increasingly environmentally and socially sustainable.

Climate change is bringing a warming world with more extreme weather events, and urgent mitigation, as well as adaptation, is required if development gains are to be preserved. The science on global warming caused by human activity is unequivocal, and the signs are clear. Of the 15 hottest years since record-keeping began 130 years ago, 14 occurred between 2000 and 2015. The focus of the SDGs on environmental sustainability

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◀ Life in the 'civil concord district' shantytown near Algiers. Algeria is one of 29 countries that have extreme data poverty – no data at all to measure poverty trends between 2002 and 2011

recognises that ending extreme poverty, securing broader development gains and lowering the risk of fragility and conflict will also depend on our ability to directly address our biggest climate challenges.

Finally, humanitarian crises stemming from pandemics, natural disasters, conflict and rising extremism have increased in frequency since the MDGs were put in place. Between 2000 and the end of 2014, a cumulative 59.5 million people had been forcibly displaced. Even though a small group of countries continue to share the heaviest burden, more than 160 countries hosted displaced people in 2014, indicating that the issue has indeed become a global concern. Consequently, crisis prevention

especially in light of the fact that the SDGs are more holistic in nature. Leveraging the interrelatedness of the SDGs can have far-reaching implications that support the attainment of several of them. For example, well-designed social assistance programmes can help families achieve goals in different areas, such as health, education and nutrition.

To better understand where our gaps, successes and failures are, there is a pressing need for better data to monitor progress, design effective policies and strengthen accountability and transparency. Collecting good data is one of the most powerful tools we have to meet the goals. Achieving better outcomes requires smart investments in evidence and thus better data. Without the

The 2030 Agenda will also require resource mobilisation on an unprecedented scale. While ODA is a cornerstone of development financing, July 2015's Third International Conference on Financing for Development in Addis Ababa made it clear that we must, to a much greater extent, include domestic resource mobilisation and private-sector resources.

The multilateral system and the multilateral development banks (MDBs) in particular have a responsibility to use their capital, knowledge and convening power to leverage the billions of grant and ODA funding to mobilise trillions from public and private sectors. Using ODA funds to attract private resources is especially important and feasible in sectors such as infrastructure. Reducing the private sector's risks and operational costs for development is critical. We must also help countries crack down on illicit flows, strengthen their tax systems, and better mobilise domestic resources. During just the first three years of the SDG period – 2016 to 2018 – the MDBs plan to provide financial support of well over \$400 billion.

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***Without the evidence and measurement that data makes possible, designing effective public policies and investments to improve the lives and future prospects of poor families is at best difficult and at worst impossible***

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and response has become an essential element of development and thus of the 2030 Agenda for Sustainable Development.

With these transformative changes and dynamics in mind, there are still relevant lessons to be learned from the MDG period that can assist with the attainment of the SDGs. Three of them are of particular importance: (i) if implementation is to be effective, it is important to recognise the interrelatedness of the goals and targets; (ii) data will be critical to monitoring our progress and targeting work to those areas that are most in need; and (iii) financing must go beyond the traditional ODA model and leverage the private sector while maximising the impact of domestic resources.

While the MDGs were expressed as sector-specific goals, their attainment often required actions not just in a given sector – say, health, in the case of infant mortality – but also actions that addressed other sectors as well, such as poverty, water and sanitation. Many SDGs are interrelated and an integrated approach to address bottlenecks to achieving them will be needed,

evidence and measurement that data makes possible, designing effective public policies and investments to improve the lives and future prospects of poor families is at best difficult and at worst impossible.

Recent studies show that 29 developing countries have no data at all to measure trends in poverty between 2002 and 2011. A further 28 developing countries have only one data point during the same period. The absence of household surveys from which this information is estimated is a major constraint in the fight to end extreme poverty, and a major effort is needed to address it. Indeed, the call for a data revolution warrants much attention.

One promising approach to stimulate such a revolution is to harness the so-called technology revolution. Advances in technology enable innovative and cost-effective methods based on mobile phones, mapping, sensors and satellite imagery. To use these advances to improve data for development requires new partnerships and collaboration between companies, institutions and civil society.

### **Ambitious agenda**

The 2030 Agenda operates in a different world than that of the MDGs. It requires a more holistic and universal approach that recognises the interrelatedness of the goals and targets, the importance of data in monitoring progress and in targeting interventions for maximum impact, as well as how to tap into the resources available. Achievement of this ambitious agenda will require partnerships across all stakeholders – governments, civil society organisations, development institutions and the private sector – to meet the far-reaching and transformative goals of ending poverty and protecting the planet while leaving no one behind. ●

- 1 World Bank Group and IMF, 2015, Global Monitoring Report 2015/2016: Development Goals in an Era of Demographic Change, Washington, DC, World Bank
- 2 Kose, A.M. and E.O. Ozturk, 2014, "A World of Change: Taking Stock of the Past Half Century", Finance and Development, IMF
- 3 UN, 2013, Trends in International Migrant Stock: Migrants by Destination and Origin, United Nations database: POP/DB/MIG/Stock/Rev.2013





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# Breaking the cycle of poverty

*The MDGs made substantial progress on reducing global poverty and inequality, but left much still to achieve. What lessons can the international community take forward to ensure that the new SDGs and their myriad targets become a reality?*

By **Richard Jolly**, Honorary Professor and Research Associate, Institute of Development Studies, University of Sussex

**T**he Sustainable Development Goals (SDGs) are universal: a recognition that sustainability and the eradication of poverty are challenges for all countries in all parts of the world. But if the challenges

are universal, so too are the lessons of experience, achievement and failures. A change of mindset will be needed – and some humility.

No longer will the more developed countries be able to dispense wisdom and instructions to poorer countries about what they ought to be doing. Now all countries are in it together; they must learn from

▲ A homeless encampment near LAX airport in Los Angeles, USA. The SDGs recognise that poverty is a universal scourge and one that developed countries have failed to remedy

each other what has worked and what has not.

A first lesson is that breaking the cycle of poverty is far from easy. Which of the richer countries have done it? Not the

UK, in spite of more than 200 years of growth and 'development'. Nor the US, France, Germany or Russia. Arguably Norway, Sweden and Finland *have* broken the cycle of poverty in their countries. So too, conceivably, has Japan, especially for its older citizens, with almost a third of the population now over 60.

A second lesson is that a diversity of interrelated actions is needed. Key elements involve: employment generation towards employment for all; universal education that leaves no one behind (and prepares every young person for useful work); universal

developing countries has fallen from about 23 per cent in 1990–92 to an estimate of less than 13 per cent today. Most of this progress has taken place since 2000.

These are encouraging statistics. Setting global goals can help provide focus and often commitment. And the fact that governments collectively agreed them at the UN is, by historical standards, an important achievement – a major advance over the nationalist focus of international rivalries in the centuries before the UN was created.

Nonetheless, some major changes are needed to break the cycle of poverty. First,

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***Internationally, the UN agencies, especially the country representatives of the UN funds and specialised agencies, will need to develop a new form of collaborative interaction with governments and civil society***

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health coverage; and strong and effective social services, able to respond to all with special needs (i.e. those who fail or slip along the way of life or have the bad luck to grow up in circumstances that fail to develop their capacities).

These actions must also encompass gender equity and an adequate system of pensions and care for older people. Humans do not live on bread alone; we need strong communities, not merely efficient government. Even to list these elements shows that they are a tall order – though a few countries have achieved enough of them to show that their realisation is possible.

How positive were the achievements of the Millennium Development Goals (MDGs), the path-breaking goals set at the Millennium Summit? The official 2015 UN MDG report has some encouraging statistics: worldwide, using the former extreme poverty line of \$1.25 a day, the proportion of people below it fell from nearly half in 1990 to an estimated 14 per cent in 2015, with numbers declining in that period from about 1.9 billion to an estimate of just under 850 million. And the proportion of undernourished people in

a-dollar-a-day measures of poverty are inadequate. We need multi-dimensional measures of poverty for defining the challenge, framing the required actions and monitoring progress. Second, the important progress reported on the MDGs for education and health, gender equality and child mortality must be built upon, but with a more integrated approach in all countries – developing and developed.

### **Shifting goals**

The SDGs go some way to meeting the inadequacies of the MDGs, especially because they are much more comprehensive. On the other hand, some commentators have criticised the SDGs for their very large number of goals and targets.

More important in my view is to recognise two virtuous elements of the process that gave rise to this number: first, the more than two-year process of consultation in countries, regions and globally that was involved in setting the goals and targets. This was probably the most all-embracing decision-making process ever undertaken by the UN. Second, the SDGs explicitly recognise that the process



of prioritisation and implementation must be decentralised to country level, with the involvement of civil society as well as governments in setting priorities and carrying them forward.

There must also be periodic reviews and reporting – nationally, regionally and internationally. Although this obviously adds many complications to the way forward, these complications are required if the goals are to be more than a top-down effort and instead be genuinely and politically transformative.

The SDGs themselves involve some contradictions in this vision. As Jan Vandemoortele, one of the architects of the MDGs, has shown, the new goals shift between eradicating poverty and reducing it. And the links with the reduction of inequality





democratic countries, especially those run by kleptocratic elites, and in dictatorships, the task will be almost impossible. But that is the nature of the situation. The most the international community can usually do is to substantially weaken the political and economic props that help such governments to remain in power and leave it to civil society to press for fundamental changes. This is neither easy nor without risks.

There are, however, three actions that the UN can and should take. First, globally, regionally and in all countries, the UN can report on progress, or lack of it, thereby strengthening awareness of country progress towards the SDGs. Second, the UN has in all countries – and regions – convening power to bring groups together. It can marshal representatives of government and civil society to review achievements, mobilise action and sustain progress, with special attention on the experiences of success. Third, the UN can provide a variety of forms of direct support: for action, monitoring and sharing experiences of what has worked in other places.

Such UN activities are relevant everywhere – even in countries where and when political support seems lacking. Where there are strong and competent governments, the UN can help to make and strengthen connections between national decision-making and monitoring, and the regional and international bodies involved in mobilising for sustainability – and monitoring progress towards these.

For poorer countries, especially least-developed, landlocked and small island states, resources from donor countries can play an essential part in supporting the governments, as well as the UN agencies active in these countries. International non-governmental organisations also have a role as partners with national civil society organisations. They can provide support and encouragement for national civil society groups, sometimes with experience in mobilising action for policy change and more rapid implementation.

The SDGs and their decentralised agenda for country-level action raises new challenges for all countries, but the prize for humanity is great. ●

– now widely recognised to be an integral component of long-term, sustainable poverty reduction – are only vaguely treated in Goal 10. All these issues must be pursued, country by country, in the process of setting priorities and implementing them.

Are governments ready for these next steps? And will civil society – or rather civil societies and the great variety of non-governmental organisations and people that comprise them – be ready to take up the tasks laid out in the SDGs? Certainly, this is the greatest challenge, as the onus shifts from the top-down process of the MDGs to one where the UN needs to engage with governments and civil society in initiating a much longer process to define long-term priorities, decide on the next steps and get priority actions underway.

▲ Migrant workers in Jiaxing, China. China's massive economic growth over the last two decades lifted many out of poverty. However, it also created huge inequalities that must be addressed if further progress is to be made

Internationally, UN agencies, especially the country representatives of the UN funds and specialised agencies, will need to develop a new form of collaborative interaction with governments and civil society. For some agencies, this will not be totally new but the breadth of the challenge will require new flexibilities and new responses – difficult at a time of scarce UN resources and more limited core funding. In committed and democratic developing countries, the new tasks are feasible, especially in countries where governments have adopted and adapted the SDGs as part of their national policy. In less

# Grassroots solutions

*The most powerful tools to fight poverty and inequality often come from the poor and marginalised themselves*

By **Ela Bhatt**, Founder of the Self-Employed Women's Association of India; member of The Elders

In adopting the Sustainable Development Goals (SDGs), countries around the world have agreed to an agenda to end poverty and promote sustainable growth. When over 800 million people around the world live in extreme poverty, a collective declaration of intent to “leave no one behind” is heartening. Over the next 15 years, the success of these admirable goals will largely depend on people – and the degree to which they are the agents, as well as the beneficiaries, of change. Without the full participation of the poor and the marginalised in both creating and maintaining sustainable systems, it will be difficult to achieve these goals.

Much will depend on the extent to which grassroots movements adopt and adapt the goals within their local communities in their respective countries. It is vital that civil society and grassroots movements are in full partnership with their governments to ensure that nobody gets left behind. It is only when the voices of the poor and vulnerable, who have a stake in shaping their future, are heard and heeded that development can become sustainable.

India's progress towards meeting the Millennium Development Goals (MDGs) has been highlighted by the United Nations. After 15 years of the MDGs, India was praised for meeting Goal 1 (eradicating extreme hunger and poverty) by halving the levels of poverty in comparison to 1990. At the same time, it was noted that India's development has been uneven and not nationwide. In rural parts of the country, poverty levels are twice those of urban

areas, and even higher in groups excluded from mainstream society. Uneven growth means that there is still inequality of power and resources, as well as oppression and exploitation of the weak and vulnerable.

To my mind, success that comes at the expense of another – be it of an individual or the environment – is neither sustainable nor development.

Poverty, to me, is a form of violence. It is a type of violence that is perpetrated with the consent of society. Where there is poverty, there is disrespect for human dignity and disregard for the value of human labour. Poverty, in my experience, is a symptom of imbalance not only in the economic structure but also in the social structure. To ensure poverty's eradication, both structures must be addressed simultaneously.

## Empowering women

I founded the Self-Employed Women's Association (SEWA) in India in 1972. It is a labour union of self-employed working poor: women who are workers, producers and risk-taking entrepreneurs at the lowest strata of society, and who are usually lumped together and categorised as the ‘informal sector’. SEWA began by looking at what poor women contributed to the nation's economy, and what they received from the economy in return. We identified the economic barriers they faced. Our efforts focused on making the women and their work visible to the government, to economists and to policymakers.

When we looked at the daily lives of our women, we noticed how closely the economic structures were related to social structures. Gender, caste and class played a big role in impeding the capacity of poor women to enter labour and product



▲ Village women work on road construction in the Indian state of Rajasthan. Poverty levels in rural India are twice those of urban areas and even higher in groups excluded from mainstream society, through gender, caste and class, usually categorised as the ‘informal sector’

markets. At the same time, their social needs, such as access to healthcare, childcare, education and housing, had an impact on their economic output. Since the economic and social structures are so interrelated, we felt the solutions too had to be integrated. But economic and social factors vary from community to community, so there is no single formula for poverty reduction.

To my understanding, the bridge from poverty to growth is work, and I see decent work as essential to achieving full employment. So I am heartened by SDG 8, which relates to employment, decent work and inclusive, sustainable economic growth





© Reuters/Mansi Thapliyal

– key concepts that were missing in the MDGs. Employment, however, is not just about creating jobs, but about recognising the potential of the ‘informal economy’ and removing barriers that impede the entrepreneurship of the working poor. For this, the support of the state through its policies and programmes is crucial.

At SEWA, we have two goals: full employment at the household level and self-reliance. By full employment we mean work that ensures food security, income security and social security, which includes healthcare, childcare, shelter and insurance. We have found that asset creation at the household level is the surest weapon to fight vulnerability and poverty. Full employment is the path to sustainable families and peaceful communities.

For women, financial self-reliance promotes equity in relationships, and the

strength to take decisions individually as well as collectively. This affects a woman’s ability to bargain and negotiate; to get her voice heard and to become an active agent in shaping her destiny.

#### **We may be poor but we are so many**

Chandaben, a SEWA leader, once said to me: “We may be poor but we are so many. Why don’t we start a bank of our own? Our own women’s bank, where we are treated with respect and can get the service that we deserve?”

This was how the SEWA Cooperative Bank was formed in 1974; a bank built with 10 rupee micro deposits made by thousands of women who needed access to financial services, when the doors of mainstream banks were closed to them. We were pioneers in banking with the poor. We had no idea that the micro-credit movement

would spread so rapidly around the world. This goes to show that innovative ideas to solve global problems can come from the grassroots, and especially from women.

Women are a largely untapped source of strength in the world. As workers, as family caregivers, as community members or as leaders, women’s approaches to problem-solving are very often innovative, inclusive and peaceful. To my mind, the participation and leadership of women in implementing the SDGs will be crucial to their success.

As a member of The Elders – a group of leaders brought together by Nelson Mandela – our aim is to amplify the voices of the poor and the vulnerable.

I hope that the resolve of the countries to achieve the SDGs is a resolve to listen to the voices of the people who will be the agents and beneficiaries of sustainable development. ●



# Protecting and supporting small, local producers

The Alma MAKRO non-profit project aims to support the work of small, local Spanish producers, enabling them to stay in business producing authentic products in a traditional way

MAKRO is a leading company in the wholesale market for HORECA (hospitality/restaurant/catering) businesses and one of its goals is to offer a selection of traditional food products to keep Spanish gastronomy alive.

These traditional raw materials are usually produced by small, local producers who find it difficult to compete in the retail business and as a consequence are in danger of 'extinction'.

In order to prevent these products from disappearing, MAKRO has undertaken to buy most of the output, while also offering the logistical support necessary for suppliers to reach MAKRO stores directly from land or sea.

The project is part of the company's commitment to support local producers and ensure that traditional, authentic products can continue to be sustainably provided to the HORECA industry.

## CURRENT PARTNERSHIPS

### **Cies Island shellfish (goose barnacles and razor clams) from the San Xosé de Cangas Brotherhood**

These shellfish occupy a privileged location on the archipelago, to which they owe their unrivalled size and flavour. Unlike other mass-produced shellfish, these are collected one at a time by specialist workers using sustainable methods, preserving the ecosystem of the National Park.

MAKRO collaborates directly with the Cangas Brotherhood, without any middlemen, supporting local shellfish gatherers who use sustainable extraction methods. It also contributes to the development of the region with the greatest fishing tradition in Spain.

### **Canary Island meat (black Canary pork and pelibuey lamb) from Santa Brígida**

These animals come from native Canary Island breeds and are raised on a select diet in the warm Canary Island climate to produce meats that are both exquisite and highly prized by local consumers. MAKRO's commitment to Manuel González will allow his products, black Canary pork and Pelibuey lamb, to be commercialised in the HORECA industry.

### **Guayonge onions from Tacoronte, Tenerife**

This onion is a summer variety that is sweeter than any other island varieties and is high in sodium and magnesium. Its cultivation in the Tacoronte area is essential to preserve its main organoleptic properties. MAKRO will enable Armando José Padrón's Guayonge onions to be commercialised in the HORECA industry.

### **Aranjuez fruits and vegetables (tomatoes, pink tomatoes, asparagus, artichokes and strawberries)**

These fruits and vegetables have been grown in what was known as Madrid's market garden since the reign of Philip II, where the viability of species that came from the new world was verified for the first time. MAKRO supports Fernando Alcázar in recovering the traditional market garden of Aranjuez, which, for many years, was Madrid's true fruit and vegetable production area.

### **Oak honey from Riaza, Segovia**

Its high oak content, combined with the exquisite care that both the hives and the final product receive, makes this honey an exceptional product, enhanced by the season of





the year in which it is collected. The bees are forced to forage almost exclusively on the area's Pyrenean oak trees. This relationship will provide this local producer with stability. MAKRO helps Jorge Martín to overcome his difficulties in reaching a wider public.

#### **Gamoneu del Valle cheese**

Mid-mountain pastures and the care the animals receive in their place of origin result in a high-quality raw material. Furthermore, the fact that it is slowly ripened in caves for at least two months leaves an unmistakable mark on this cheese, giving it unrivalled flavour and quality. MAKRO support means that José Manuel Blanco will be able to increase his cow, goat and sheep livestock in order to produce larger quantities of Gamoneu del Valle cheese.

#### **Saffron from Villacañas, Toledo**

This saffron is different from other types due to its traditional cultivation, collection, stigma separation and natural toasting process, which means that the stigma is not mixed with other parts of the flower. This process produces a food-colouring and aromatic strength that is 40-50% higher than any other saffron produced outside of La Mancha with the same properties. MAKRO strongly supports the ASOMA agricultural cooperative. In 2015, Alma MAKRO undertook to advance the funding for saffron cultivation in order to provide non-profit delivery.

#### **Iberian cold meats from Pulgar, Toledo**

These cold meats are produced from Iberian free-range, grain-fed pigs. All the pigs are raised on pastures where they graze and their diets are supplemented with feed made from grains, legumes and extra virgin olive oil. Thus, the raw material achieved is high in antioxidants thanks to the vitamin E present in the pigs' diets. The relationship MAKRO has formed with Hermenegildo will enable future generations to continue to inherit this traditional family cold meat production business.

#### **Suckling goat from Alora, Málaga**

The Malaga goat is one of the most prized breeds in the country. These goats have to come from farms that offer specific building and habitability features that guarantee the

animals' wellbeing. Their mothers are pure Malaga breed specimens, registered in the Genealogical Book of Breeds or certified by the Spanish Association of Malaga Goat Breeders. Alma MAKRO will enable Miguel Conejo to expand the size of his business in the Autonomous Region of Andalusia. MAKRO will provide Miguel Conejo with considerable funding, allowing him to produce more and make his business more profitable.

#### **Tudanca beef from Herrera de Ibio, Cantabria**

The Tudanca breed of cattle is native to the Cantabria region and has some very distinctive features. Although not overly corpulent, these farm animals are characterised by their strength and energy, thus producing a type of meat that is lean with balanced, marbled fat resulting in an unbeatable flavour and texture. Through a cattle breeding agreement between the farmer and MAKRO, trust in this production has been built. This has resulted in the return of young people to farming as a profession, which had been abandoned due to its lack of profitability and future prospects. This return to our origins generates wealth and wellbeing in the area, while at the same time opening up economic possibilities for other sectors.

#### **Exclusive Fishing, Isla Tuna**

Alma MAKRO Exclusive Fishing promotes the traditional fishing industry, so MAKRO customers can enjoy different species of fresh fish from the Canary Islands thanks to the traditional work by local fishermen gathered in the brotherhood Isla Tuna.

The care they take in their work is apparent in the flavour of the fish and the excellent quality of their products. At the same time, their technique offers the maximum respect towards the environment.

This range of products will be expanded in the future.



# End of the line for malnutrition?

*The scourge of malnutrition – in all its forms – affects all countries to some degree. With the SDGs we have the chance to eradicate this complex, human-made problem once and for all*



© UNICEF Somalia/Sebastian Rich



By **José Graziano da Silva**, Director-General, Food and Agriculture Organization of the United Nations

**T**he international community is confronted with a problem whose cost to the world economy ranks alongside that of armed conflict, war and terrorism. It is a problem for richer, poorer and middle-income nations alike; a problem that affects about a third of the global population, sapping some five per cent of the world's economic welfare. This problem is malnutrition. It is not a disease but if it were, a worldwide epidemic warning would already have been declared.

Of all the UN's new Sustainable Development Goals (SDGs), which will direct global action for the next 15 years, improving nutrition is perhaps the most universal. It is also one of the more complex, as malnutrition comes in many guises. Much effort has been put over the last decades into the eradication of chronic hunger – one of the main objectives of the UN Food and Agriculture Organization (FAO). Excess weight and obesity, likewise, have garnered growing public attention in recent years.

But there is another form of malnutrition that is not nearly as visible as chronic hunger and yet far more widespread: micronutrient deficiency, or so-called 'hidden hunger' – a form of malnutrition that occurs when food is lacking in essential vitamins and minerals.

Today around 800 million people suffer from chronic hunger – not consuming enough calories to lead a normal, active life. But some 1.6 billion people – double the number of those undernourished – are anaemic, to give but one of many examples of the effects of hidden hunger.

The effects of hidden hunger are similarly devastating and long lasting as those of chronic hunger. They often begin before birth, contribute to poor growth during childhood and can render people unable to achieve their full intellectual and developmental potential as adults.

◀ An outpatient therapeutic feeding centre in Baidoa, Somalia where children receive ready-to-use therapeutic food and mothers are educated about nutrition and hygiene. One in seven Somali children is malnourished

Hidden hunger often lies at the root of poverty, limiting health and productivity and keeping generations trapped in vicious cycles of deprivation.

The impact of malnutrition does not end with undernourishment and hidden hunger. In many families, the various burdens of malnutrition – undernourishment, micronutrient deficiency and obesity – coexist, hinting at just how complex an issue malnutrition really is. Today, more than two billion people in the world are overweight or obese, according to the World Health Organization (WHO) – a staggering 40 per cent rise in just a few years. That's three out of every ten people on the planet.

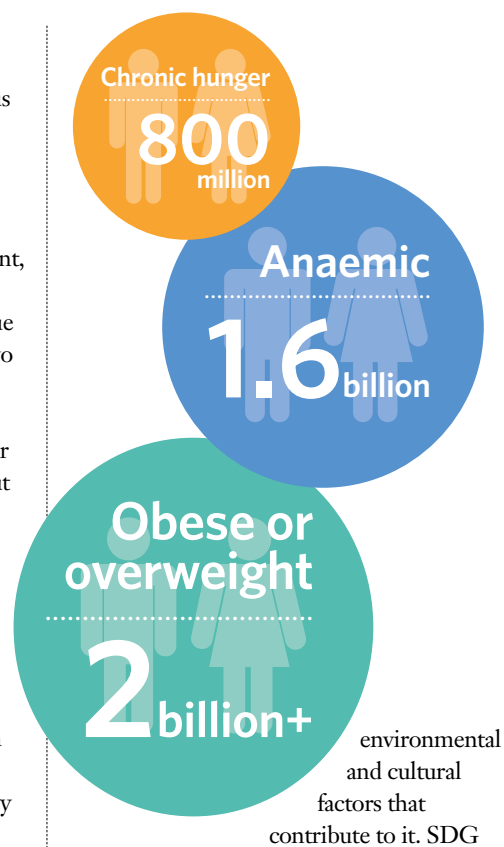
Many of these people reside in middle-income countries and poorer nations where diets are undergoing change. Particularly worrying is the rise in overweight and obese school-age children. Unless current trends are reversed, half the world's adult population will be overweight or obese in about 15 years. This is placing an increasingly heavy burden on national healthcare budgets, as these people run a greater risk of diabetes, heart problems and other diet-related non-communicable diseases.

### Nutrition in the SDGs

As it happens, malnutrition, like poverty, is entirely human-made. Improving nutrition is not just the responsibility of the individual, but a public issue that must be addressed by governments.

The adoption of the 2030 Agenda for Sustainable Development comes at an opportune moment, as it provides a comprehensive and potentially powerful set of internationally agreed goals and targets to tackle the colossal challenges of our day. The SDGs, which succeeded the Millennium Development Goals (MDGs) in January 2016, recognise that real-world development is seldom confronted by a single problem for which there is a single answer, but deals with interlinked problems needing creative, context-specific and people-centric solutions.

The approach to malnutrition in the 2030 Agenda illustrates the point perfectly. Malnutrition cannot be ended without addressing the variety of social, economic,



target 2.2 directly speaks to the multiple dimensions of malnutrition. However, measures to end it relate to at least six goals and 18 different targets. These include poverty eradication, women's empowerment, improved sanitation, maternal health, access to water and reductions of food loss and waste – to name but a few.

But it is food systems that lie at the heart of this new comprehensive approach to ending hunger, tackling malnutrition and promoting sustainable agriculture and use of natural resources. There is increasing recognition that current food systems are failing and that improvements in nutrition and dietary diversity can only be realised by transforming the entire food process – from agricultural inputs and production to processing, marketing, retailing, consumption and waste. SDG target 2.4 calls for sustainable food production systems and resilient agricultural practices.

### From production to consumption

The need to increase food production by 60 per cent to feed a global population of more than nine billion by 2050 has been



© Getty/Carl Juste

well documented. Yet, today's major food concern is not availability, but lack of access: people's ability to purchase good food and enjoy nutritious, diverse and balanced diets. Despite abundant food supplies, one in nine still go hungry every day. Meanwhile, highly processed commercial food products are easily available and accessible, which contributes to them often replacing healthy local foods with diets that are too high in energy, fats, sugars and salt.

To build healthy food systems for healthy people, strong political commitment is necessary to ensure what is grown, marketed and consumed domestically conforms to high nutritional standards. In other words, agricultural policies and practices must support more healthy, balanced and diverse diets. National investments in agriculture,

▲ Jalapa, Guatemala. Olga (aged eight) holds her sister Jennifer (aged two) who suffers from acute malnutrition. Guatemala has the fourth-highest chronic undernutrition rate in the world. In the highlands, seven out of ten children under five are affected

food systems and social protection are needed to scale up nutrition-sensitive interventions. For the agriculture sector, this represents both a challenge and an economic opportunity.

Undernourishment, lack of economic development, poverty and malnutrition can all be addressed at the local level, as experiences in developing countries with locally sourced school-feeding programmes have shown. Nutrition education, market development and consumer protection, likewise, are empowering consumers to make healthy food choices and are

fundamental to changing behaviour. Finally, building alliances between diverse stakeholders – and platforms to support them – will help make agriculture and food systems more responsive to the nutritional needs of communities.

Along the way, we must never lose sight of the impacts of food production on our environment. Food production has often put great stress on natural resources – exhausting fresh water supplies, encroaching on forests, degrading soils, depleting wild fish stocks and reducing biodiversity.

The emphasis on sustainable agricultural practices and efficient use of natural resources with fewer adverse impacts – covered in SDGs 2, 14 and 15 – is vital in the transformation of our food systems. It will help to ensure that future generations can feed themselves without compromising the planet's fertility.

Ultimately, better nutrition makes economic sense. The economic gains to society of reducing micronutrient deficiencies are estimated to have a benefit-to-cost ratio of almost 13:1. Investing in nutrition improves productivity and economic growth, reduces healthcare costs and promotes education, intellectual capacity and social development.

It has been a bruising battle, but the war against malnutrition appears to have reached a decisive turning point. The Second International Conference on Nutrition in 2014, organised by the FAO and WHO, established the basis for sustained international cooperation and better policy coordination to overcome malnutrition through the Rome Declaration on Nutrition and its accompanying Framework for Action.<sup>1</sup> The 2030 Agenda for Sustainable Development goes beyond the silos that defined the MDGs to address the root causes of malnutrition in all its forms.

The time has come to put nutrition centre stage. Malnutrition is a blight on humanity – but one we are able to end within our lifetime and become the first Zero Hunger generation.<sup>2</sup> ●

1 See [www.fao.org/3/a-ml542e.pdf](http://www.fao.org/3/a-ml542e.pdf) and [www.fao.org/3/a-mm215e.pdf](http://www.fao.org/3/a-mm215e.pdf)

2 See [www.un.org/en/zerohunger/#&panel1-1](http://www.un.org/en/zerohunger/#&panel1-1)



# Palm oil smallholders: a sustainable development challenge



© RSPO/Jonathan Perugia

■ **RSPO-certified smallholders can access the growing market for certified sustainable palm oil**

Palm oil is the world's most widely consumed vegetable oil and demand is rising. This commodity is essential for economic development in South East Asia, particularly in Indonesia and Malaysia, which together produce over 80% of palm oil. But its cultivation has also become synonymous with negative environmental and social impacts.

In response, the Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 to promote the production and use of sustainable palm oil through a credible global standard and engagement of stakeholders. We are an international, not-for-profit, multi-stakeholder association with more than 2,400 members. Over 2.56 million hectares have now been certified to the RSPO standard for sustainable palm oil, producing more than 20% of global supply.

Smallholders are critical, producing 40% of the palm oil, but suffering from lower yields. We want to support more smallholders to become RSPO certified, in order to produce more oil using less land, reducing the threat to forests and biodiversity, and raising level of income among poor farmers.

The RSPO Smallholder Support Fund enables smallholders with capacity building to improve agricultural practices and fully reimburses their audit costs. Smallholders who are certified by RSPO can access the growing market for certified sustainable palm oil and help global consumer goods companies meet their commitments to sustainable palm oil.

To date the RSPO has helped 131,432 individual smallholders gain certification and helped facilitate partnerships between smallholders, NGOs and the private sector. ■

**RSPO will transform markets to make sustainable palm oil the norm. More info: [www.rspo.org](http://www.rspo.org)**



## RSPO

Roundtable on Sustainable Palm Oil



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# Gender equality as the means and the end

*The SDGs will not be achieved without establishing global equality for women. While governments are making progress, much remains to be done*

By **Phumzile Mlambo-Ngcuka**,  
Executive Director, UN Women;  
United Nations Under-Secretary-General

**M**aking progress on gender equality could scarcely be more urgent. Globally, one in three women experiences physical or sexual violence in their lifetime, mostly by an intimate partner.<sup>1</sup> The global gender pay gap remains at a stubborn 24 per cent. Women make up only around one in five

parliamentarians worldwide. And millions of women and girls lack access to even basic levels of social protection, healthcare, water and sanitation. While all regions have made some headway, it is not enough. No country in the world has achieved gender equality.

The visionary 2030 Agenda for Sustainable Development, adopted in the same year that the UN marked its 70th anniversary, set out to make transformative change.<sup>2</sup> The new framework is remarkable

for being comprehensive, universal and grounded in human rights. It builds on existing commitments to gender equality, such as those contained in the Beijing Platform for Action and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).

A key recognition of the framework is the centrality of gender equality, made explicit in the fifth of the Sustainable Development Goals (SDGs) – “achieve gender equality and empower all women and girls” – as well as in



◀ Teachers at a school in Johi, Pakistan describe preventive measures to avoid sexual harassment during medical examinations. These lessons are viewed as ground-breaking in deeply conservative rural Pakistan

the related targets that are threaded through the other 16 goals. The SDGs address a host of issues confronting our world today, including violent conflict, environmental degradation, recurrent economic and humanitarian crises and spiralling inequality.

The 2030 Agenda advances progress achieved thus far by tackling the structural underpinnings of gender inequalities. This commitment goes beyond SDG 5. Because advancing equality for women is crucial to the achievement of all the SDGs, gender-specific targets are integrated throughout the framework.

Eliminating poverty depends on women's (and men's) access to decent work with equal pay. Food security will only be achieved if women farmers are supported and empowered, and if women and girls have secure access to adequate and nutritious food. And it will not be possible to achieve universal education without ensuring that every girl can go to school – and stay there until she has completed her education.

Specifically, gender dimensions are addressed in the SDGs in the areas of poverty, hunger, health, education, water and sanitation, employment, reducing inequalities within and among countries, safe cities, and peaceful and inclusive societies.

The challenge now is to ensure that the SDGs are successfully implemented and monitored. Foremost, we need to have the right laws in place to guarantee gender equality, to eliminate direct discrimination against women, and to outlaw egregious human rights violations such as violence against women.

But in addition to laws, a much broader set of policies and enabling conditions is needed to implement the SDGs. To ensure women can enjoy their human rights in practice, they also need what CEDAW calls “substantive equality”.

Drawing on experience from all over the world, UN Women's flagship report – *Progress of the World's Women 2015-2016: Transforming Economies, Realizing Rights* –

outlines a comprehensive policy agenda to help us achieve this substantive change.<sup>3</sup>

One of the main insights of the report is that social and economic policies need to work in tandem. Typically the role of economic policies is seen primarily in terms of promoting economic growth, while social policies are supposed to address its ‘casualties’ by redressing poverty and reducing inequality.

But economic policies can pursue a broader set of goals, including gender inequality and social justice. Conversely, well-designed social policies – such as family benefits, pensions, as well as health, childcare and water and sanitation services – can enhance economic dynamism by building human skills and capabilities, and providing the economic security needed to enable employment and entrepreneurship.

### Implementation

This is not theoretical; there are many countries across all regions that are implementing elements of this agenda. For example, in Brazil, the extension of social protection and labour rights to domestic workers, as well as policies to encourage small and medium-sized enterprises to formally register with the government, contributed to a 14 per cent increase in formal employment between 2002 and 2012.

In Rwanda, the rapid roll-out of community-based health insurance has reduced the share of women who report lack of money as the main barrier to accessing healthcare, and has increased skilled birth attendance and women's use of modern contraceptive methods. As a result, maternal mortality rates have fallen much faster than in the rest of sub-Saharan Africa.

Of course, these policies need to be financed, but many governments recognise that they are sound investments and are finding innovative ways to raise the necessary resources. Bolivia and Botswana are among the countries that are using revenues from natural resource extraction to fund universal social pensions, which help to ensure that women – many of whom have spent a lifetime caring for others on an unpaid basis and thus are excluded from

contributory pension systems – can live out their older years in dignity.

In addition to the right mix of policies, we need strong monitoring systems in place to track progress, gaps and challenges in implementation. This requires significantly increased investment in gender statistics to provide the evidence base for how the SDGs are benefiting women and girls on the ground. Robust evidence informs the development of policies and is also an important tool for civil society to hold decision-makers, including governments, to account.

### Political will

Sustaining and further bolstering political will for action is essential. Civil society actors, including social and women's movements, but also the United Nations Associations around the world, have been critical partners in achieving an ambitious framework for the SDGs, including by demanding a strong standalone gender goal. We will continue to rely on all of you to call governments to account for action.

Heads of state and government from 90 countries have already announced their ‘stepped-up’ commitments to achieve gender equality.<sup>4</sup> And some 144 countries supported the Global Leaders' Meeting for Gender Equality and Women's Empowerment: A Commitment to Action on 27 September 2015. There is much to be done to achieve gender equality and we must all work together to make it happen.

Decades of important normative advances at the UN have firmly established that gender equality and the realisation of women's and girls' human rights are fundamental for achieving human rights, peace and security, and sustainable development for all. Alongside existing human rights commitments, the SDGs provide the framework we need to galvanise action. Together, let us commit to and achieve Planet 50–50 by 2030. ●

1 See [www.unwomen.org/en/news/in-focus/end-violence-against-women](http://www.unwomen.org/en/news/in-focus/end-violence-against-women)

2 See [www.unwomen.org/en/news/in-focus/women-and-the-sdgs](http://www.unwomen.org/en/news/in-focus/women-and-the-sdgs)

3 <http://progress.unwomen.org/en/2015/>

4 <http://beijing20.unwomen.org/en/step-it-up>

# Investing in health

*In Africa, achieving the Sustainable Development Goal of healthy lives and wellbeing for all will require a sustained commitment by governments to ensure adequate funding for health services*





By **Matshidiso Moeti**, Regional Director for Africa, World Health Organization

In 2000, world leaders adopted the UN Millennium Declaration and set eight Millennium Development Goals (MDGs) to be achieved by 2015. While significant progress has been made, only a



few countries in the African region are on track to achieve all of the health-related MDGs. It is clear that the world must continue to build on the unfinished legacy of the MDGs if we wish to see a future free from poverty and built on human rights, equality and sustainability.

In September 2015, world leaders committed to doing just that by setting 17 Sustainable Development Goals (SDGs) and 169 targets to be achieved by 2030. Goal 3 relates to health, with the overarching aim to “ensure healthy lives and promote wellbeing for all at all ages”. This goal has nine targets: three build on and enhance the MDG targets related to communicable diseases and to maternal and child mortality; three relate to non-communicable diseases and injuries; and three are cross-cutting or focused on building systems, including universal health coverage, universal access to sexual and reproductive healthcare services, and reduced hazards from air, water and soil pollution.

The most significant obstacles to progress on the health-related MDGs in Africa were the inadequate resources available and the often unpredictable, non-sustainable nature of external donor resources that were sometimes not aligned to country priorities.<sup>1</sup> The situation was frequently compounded by weak health systems that did not permit the desired coverage with the necessary interventions.

Experience with the MDGs therefore indicates that progress on health will also be contingent on countries and partners taking effective action to ensure sustainable financing for health and for strengthening health systems.

### Current level of investment

African nations and their partners have grappled with health funding over the course of the MDGs, but the progress made falls well short of their self-imposed goals.

Heads of state and governments in the African region met in 2001 in Abuja, Nigeria and pledged to allocate 15 per cent

of their governments’ budget to the health sector.<sup>2</sup> However, attainment of this target has been varied, ranging from two countries reaching it in 2004 to nine in 2009, and then fewer in later years.<sup>3</sup>

An alternative measure used to assess healthcare funding is total health expenditure (THE), which reflects the total level of funds available for health from public, private and external sources. The World Health Organization (WHO) Global Expenditure database, which shows the trends in THE for the African region between 2001 and 2013, indicates that countries increased THE per capita over the period.<sup>4</sup>

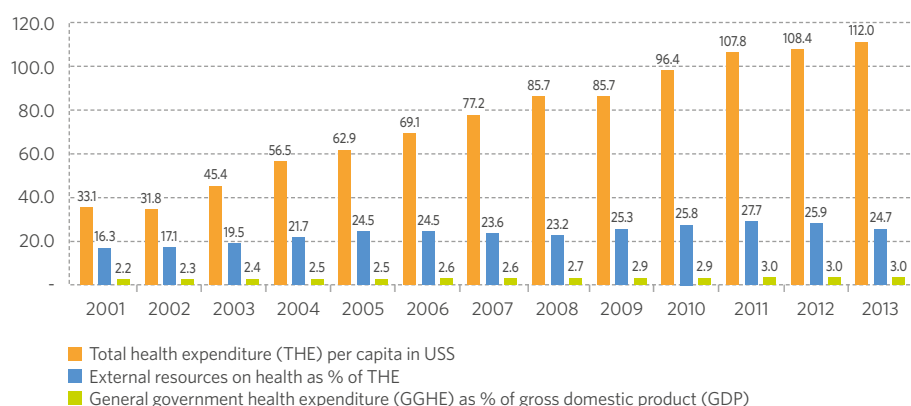
The number of countries spending over \$60 per capita, as recommended by the High-Level Taskforce on Innovative International Financing for Health Systems,<sup>5</sup> increased from nine out of 47 countries in 2001, to 21 in 2013. The average for the African region shows a progressing trend for THE per capita over the period (Figure 1).

However, the proportion of THE coming from household income is critical. Inadequate government expenditure on health means increased household payments: citizens are forced to pay for or supplement their own healthcare, which means many have to choose between ill health and impoverishment.

Evidence shows that when out-of-pocket (OOP) payments for health are below 20 per cent of THE, the incidence of financial catastrophe for households is negligible. However, OOP payments for health have remained high in the African region. In 2013, only 10 of 47 countries had an OOP expenditure of less than 20 per cent of THE, while 19 had OOP payments of more than 40 per cent of THE, therefore exposing households to impoverishment.<sup>6</sup>

The trend in external-resource investment as a percentage of THE between 2001 and 2013 shows a rise from 16.3 per cent in 2001 to a high of 27.7 per cent in 2011.<sup>7</sup> (This masks some higher dependencies, however, with some countries’ external-resource investment as a percentage of THE greater than 40 per cent in 2013.<sup>8</sup>) Evidence shows that

◀ A health worker conducts rapid malaria tests at a community health centre in Rwanda, a country that has made good progress in health despite very low expenditure

**Figure 1: Trends in financial indicators in the African region from 2001–13**

when government expenditure on health is greater than five or six per cent of GDP, fewer households have financial difficulties in paying for health services. However, the average trend of state expenditure on health as a percentage of GDP was less than three per cent during the period 2001–13 (Figure 1). It is clear that the current level of investment in African health systems is, by any measure, far too low.

Success in the health-related SDGs will depend on the generation of adequate financial resources for health and reducing the heavy reliance on OOP expenditure – a stiff challenge for many countries in the African region. Many lower-income countries face problems such as competing demands on government revenue as

well as inadequate revenue generation and collection, often because of a small industrial base and large, informal sectors that are difficult to tax.

The revenue generated is also often inefficiently managed with a lack of clear policies, plans and implementation of pre-payment mechanisms. This is particularly the case for the informal sector, but also in the governance and coordination of the contributions of the multiplicity of actors.

#### Data

Another major challenge is simply the paucity of data and the poor information systems that make it difficult to monitor and assess progress. Monitoring progress on the health targets, including levels

of investment, requires effective routine health information as well as functioning civil registration and vital statistics (CRVS) systems. As countries have widely varying contexts, a good investment in information requires a broader approach covering all the contextual and economic factors relevant to universal health coverage (UHC) and the functioning of health systems.

Incomplete essential health information has hampered effective national health planning. In sub-Saharan Africa, many countries such as Ghana, Mozambique, Tanzania and Zambia have made good progress in producing national data for hospital deaths. Seven countries have a costing plan to develop an integrated and fully functioning CRVS system.

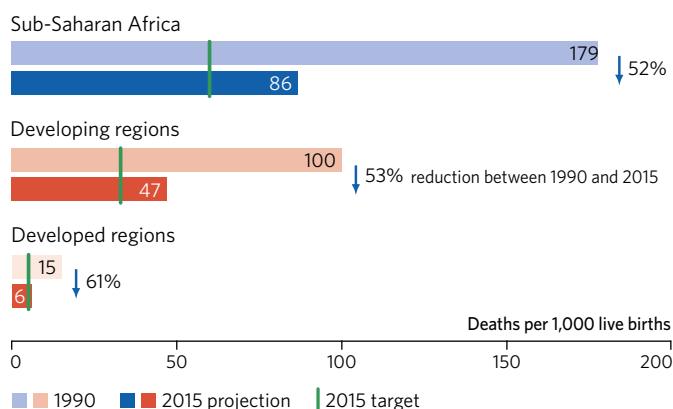
However, so far only South Africa has an internationally accepted statistics system that medically certifies and registers all deaths using the International Classification of Disease. This means that, by and large, the only means of monitoring SDG health indicators will be through estimation.

To attain UHC, health sector financing reforms in African countries need to be strengthened to achieve adequacy and equity in financing. We need innovative and alternative mechanisms to increase public revenues and raise additional resources for health.

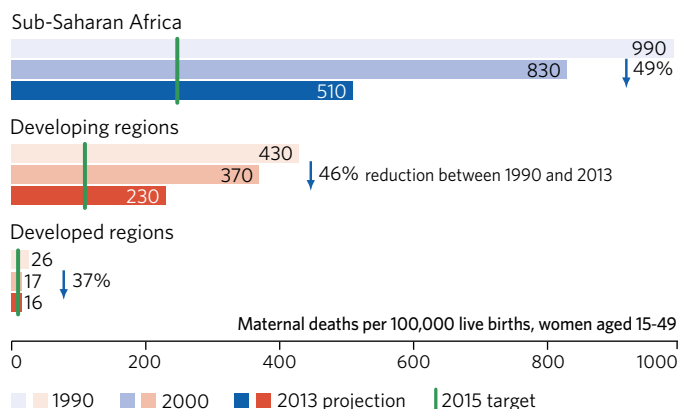
Countries need to promote the use of pre-payment financing arrangements to expand financial protection so that no

## Africa's unfinished MDGs legacy

### MDG target 4.A: reduce under-five mortality by two thirds



### MDG target 5.A: reduce maternal mortality by three quarters





one is impoverished from catastrophic health expenditure. External donors are also playing an important role in financing health in the region.

However, this is an unpredictable source of finance and not conducive to long-term planning, so should only complement domestic resources.

As well as strengthening health systems, there is also a need to prioritise interventions that have a high population impact, such as those in maternal, newborn and child health, the prevention of non-communicable and communicable diseases, and tackling the social determinants of health.

This will involve major investments in facilitating policy dialogue and strategic innovations, ideally involving all relevant sectors (including the ministries of finance, labour and social affairs) and other stakeholders, such as communities, civil society and the private sector.

### What needs to be done?

Investing in health is not only about the volume of resources, but is also related to strengthening all components of health systems in a synergic manner. This means providing adequate human resources for health, community-based services and service infrastructure and systems – including decentralisation to build resilience, expanding countries' capacity for policy and strategy development and implementation, investing in CRVS and health information systems, and critical logistics and supplies systems.

It will be important to assess and improve the way funds are raised and used for health and to track all allocated resources through institutionalised national health accounts, identifying also where waste can be eliminated and value for money be improved.

In Africa, WHO will encourage all partners to join it and the member states to prioritise sustained health investments with a focus on the SDGs. With new levels of investment, accountability, leadership and partnership, the region can meet the challenges ahead to create and sustain a healthier Africa. ●

## WHO and the SDGs

### 1. Investment in health information and monitoring the health SDGs

The SDGs require that WHO continues its core functions in terms of defining indicators and improving ways of measuring and reporting on progress. More investment, including in integrated mortality data collection in the context of CRVS, is an urgent priority.

The WHO's Africa Health Observatory, a health statistics and knowledge platform, has the potential to serve as a major UHC/SDG monitoring and accountability tool. It will require a network of committed national health observatories with adequate capacity to collect, analyse and interpret real-time health data. These observatories must operate in a transparent and accountable way, and build local trust and ownership.<sup>9,10</sup>

### 2. Partnerships and collective action

Sound national health policies and strategic plans should be the basis for action, serving as the framework for alignment, resource allocation and implementation of all health programmes by all actors.

Strengthened monitoring and evaluation frameworks for these national plans should serve as a basis for assessing health sector performance as well as the implementation of programmes, donor projects and compacts.

Partnerships need to embrace the private sector, a necessary part of developing successful health initiatives. This calls for appropriate policies and regulatory frameworks. In addition, civil society organisations are recognised partners in health development.

Deliberate investments have to be made to strengthen the capacity of civil society in policy processes, ensuring their participation in established coordination structures, and their independence.

Multi-sectoral collaboration is equally important given the diverse requirements in implementing health programmes and realising outcomes. Policy dialogue should include relevant government departments such as ministries of finance, education, water and sanitation, and public service.

The Ebola epidemic highlighted that countries need to be able to coordinate local, regional and global actors, while ensuring accountability through sound legal and policy frameworks.

### The role of WHO

The WHO African Regional Office will play a major part in supporting its member states to attain the SDGs. It has launched an ambitious Transformation Agenda with a proactive, responsive and results-driven approach, and will plan to muster the appropriate resources and staff to deliver on this mandate and become more accountable for UHC in the region. ●

- 1 MDG Africa Steering Group, Achieving the Millennium Development Goals, Recommendations of the MDG Africa Steering Group, New York, 2008, p.15
- 2 Abuja Declaration on HIV/AIDS, Tuberculosis and Other Related Infectious Diseases, Abuja, Nigeria, 24–27 April 2001
- 3 WHO African Region Expenditure Atlas, Brazzaville: World Health Organization Office for Africa, 2014
- 4 WHO Global Health Expenditure Database, National Health Account Indicators, <http://apps.who.int/nha/database/Select/Indicators/en>
- 5 Macroeconomics and Health: Investing in Health for Economic Development, Report of the Commission on Macroeconomics and Health, World Health Organization, December 2001
- 6 WHO African Region Expenditure Atlas, Brazzaville: World Health Organization Office for Africa, 2014
- 7 WHO Global Health Expenditure Database, National Health Account Indicators, <http://apps.who.int/nha/database/Select/Indicators/en>
- 8 Kenya, CAR, Mozambique, DRC, Liberia, Malawi and Burundi
- 9 Eric F., et al, Community engagement, UNA-UK "Global Development Goals – Leave no one behind", 2015, pp.100-101
- 10 Gro J., Marianne K., Berit M., et al, Responsibility and accountability for well-informed health-care decisions: a global challenge, [www.thelancet.com](http://www.thelancet.com), Published online June 15, 2015, [http://dx.doi.org/10.1016/S0140-6736\(15\)60855-8](http://dx.doi.org/10.1016/S0140-6736(15)60855-8)





# Prioritising mental health

*Its inclusion in the Sustainable Development Goals placed mental health firmly on the global agenda. But where will investment be found for this seriously underfunded area?*

By **Jessica Mackenzie**, Research Fellow, Research and Policy in Development (RAPID) Programme, Overseas Development Institute

**M**ental health affects one in four of us over a lifetime. That means that everyone knows someone who is affected by mental illness – even if we don't realise it. It costs the global economy a shocking amount, and can be hugely distressing, preventing people from living happy, fulfilling lives.

Mental health was not included in the Millennium Development Goals – and as such, was not prioritised by many governments in their targets and development strategies. But in 2015 the world took a huge step forward by including mental health in the Sustainable Development Goals (SDGs) and placing it firmly on the global agenda.

Three of the targets detailed in the sub-clauses of the 17 newly agreed SDGs relate to mental health. Targets 3.4, 3.5 and 3.8 call to “promote mental health and wellbeing”, to promote “universal health coverage” and to “strengthen the prevention and treatment of substance abuse”. This marks a significant turning point, and means we can pave the way to secure tangible commitments from the development community.

But if any progress is to be made, we next need to start looking at who pays for that change.

Global mental health is desperately underfunded. International donors currently

finance a very small number of mental health activities. Most of the burden is carried by developing country governments and individual households unable to afford it. And, even as the main global funder, country governments are spending very little – often less than one per cent of their national health budgets – on an area affecting most of their population, and the most vulnerable within it.

International donors are leaving mental health seriously behind in health spending. HIV, for example, causes less than half the burden of disease that mental health causes worldwide, and yet received 50 times the amount of funding in 2010. Total spending by funders reporting to the Organisation for Economic Co-operation and Development's Development Assistance Committee is shockingly low: over seven years (2007–2013) an average of \$133.57 million per year was spent on development assistance to global mental health.

Nor do we know where this money is being spent. Often rolled into general health budgets, mental health funding and

activities are inconsistently reported and rarely tracked. We know there is a serious financial shortfall, but how serious, and in what areas of mental health?

In practice, this lack of funding for mental health care means there are enormous gaps in what is provided compared to what is needed in the field, and millions of people, in desperate need of treatment, are neglected. The SDGs could well help to solve this problem – so long as mental health isn't once again overshadowed by competing priorities. This is the hook that those working on mental health issues have been waiting for, and hopefully, Agenda 2030 will see the development community look at what is needed to solve a problem that affects so many of us, every day. ●

*For further information on research into mental health spending conducted and compiled by the Research and Policy in Development programme at the Overseas Development Institute please contact Jessica Mackenzie, at: [j.mackenzie@odi.org.uk](mailto:j.mackenzie@odi.org.uk)*

◀ Tahera Begum, a survivor of the fire at Tazreen Fashions garment factory, which killed more than 100 workers. Following the fire, her mental health deteriorated and she lost her memory. In most developing countries the burden of caring for those suffering with mental illness falls on the family

Global mental health disease burden (2010)

Global HIV disease burden (2010)

Global development assistance for health spending on HIV (2010)

Global development assistance for health spending on mental health (2010)



© Reuters/Umit Bektas

# Displacement and development

*The fate of displaced people and the achievement of the SDGs are closely intertwined. It is vital that those implementing Agenda 2030 address the needs of refugees*





◀ Syrian refugees wait to cross the border into Turkey at Akçakale crossing in Sanliurfa province, June 2015

2014. The numbers of internally displaced people jumped by around two million to an estimated 34 million. The question is now: what can the agreements reached last year tangibly offer to these vulnerable persons? How have they addressed the needs of those forced to leave their homes? And how can countries continue to work together on the implementation of these agendas?

Rather than focusing on a particular refugee situation, it is important to discuss the root causes of displacement. Solving this global crisis requires more than a humanitarian response. It depends on the capacity of the international community to understand the relationship between the environment, displacement and sustainable development.

Many of today's global challenges, such as the threat of climate change, go well beyond the UN Refugee Agency's mandate to protect, assist and seek solutions for the world's refugees. According to *Global Estimates 2014: people displaced by disasters* – a UN-backed report conducted by the Norwegian Refugee Council's Internal Displacement Monitoring Centre – almost 22 million people were displaced by natural disasters in 2013, with the risk of disaster-induced displaced estimated to be more than twice as high today than in the late 1970s. This has a huge impact on broader internationally-agreed goals. For example, Zeid Ra'ad Al Hussein, UN High Commissioner for Human Rights, has spoken of the stark implications of climate change on the full enjoyment of human rights.

Forced migration, whether induced by climate change, disasters or violence, carries huge implications for the delivery of the Sustainable Development Goals (SDGs). The UN Secretary-General made this clear in his *Synthesis Report on the Post-2015 Agenda*, which stated that the new framework “must not exclude migrants, refugees, displaced persons, or persons affected by conflict and occupation”. If states are serious in their commitment to “leave no one behind” and

By **Leisha Beardmore**, Sustainable Development and Climate Adviser, UN; Gender Consultant, Department For International Development Ethiopia

**T**he world has committed to a new era of universality. Governments have reached agreements in the areas of sustainable development, finance, disaster risk reduction and climate change. Now is the time to make the transition from policy to practice and from rhetoric to reality.

Very little could have pushed this transition more abruptly into the forefront of citizens'

and bureaucrats' minds alike than the recent migration crisis in Europe. Confronted with images of vulnerable populations in desperate need of both protection and access to human rights, the applicability of the 2030 Agenda for Sustainable Development has been thrown into question.

The global refugee total had, as of mid-2015, passed the 20 million threshold to reach 20.2 million for the first time since 1992, says the Office of the United Nations High Commissioner for Refugees (UNHCR). Asylum applications were up 78 per cent to 993,600 over the same period in

to a rights-based approach to development, then special attention must be given immediately to the millions of refugees and migrants at risk of losing out.

### Making the connections

While both Agenda 2030 and the Paris climate agreement make welcome references to displacement, much more work is needed to translate these words into policies, and to situate migrants and refugees in development as well as humanitarian planning. Further efforts are also required to emphasise the mutually-reinforcing nature of development, environment and human rights goals.

The Paris agreement – while ambitious and positive in its inclusion of a climate displacement mechanism and consideration of loss and damage – does not directly address the link between climate change and migration, nor the effect of climate change

on both sustainable development and human rights. The SDGs include migrants and refugees in the framing paragraphs, but only two of the 169 targets refer to migrants, and none to refugees. In fact, each of the goals, with their focus on equity and universality, need refugees and migrants to be integrated in the implementation of SDG projects, policies, funding and indicators. SDG 1, with its ambition to “end poverty in all forms everywhere”, and Goal 2 on hunger must take into account the relationship between climate and disaster vulnerability and the socio-economic consequences for the poor.

With approximately 60 million people displaced globally, Goal 5 on gender equality, Goal 8 on decent work and economic growth, Goal 10 on reduced inequalities and Goal 13 on climate action will require the inclusion of refugees and migrants in the design and delivery of development programmes to be achieved. In Goal 16 on

peace, justice and strong institutions, the role of refugees and displaced people is even more clear: they will need to play a key part in the reconstruction and peacebuilding processes of conflict-affected countries.

Achieving the SDGs by 2030 will require governments to take account of all peoples’ vulnerabilities in order to address their humanitarian and sustainable development needs. Consequently, development and humanitarian actors must work together to respond to the unique needs of displaced persons and refugees, which means that these actors must no longer exist in silos.

For too long, the space between relief and recovery has been vast, with many organisations seeing their purpose as only relevant to one agenda.

The number of people that depend on humanitarian aid has increased from 26 million to 76 million over the past decade<sup>1</sup> and these people require support not only

## WE HAVE THE RIGHT TO HOPE

By **Rev. Dr Olav Fykse Tveit**  
General Secretary  
World Council of Churches

**W**e who represent faith-based communities around the world look to you. Sometimes, we remind you of the truth about human failures and our common responsibility.

There is no doubt as to whether climate change is a result of human activity. Therefore, we have a responsibility to alter our behaviour.

The people around the world who suffer today from the effects of climate change dare to hope, and have the right to hope, that you will make significant contributions to reduce the world’s carbon emissions.

You know that we must change. That is a reason to hope.

Changes are happening already. Many are changing their priorities and their lifestyles to protect the Earth. Many in the financial and business sectors are changing their investments and

practices. They are turning towards de-carbonisation, renewable energy and new methods of production and transportation. The green shift is already happening. We all must follow suit.

So many are with us, physically or symbolically, on a pilgrimage of climate justice and peace.

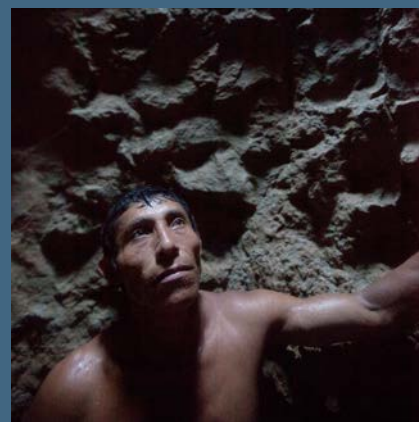
It is time for the human family, and especially those who shape the moral discourse concerning sustainable values for the Earth as our common home, to point more to the possibilities that exist to do what best serves the future of our planet.

Hope nurtures and stimulates courage among all actors to make the radical changes needed in the world today.

We believe that you have the potential to do what is just for the poor, for those who contribute the least to emissions yet who suffer most.

We believe that you will serve the world by enacting the best examples of human creativity and capacity.

We believe you must, you can and you will. We have hope.



José Santos deepening a well in El Burillo village, near Nacaome, Honduras. The drought in the region has reduced the level of the water table and so wells have to be deepened for people to reach the water they depend on. Lack of rainfall in the persistent droughts has meant that the basic grain crops that farmers depend on have failed for three years.



**World Council  
of Churches**





© UNHCR/Helene Caux

▲ Nigerian children, refugees from the fighting in the north of the country, attend an English lesson in Minawao camp, Cameroon

in terms of emergency response, but to a life that extends beyond their relationship to a natural disaster or conflict. The Third Financing for Development Conference in Addis Ababa included discussion on minimum floors for social spending and protection, and proposals to develop innovative public and private-pooled financing mechanisms – all of which present an opportunity to build the resilience of all national institutions, societies and households.<sup>2</sup>

‘Resilience’ became a buzzword during the various post-2015 negotiations with good reason: it is about taking the steps necessary to create a global environment that focuses on sustained improvement of the living conditions of the vulnerable, rather than

seeking only to provide for their most basic needs. Yet it must not be forgotten that these steps require specific policies, funding and instruments to create change. The SDGs exist at present as an idea of equality, and ideas are not enough to address the needs of refugees and displaced persons.

### Challenges and opportunities

There has been a lack of information on how the SDGs can be realised, which presents both a challenge and an opportunity. The failure to include refugee populations in the implementation of Agenda 2030 would be a disservice to one of the most vulnerable social groups. We need strong advocacy on how, when and why we need to fight for their inclusion in national and regional SDG delivery plans.

The financial cost of inaction is likely to be far higher than the cost of addressing

these issues.<sup>3</sup> Agenda 2030 served to unite countries in a shared vision for a future of safety and dignity, and this vision must be extended to all. Everyone must share access to essential services, education and legal documentation, and a legal status that will allow them to reclaim their future.

We must reinforce the importance of building national capacity and taking practical steps to deal with the particular needs of the displaced. Only then will we keep the promises we made last September when we agreed the SDGs and resolved to do what is truly needed to leave no one behind. ●

- 1 <http://cic.nyu.edu/blog/global-development/reducing-humanitarian-needs-and-vulnerabilities-sdg-era>
- 2 *ibid*
- 3 <http://climatemigration.org.uk/report-summary-migration-and-global-environmental-change-2>





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# Promoting inclusive growth for healthy economies

*SDG 8 recognises the crucial role that economic growth has played in reducing poverty in recent decades. However, economic growth will only be sustainable in the long term if it is based on equity and inclusivity – the prerequisite for the SDGs' overarching aim of eradicating extreme poverty*





◀ The human consequences of a fragile economy: pensioners try to enter a bank to draw their pensions on the island of Crete, Greece in July 2015, while their government battled to avoid bankruptcy

since 2008 – and productivity is stagnating. Countries are looking for the best ways to accelerate economic activity. It makes sense for the search for policy options to focus on levers that could simultaneously contribute to addressing development goals.

New sources of global growth will also be crucial to generating the funds necessary to achieve the SDGs, which are estimated to require around \$4.5 trillion per year – greatly exceeding the \$135 billion of development assistance spending from all governments in 2014. We urgently need to find new ways to mobilise private finance alongside public investment. This will require a better understanding of how the aims set out in the SDGs might be prioritised to maximise their impact.

Fortunately, there is more of an overlap between the economic growth and SDGs agendas than is generally appreciated. Political myths and polemics perpetuate the idea that goals such as reduced inequality are human rights issues that demand economic sacrifice, whereas evidence is mounting that they can in fact contribute positively to growth.

Perhaps more importantly, recent data analysis strongly suggests that rising income inequality is bad for growth. One short-term mechanism through which this can happen is that wealthier households typically spend a smaller percentage of their income, dampening aggregate demand and slowing economies down. In the longer term, poorer households find it harder to invest in health and educational opportunities, which means a nation accumulates less human capital and finds it harder to make gains in productivity.

At extreme levels, inequalities can threaten social unrest, thoroughly undermining economic activity. Spreading the gains makes growth more resilient to shocks and more sustainable in the long term. The question is how to align public and private actors around people-centred economic policymaking with a greater focus on societal goals.

By **Jennifer Blanke**, Chief Economist, and **Gemma Corrigan**, Economist, Economic Growth and Social Inclusion Initiative, World Economic Forum

**T**he development challenges of the 21st century remain vast. Poverty has fallen in recent decades as economies have grown, at times very quickly, but at all income levels many countries have experienced rising inequality. Economies will need to be transformed if they are to ensure sustained improvements in living standards for all the world's citizens.

The Sustainable Development Goals (SDGs) recognise these challenges, notably

in Goal 8 (“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”) and Goal 10 (“Reduce inequality within and among countries”). Many of the issues addressed by the other goals – including wider access to healthcare, better quality education, basic services such as sanitation, clean water and energy, and infrastructure that promotes industry and innovation – are also important inputs to economic growth that is inclusive and sustainable.

Nearly a decade on from the financial crisis, the global economy remains sluggish – averaging three per cent annual growth



In an effort to foster a better understanding of these issues, the World Economic Forum recently released the first edition of *The Inclusive Growth and Development Report*. This presents a policy framework and corresponding set of cross-country indicators in seven policy areas and 15 sub-areas that drive social participation in the process and benefits of economic growth. The framework and interactive benchmarking database covers more than 100 economies from all regions.

The goal of the work is to make discussions about socio-economic inclusion and inequality less theoretical and more actionable, by providing a sense of the wide spectrum of policy and institutional levers that can foster growth and social inclusion at the same time. These include policies that are often mentioned in this context, such as progressive redistribution and education. But they also include those that feature less often but which can be just as critical to a country's success in advancing living standards and ensuring productive employment for all, such as entrepreneurship, access to finance for real economy investment, and lack of corruption.

Figure 1 provides a visual representation of the seven areas and 15 sub-areas of the framework, each of which has important links to various goals articulated by the SDGs. For example, Pillar 1 is strongly aligned with Goal 4, which looks to ensure inclusive and quality education and lifelong learning opportunities for all. Pillar 6, meanwhile, captures the accessibility and affordability of basic services like clean water, energy and quality healthcare as alluded to in Goals 3, 6 and 7.

Our analysis leads us to a number of conclusions that can help to direct policymaking and dialogue toward realising the SDGs (as we highlight in our report):

**1. There is no inherent trade-off between promoting social inclusion and economic growth and competitiveness.** It is possible to be pro-equity and pro-growth at the same time; not only is it impossible to improve everyone's living standards without growing the economic pie, but policies that improve living standards and influence the way in which the pie is shared can also bolster growth. Several of the strongest performers in the Forum's Global Competitiveness

Index are good at ensuring that growth proceeds in a way that includes the many rather than the few.

**2. Even the best-performing high-income countries have significant room for improvement.** While the Millennium Development Goals previously cast high-income countries as enablers of progress in low-income countries, primarily by contributing a proportion of their GDP in aid, the SDGs' greater focus on the sustainability and inclusivity of economic growth implies a need for all countries to re-evaluate their own domestic policies. The report shows that even the most advanced economies have significant scope to do better.

**3. Some developing countries punch above their weight in promoting aspects of inclusive growth.** As one would expect, high-income economies generally do better at spreading the benefits of growth given their more sophisticated markets and institutions. But there are notable examples of lower- and middle-income countries punching above their weight in particular areas. For example, Kenya effectively harnesses digital



technologies for financial inclusion, while Brazil has been a trailblazer in deploying conditional cash transfers to reduce high levels of poverty and inequality.

**4. Better measurement and benchmarking will be critical.** Choosing the right priorities must start with an accurate assessment of where the greatest problems lie. Inclusive growth is a relatively new area of study, and only better data will help us to understand the links between growth and inclusivity. Tracking progress, and publicising the successes and shortfalls, is also vital for sharing examples of effective practice and motivating governments to do better than their peers.

**5. Problem identification is not enough – we must work together to find innovative solutions.** Creating wider acceptance that there is not necessarily a contradiction between being pro-labour and pro-business is only the first step towards the practical work of imagining and marshalling the coalitions necessary to construct sustainable national strategies for inclusive growth. These strategies should encompass areas including macroeconomic policy and competitive markets to economic institution-building.

Goal 17 of the SDGs recognises the need for new partnerships among governments, businesses and civil society. There are many opportunities for corporations to create value for society as well as shareholders – training locals can create employment as well as improve the resilience, efficiency and effectiveness of distribution channels and supply chains, for example. Widening the conversation will open up more room for innovation and experimentation, which will be crucial.

*The Inclusive Growth and Development Report* provides the basis for an initiative launched by the World Economic Forum aimed at bringing together all of the relevant stakeholders to develop better models for fostering economic growth and social inclusion around the world. With concerted action from all actors, achieving the SDGs is within our reach. ●

## IRELAND'S AGRI-FOOD JOURNEY



By **Simon Coveney TD**, Minister for Agriculture, Food and the Marine, and Defence

One of the greatest challenges facing mankind today is how to feed the growing world population, while protecting the planet. There have been positive signs of international progress on these issues, with the world community reaching agreement on both the Sustainable Development Goals and the Paris Agreement on climate action last year. I welcome the fact that the Paris Agreement acknowledges the fundamental priority of safeguarding food security and ending hunger, as well as the particular vulnerabilities of food production systems to the adverse impacts of climate change.

In Ireland, our ambition is to be the global leader in sustainable food production. We already have a climate-efficient agriculture, which is measured and verifiable, through the world's first national sustainability programme, Origin Green. To date, 85% of Ireland's exports come from farm and food producers who have committed, through Origin Green, to further improve and continuously measure, their sustainability performance. We want to do much more, to ensure that we are, and remain, the most sustainable producer of milk, beef and other food products in the world.

The agri-food sector is our largest indigenous industry, providing sources of income and employment throughout

rural Ireland. Last year, stakeholders from the sector came together to agree on a new strategy for the sustainable growth of the sector over the next decade: Food Wise 2025.

Sustainability is at the core of Food Wise, which states that: "environmental protection and economic competitiveness should be considered as equal and complementary: one cannot be achieved at the expense of the other". Food Wise therefore sets out a range of actions aimed at managing significant projected growth in the sector in a sustainable way, while protecting and improving the environment.

Ireland is using the EU Rural Development Programme and other policy measures across agriculture to encourage changes in farm practices and a scientific basis to underpin sustainability credentials. But I am ambitious for us to do more. I firmly believe that Ireland's example can benefit other countries on their own journey to sustainable food production.



# Reducing carbon in investments with low-carbon indices

STOXX®, in partnership with CDP, developed a comprehensive Low Carbon index family to help investors decarbonise their portfolios

Climate change is the central sustainability challenge of our century, therefore reducing carbon emissions has become a global objective. Last year's Paris Climate Conference concluded with the adoption of a momentous agreement between nearly 200 countries to keep global warming below 2°C, clearly signalling that the world is ready to take a step in the right direction to manage climate change.

## Investors' role in addressing climate change

Global investors are mobilising to action as they become increasingly aware of the long-term risks climate change presents to their investments. No less challenging is the issue of how the carbon exposure of portfolio holdings should be reported. France introduced mandatory carbon reporting for pension funds, insurance companies and other institutional investors in 2015. Other governments are also pushing hard, introducing or threatening legislation.

Investors are facing the challenges, but also opportunities, the transition to a low-carbon economy represents and are looking at solutions to achieve more sustainable returns. For instance, pensions funds consider low-carbon strategies with a low tracking error, to acknowledge their fiduciary duty without deviating from the benchmark they are mandated to follow. Tailored low-carbon indices provide a solution to decarbonise a portfolio and reduce those risks.

## Strictly rules-based, transparent methodology and a reliable data source

Reliable and certified data is the basis of an effective low-carbon strategy. Over 800 investors, who represent more than a third of the world's invested capital, use the research of CDP (formerly Carbon Disclosure Project) – the leading international non-profit organisation working with shareholders and companies to systematically change market behaviour.

STOXX uses CDP's dataset of corporate environmental information as a high-quality source to calculate the STOXX® Low Carbon index family. The index family provides various strategies from re-weighting broad benchmark and blue chip



indices such as EURO STOXX 50® and STOXX® Europe 600 by overweighting low-emitters and tilting away from high-emitters, all the way to options to divest from high-carbon-emitting companies.

## Innovative STOXX® Global Climate Change Leaders Index based on CDP's 'A list'

CDP research has uncovered a key insight: Climate risks are often hidden in a company's supply chain – the so-called "Scope 3 emissions". There is a small group of companies that besides implementing programmes to reduce emissions in direct and indirect operations, also employ strategies to reduce emissions in their supply chains. These companies are rewarded with a place on CDP's A list, based on their emissions reduction actions and results.

The STOXX Global Climate Change Leaders Index is the first ever global index tracking CDP's A list and complements the STOXX Low Carbon index family. It includes forward-





looking companies with the most advanced and effective climate change mitigation strategies that are publicly committed to reducing their carbon footprint.

**Reducing a portfolio's carbon footprint and performance**

The various approaches applied in the STOXX Low Carbon index family allow to reduce the carbon footprint of a portfolio without changing the overall risk and return profile. As an example, the STOXX Global Climate Change Leaders Index outperforms the benchmark in both performance and carbon footprint: It achieved a carbon footprint 74% lower than the STOXX Global 1800®, while maintaining similar risk-return characteristics. This shows that companies with a strong governance on climate change can be beneficial for returns. ■

**You want to learn more about the STOXX Low Carbon index family? Please visit [stox.com/lowcarbon](https://stox.com/lowcarbon)**

**About STOXX**

STOXX Ltd. is a global index provider, currently calculating a global, comprehensive index family of over 7,500 strictly rules-based and transparent indices. Best known for the leading European equity indices EURO STOXX 50, STOXX Europe 50 and STOXX Europe 600, STOXX Ltd. maintains and calculates the STOXX Global index family, which consists of total market, broad and blue-chip indices for the regions Americas, Europe, Asia/Pacific and sub-regions Latin America and BRIC (Brazil, Russia, India and China) as well as global markets.

**STOXX**



# Building effective institutions

*Strong institutions are considered to be the essential foundation for the SDGs. Why have past attempts at institution-building proven so difficult?*

By **Arthur Mellors**, Practice Lead, Organisational Change and Governance, Aktis Strategy Ltd and **Andrew Rathmell**, Managing Director, Aktis Strategy Ltd and Honorary Visiting Professor, Strategy and Security Institute, University of Exeter

**T**he international community spends billions of dollars every year supporting efforts to build effective, inclusive and accountable government institutions in developing countries. The belief is that these reforms lead to better





institutions that are able to provide rule of law, support economic growth and reduce poverty through basic service provision. This, we assume, will enable sustainable development.

Building better institutions has, however, proven difficult. Research suggests that many of these efforts fail to deliver the intended benefits. For donors at the forefront of institution-building, this research makes for difficult reading, as they stake a great deal of effort and money on these projects with very mixed results.



The cost of these failures runs deeper, with millions left poor and vulnerable, conflict and state fragility rife, and efforts to deliver sustainable development undermined. How, then, do we increase the odds of success?

Before answering this question, it is first worth considering why better institutions are a good thing. Experiences in democratic, peaceful societies suggest that this is the case. However, in fragile states, dysfunctional and predatory institutions are often the norm.

### Rules of the game

In theory, government institutions play an important role in shaping and incentivising the way society and organisations behave by setting the 'rules of the game'. These rules guide economic and political interactions, determine how goods and services are delivered, shape how budgets are spent, and regulate the justice system. But, by themselves, these rules are not always effective. When rules are not enacted and enforced by effective and trusted institutions, then resources are wasted, services aren't delivered, and people (especially the poor) do not receive the required protection.

Empirical research supports the theory. The World Bank and the UN show that institutional arrangements promote poverty reduction in a diverse range of socio-economic contexts.<sup>1</sup> Yi Feng and Janine Aron demonstrate how institutions are important for economic growth.<sup>2</sup> And the 2011 *World Development Report* makes a strong case for the link between weak institutions and conflict, showing that ineffective governments are more likely to experience extreme violence.

All of this builds a compelling argument for why better institutions are a good thing. It also builds a persuasive case for donor-supported institution-building, which aims to establish the 'right' rules of the game and enable developing countries to enforce them. The international

community's track record of helping to build effective institutions, however, leaves much to be desired, with a range of critics highlighting the various failings.<sup>3</sup> Donors, too, are acknowledging the limitations of past practice, presenting mixed and often disappointing results.

Matt Andrews, though, really brings home our shortcomings. His analysis of institutional reform projects shows a mere 50-50 chance that our efforts will deliver better institutions. Andrews' argument is that while many countries adopt donor-sponsored reforms, these reforms regularly fail to make a difference.<sup>4</sup>

Uganda is a case in point. The government adopted a range of reforms over the last decade. But, as Andrews and Bategeka show, their impact has been limited.<sup>5</sup> Take anti-corruption: the government has successfully overhauled its laws to combat corruption, leading to a score of 98 out of 100 for its legal framework from Global Integrity in 2011. However, as Ittner highlights, corruption continues to be pervasive, with Uganda ranking 142nd out of 175 on Transparency International's Corruption Perceptions Index (where number one is the least corrupt).<sup>6</sup>

Why, then, has it proven so difficult? First, we often adopt cookie-cutter approaches. This involves taking normative models as the starting point for reform, selecting solutions based on a deficit analysis and implementing those solutions in the name of best practice. While recognised as a bad thing to do, our default approach continues to be based on Western normative models and a deficit outlook.

This is deeply flawed. There is growing research that shows countries can take multiple paths to developing institutions; they don't have to follow Western norms.<sup>7</sup> That's because institution-building is context specific, meaning that while general ideas around institutions may travel well, the specific dimensions of better institutions may not. The idea that we can take blueprints and export them, therefore, is intellectually lazy.

This leads us to difficulty number two: adapting reforms to local context. We know

◀ Protests against Burundi's President Pierre Nkurunziza and his bid for a third term. Burundi received intensive support from the UN and the international community over a 15-year period and had been viewed as a peacebuilding success prior to this latest outbreak of political violence

context matters, but the tendency to draw on normative models means we continually overlook important contextual dimensions. These dimensions might be political, they might be cultural, but not paying sufficient attention to them leads to the same result: overly ambitious, unrealistic and poorly targeted projects that simplify the complexity of institution-building.

Returning to the Uganda example, reforms led to new laws – such as the Anti-Corruption Bill, the Inspectorate of Government Act, and the Leadership Code Act – that put tough rules in place, with new government bodies established to oversee their implementation. But these reforms overlooked important contextual realities, specifically the corrupt behaviours of key enforcers of the law.<sup>8</sup> By context, what we ultimately mean is a set of very human dynamics. Organisations are just a collection of people, after all, rather than inanimate machines to be engineered by a rational set of blueprints, and people come with interests, norms, beliefs and egos. Missing these human factors therefore overlooks important dimensions that shape institutional change.

As Rathmell shows in his account of institution-building in Iraq and Afghanistan, powerful political dynamics challenge the viability of reform.<sup>9</sup> Rosenbaum, too, highlights how organisational culture shapes behavioural expectations and responses to reform in Eastern Europe.<sup>10</sup> Whatever the case, social dynamics are a key factor in shaping the willingness of both individuals and organisations to reform.

These dynamics can, however, be incredibly challenging to understand. If we think of an organisation as an iceberg, the dynamics largely exist beneath the waterline – submerged and difficult to see. This brings us to the third difficulty: diagnosing and delivering locally owned change.

Many of the current approaches privilege the knowledge of experts. These experts are normally from states within the Organisation for Economic Co-operation and Development, with hard-won professional experiences that are drawn upon to diagnose institutions and prescribe solutions using a quintessential cause-effect model to understand the world. However,

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## *Organisations are just a collection of people, after all, rather than inanimate machines to be engineered by a rational set of blueprints, and people come with interests, norms, beliefs and egos*

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this approach is limited in complex environments, where the cause-and-effect relationships are often ambiguous, with many unknown unknowns, making them almost impossible to understand through analysis alone. Institution-building is a good example of complexity. Our expertise, therefore, while valuable, can get in the way of understanding local dynamics.

The real experts of the local context are those in the beneficiary institution. They understand the dynamics better than anyone and have a better feel for how these dynamics influence reform. Current approaches, however, limit what we mean by ‘they’ to a narrow set of people at the top of an institution – to whom we sell reform in the name of local ownership. This, though, is not ownership and limits the extent to which we draw on local expertise.

Local ownership is about broad-based engagement with a range of people within and outside the target institution(s) – people who should play a key role in diagnosing problems, identifying locally relevant remedies and leading the implementation of solutions. The narrow perspective of ‘they’ therefore undermines it, weakening the drive from the beneficiary to change and taking away their ownership of the outcome.

### **Step change required**

Given the issues we have just highlighted, the odds appear to be stacked against success. How, then, do we increase these odds?

First, we have to stop assuming that developed-world technical knowledge trumps local context. We need to jettison assumptions about what ‘we’ think works. Institution-building is complex, and developed-world specialists don’t have all the answers. If we accept this, then we start to realise that our work is more experimental in nature. This recognises

that the relationships between causes and effects are difficult to see, opening us up to more hypothesis-led approaches that iterate towards the solution. In this light, interventions consist of many small steps, rather than one big one, allowing us to weed out bad ideas and build on those that are successful – learning what works through short adaptive cycles of action.

Second, to help donors experiment, rather than starting with normative models, we need to be more problem-driven. Problems help open us up to other possibilities, rather than biasing our starting point for understanding the context. This, though, does not mean problems identified by experts. It means problems that are locally salient among a cross-section of the beneficiary. If they identify with them, these problems are more likely to offer entry points to explore jointly the context and build hypotheses of what might bring change.

It also offers an opportunity to spot exceptions to the problems. If we can identify and analyse these exceptions carefully, they can point us directly towards solutions that are, by definition, workable, given that they have worked before. Too often, we are focused on deficits in the institution and trying to plug them with what we know, leaving us closed to ready-made solutions right in front of us.

Third, if we wholeheartedly believe that people within the beneficiary institution are experts of the context, then development actors need to get better at co-creating change with them. This means working with a broad cross-section of the institution to recognise and diagnose what needs to change and identifying the steps that will deliver it.

Building effective, accountable and inclusive institutions is painstaking work. As Sustainable Development Goal (SDG) 16 recognises, though, it is vital. Institutions



can and do play an important role in reducing poverty, improving the rule of law and increasing economic growth. Despite the difficulties, therefore, the UN's efforts to build better institutions are central to progressing towards the SDGs.

But a step change is required – one that learns from past lessons and develops new ways of thinking about what works. Change management, organisational psychology and agile thinking all offer fresh models and frameworks that can challenge our *modus operandi*, providing us with ways to be hypothesis-led, iterative in our approach and problem-driven, and to work in greater partnership with those most affected by change. We just have to be open to thinking in divergent ways. ●

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## SDGs AT RISK - THE CORRUPTION FACTOR



**A strong, relentless fight against corruption is a *conditio sine qua non* for the success of the 2030 Agenda for Sustainable Development**

By **Martin Kreutner**, Dean and Executive Secretary, International Anti-Corruption Academy (IACA)

It is a historic opportunity: to realise the 2030 Agenda for Sustainable Development and secure a better future for us, the peoples on this planet. But this inspiring vision is challenged by risks, the most serious of which is that all 17 unanimously adopted Sustainable Development Goals (SDGs) could be severely undermined by corruption.

The scale and impact of corruption are alarming. This menace costs more than 5% of global GDP, hits the world's most vulnerable groups the hardest, affects all states, societies and sectors, and contributes to the collapse of entire countries and economies. Corruption is the antithesis vis-à-vis human rights, the venom vis-à-vis the rule of law, the poison for prosperity and development, and the reverse of equity and equality. A strong, relentless fight against corruption is therefore a *conditio sine qua non* for realising the 2030 Agenda. However, it calls for more than just warm words and tepid expressions of support. It requires shared ownership by all, with leadership from the top, nationally and

internationally, both from the political and corporate worlds.

And yes, conditions are tough. The world faces other daunting challenges, such as increasing distrust and dispute among leading powers, stern security trials, economic uncertainty and climate change. Furthermore, citizens' confidence in leaders' ability to tackle global issues is declining.

But there are reasons for optimism too, as I said at the UN Sustainable Development Summit in New York when the General Assembly formally adopted the 2030 Agenda.

One cause for hope is the growing awareness of corruption's horrific impact. Another is the explicit language under Goal 16, which aims, inter alia, to "substantially reduce corruption and bribery in all its forms". A third is the recognition in the 2030 Agenda that daily implementation is crucial if the SDGs are to become a fruitful reality.

The day-to-day actions against corruption must not rely on traditional criminal law and enforcement alone. It also requires prevention, education and international cooperation – three of the key areas in which IACA, an international organisation covering more than five billion people, is empowering anti-corruption and compliance professionals across the globe.

Preventing and fighting corruption is about sustained hard work, not quick cursory plasters. Let us thus be guided by recalling that investing and engaging in anti-corruption education and empowerment is the smart way towards sustainable development, safeguarding human rights, and strengthening the rule of law; on the road to 2030 and beyond.



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# Development and countering violent extremism

*How can the post-2015 development agenda work in tandem with another pressing global problem, that of dealing with violent extremism? What can the UN do to ensure that actors working on development and security can mutually benefit from each other's work?*

By **Naureen Chowdhury Fink**, Head of Research and Analysis, and **Rafia Bhulai**, Programs Officer, Global Center on Cooperative Security

Over the past decade, counterterrorism policymakers and practitioners have increasingly focused on developing a broader strategic approach that stresses prevention and addresses the enabling environment for terrorism and violent extremism.

It should be noted that 'violent extremism' denotes the support for or perpetration of acts of violence with the purpose of advancing a socio-political agenda. Such acts may not be confined to what are defined as acts of terrorism in UN conventions and protocols, but may include criminal, political and other forms of violence. Hence, all terrorism may be considered violent extremism but the latter is a broader category.

This is reflected in the emergence of an area of practice known as 'countering violent extremism' (CVE). While CVE emerged from the counterterrorism community and addresses the threat of violent extremism, it can be an important tool for both conflict prevention and development based on the premise that violence impedes sustainable development and threatens human rights.

A number of multilateral, national and regional prevention-focused initiatives have emerged under the rubric of CVE, including those concentrating on strategic communications, media, gender,

education and community policing, for example. While the terminology has come to represent prevention writ large, policymakers and practitioners vary on the breadth of focus.

Some argue for more tailored 'CVE-specific' interventions, while others focus further upstream on what the UN calls "conditions conducive" to the spread of terrorism, and promote 'CVE-relevant' programmes that may resemble traditional development, peacebuilding or conflict-prevention activities that have CVE as a by-product. These latter initiatives are also referenced as 'Preventing Violent Extremism' (PVE) as reflected in the UN Secretary-General's recent Plan of Action to Prevent Violent Extremism.

## Push and pull factors

Against this backdrop, there is increasing focus on understanding the relationship between the drivers of violent extremism – the structural 'push' factors and the proximate incentives or 'pull' factors – and on deepening knowledge of both the source of the problem and the responses required.

Current research suggests that there is no universal indicator or determinant of support for or participation in violent extremism; it is a non-linear process that results from a combination of different factors that shape an individual's trajectory.

While a direct causal relationship has not been determined, there are a number of recognised conditions conducive to – or factors that create – an enabling environment for violent extremist groups to

drum up support and recruits. As outlined by the UN Global Counter-Terrorism Strategy, adopted by the General Assembly in 2006, these include: prolonged unresolved conflicts; dehumanisation of victims of terrorism; lack of the rule of law and violations of human rights; ethnic, national and religious discrimination; political exclusion; socio-economic marginalisation; and lack of good governance.

The potential overlap between CVE and development assistance is especially evident when looking beyond the traditional interpretation of national security to human security, which includes environmental, economic, health and crime-related threats. The World Bank's 2011 *World Development Report* argued that the developmental consequences and human costs of violence are severe and that violence has been the main constraint to meeting the Millennium Development Goals.

It asserted that restoring confidence and transforming the institutions that provide citizen security, justice and employment are key to breaking cycles of insecurity and realising economic development and stability. The experiences of countries like Mali, Libya, Nigeria, Somalia and Yemen underscore the vulnerability of countries experiencing prolonged instability and help illustrate the findings that incidents of terrorism are most common within the context of an already-existing conflict.

In fact, according to the World Bank, out of 23 countries identified as experiencing ongoing conflict, 17 also suffer from the highest levels of terrorism. This is not to say



◀ A mass unity rally following the terrorist attacks in Paris, France in January 2015. The attacks were a stark reminder that violent extremism is not just a developing-world problem and that all societies need to address the root causes of radicalisation

security (although ‘vulnerable’ or ‘at risk’ does not imply an assumption of support for or participation in violent extremism). Moreover, the impact on children and their vulnerability to recruitment or coercion by extremist groups remains a critical concern.

### Individual circumstances

Poverty appears to play an important role in creating a hospitable environment for extremist groups to operate and recruit. The Institute for Economics and Peace’s 2015 Global Terrorism Index found that since 2000, only seven per cent of all terrorism incidents have occurred in countries belonging to the Organisation for Economic Development and Co-operation, accounting for just five per cent of all terrorism-related fatalities.

According to the report, in 2014, Iraq, Afghanistan, Pakistan, Nigeria and Syria alone were home to 78 per cent of the lives lost to terrorist attacks. While poverty cannot be proven to have a direct causal relationship to terrorism, it is clear the impact of extremist violence has been borne most heavily by the citizens of poor(er) countries. This is not to say that recruitment and radicalisation to violent extremism do not happen in richer countries; they certainly do, as demonstrated by the fact that most of the foreign fighters currently in Syria and Iraq do not come from the poorest countries.

However, the circumstances of individuals play a big role in determining whether they are driven towards extremism by push factors or attracted by pull factors. Each country, community and individual has unique dynamics that defy generalisations. The actions of states are also critical given that research suggests the role of the state and its law enforcement and governance institutions are critical in promoting narratives of injustice and generating grievances that can contribute to violent radicalisation.<sup>2</sup>



© Getty Images/Richard Bord

that all conflict breeds terrorism, but where it does, terrorist incidents exacerbate already heavy development costs such as declining health and education, disruption of social services, disintegrated communities, broken infrastructure, and forced migration.<sup>1</sup>

Recently, in its 2015 Human Development Report, the UN Development Programme asserted that violent extremism not only deprives people of their freedoms, but limits opportunities to “expand their capabilities”.

A sustained high level of insecurity has adverse implications for the socio-economic prospects for individuals and communities, and impedes the advancement of the Sustainable Development Goals (SDGs), but there are other terrorism implications as well.

Refugees, forced migrants and internally displaced persons have been identified as at-risk groups, vulnerable to recruitment and radicalisation to violence in contexts where they are not integrated and lack human

The emergence of the so-called Islamic State of Iraq and the Levant (ISIL) has created a greater sense of urgency for many governments as they grapple with the outpouring of refugees; with national security concerns raised by the prospective return of foreign fighters; and the exacerbation of existing conflicts by the ideology and tactics exported by the group. While emerging from al-Qaeda, ISIL has premised its legitimacy on purporting to offer a just and effective state that ostensibly addresses many of the grievances of citizens in the region.<sup>3</sup>

In its communications, ISIL does not portray itself as a secretive terrorist group, but rather as a welcoming state that seeks to offer its citizens healthcare, basic services, protection and infrastructure. In many ways, much of its recruitment material speaks the language of state-building and development, although it does not shy away from the use of brutality to assert itself. The need to understand and respond to the development and security deficits that drive ISIL's support and assumed legitimacy is therefore critical.

Findings about the localised and individualised nature of drivers of violent extremism indicate that many of the UN's core goals on preventing conflict and promoting human rights and sustainable development can be key to reducing the appeal of terrorism.

This was underscored in January 2015 when the UN Security Council described the relationship between security and development as “closely interlinked and mutually reinforcing and key to attaining sustainable peace”. The Secretary-General's Plan of Action on Preventing Violent Extremism makes a clear association between PVE and development, calling for national and regional PVE action plans and encouraging member states to align their development policies with the Sustainable Development Goals, many of which were highlighted as critical to addressing global drivers of violent extremism and enhancing community resilience.

The newly adopted SDGs reflect this approach, especially Goal 16 on the promotion of just, peaceful and inclusive societies. This is particularly important

because among the common denominators of violent radicalisation are marginalisation (real or perceived), unmet expectations or inequality (especially aligned with ethnic or religious divisions), and human rights infractions. Additionally, a target of Goal 16 is to: “strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime”.

### Development response

In adopting the 2030 Agenda, international actors recognised that peaceful and inclusive societies cannot be achieved without sustainable development, and vice versa. Furthermore, a shared aspect of Goal 16 and CVE is the recognition of the vital roles of women in both countering violent ideologies and working as peacebuilders, which was reflected in Security Council Resolution 2242 in 2015 following the high-level review of Resolution 1325 on women, peace and security, which was adopted in 2000. Women play varied roles in relation to terrorism, from victims to perpetrators to preventers. Their roles in preventing violence and conflict, including violent extremism, are reflected in SDG 16's advocacy of peaceful and inclusive societies that uphold the rule of law for both men and women.

A number of national and international actors, such as Australia, Denmark, Norway, the United States, the United Kingdom and the European Union, have underscored the synergy between CVE and development. In addition, the potential linkage between the SDGs and CVE objectives has been welcomed by many governments and practitioners as complementary approaches that seek to deny extremist groups the oxygen they need by addressing many of the grievances on which they prey. In addition, a number of organisations and actors have already identified ways of bridging security with development.<sup>4</sup>

However, a critical impediment to more integrated efforts both at the political and operational levels is a legacy of distrust characterised by concerns about

the ‘securitisation’ of development and humanitarian efforts; the protection of staff and civilians; and bureaucratic silos that were not designed to address the complex and inter-connected transnational threats confronting the UN and its members today.

These concerns are compounded by the fact that CVE suffers from a lack of conceptual clarity, which contributes to confusion about its parameters, objectives, timelines and impact – further leading to wariness among some policymakers and practitioners. Moving further upstream also raises questions about the boundaries between preventing and countering violent extremism, and development assistance.

If development is done right – particularly in areas vulnerable to violent extremism – what is the added value of PVE and CVE measures? Can traditional development approaches be effective in the face of the evolving security challenge posed by groups like ISIL, Boko Haram and their ilk, where traditional lines between criminal, political and terrorist violence are increasingly blurred?

### Bridging the divide

Among the SDGs, Goal 16 presents a valuable opportunity to bridge the development and security divide. It explicitly provides an entry point for development and security actors to come together to promote inclusive, multidimensional approaches to achieve a peaceful society.

In particular, CVE presents one avenue to pursue the achievement of Goal 16. Development actors might find it easier – and perhaps more palatable – to engage with CVE experts and practitioners given their hesitation and concerns about interacting with pure security or counterterrorism actors.

That said, this approach will not be a panacea as it is unlikely to address some of the ideological, material or political factors that may contribute to support for violent extremism. In addition, there are considerable challenges in integrating CVE objectives in stabilisation and development programmes, as well as in implementing CVE initiatives in fragile and conflict-affected areas, due for instance to lack of access, resources and capacities.<sup>5</sup>





© AFP Photo/Roberto Schmidt

◀ Palestinian boys watch as Hamas militants parade in Shejaiya, Gaza, following the brutal conflict with Israel in 2014. The highest levels of terrorism are in countries experiencing ongoing conflicts, where children are particularly vulnerable to recruitment

balanced security responses to threats and the constant reaffirmation of the UN Secretary-General's Human Rights up Front initiative, which seeks to ensure early and effective action to prevent or respond to large-scale violations of human rights or international humanitarian law. ●

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*The authors would like to thank Eelco Kessels and Christina Nemr whose forthcoming Policy Brief on these issues informed this article. The authors would also like to thank Benjamin Sugg for his research support.*

Nevertheless, to achieve Goal 16, there will be a need for development actors to engage with security institutions particularly when working in environments (especially fragile and post-conflict ones) that may be vulnerable to terrorism and violent extremism.

This is where CVE can prove a valuable vehicle for bringing together state officials, law enforcement agencies, civil society and communities to formulate collaborative strategies. CVE actors have already laid some valuable groundwork through efforts to enhance community resilience, strengthen community policing and foster greater understanding of the drivers.

For those looking to work on Goal 16, an exchange of lessons learned and good practices in this space could prove useful. On the development side, strengthening local institutions and political empowerment will be key to the successful implementation of SDG 16, which will implicitly promote means of addressing local grievances through a non-violent, bottom-up process. These objectives are also important to addressing many of the drivers of violent extremism and can therefore contribute to CVE even if that is not their primary objective.

Some caution must be exercised in considering the overlap between the

SDGs and CVE. Rather than consider them inherently linked, the relationship is better framed as one of mutual benefit between programming that supports complementary goals. Development programming can benefit from a CVE lens where there are concerns about extremist activity, and lessons learned from development can inform the implementation of context-sensitive, sustainable CVE efforts.

While CVE remains a nascent and evolving area of practice, lessons learned regarding implementation and impact can also help inform development efforts in an environment where extremism is a concern. Enhancing opportunities for policymakers and practitioners from both fields to interact and collaborate will help build trust, a key element to successful partnerships.

The UN is well positioned to help create such a multi-stakeholder platform. However, multilateral development efforts must be seen as part of a comprehensive approach to addressing terrorism, violent extremism and conflict, just as CVE efforts can be seen as one instrument in the SDG toolkit. These efforts must be accompanied by political solutions to armed conflicts,

# Sharing the tools for development

*If societies are to achieve sustainable development, we need to usher in a new era of collaboration, involving strong and meaningful partnerships between agencies, investors, communities and donors*





By **Helen Clark**, Administrator, United Nations Development Programme (UNDP)

In September 2015, world leaders meeting in New York adopted *Transforming our world: the 2030 Agenda for Sustainable Development* and its 17 Sustainable Development Goals (SDGs). This broad and ambitious agenda seeks to advance the wellbeing of all people while also safeguarding the planet. It conveys both means and ends, with its vital human development goals complemented by the promotion of sustainable consumption and production patterns, inclusive growth, decent work, essential infrastructure, and that fundamental precondition for sustainable development: peaceful and inclusive societies.

This new and universal agenda calls for action on sustainable development – and on the shared challenges our world faces – by every country in domestic policy. These challenges range from continuing extreme poverty for hundreds of millions of people to considerable unemployment (especially for youth), climate change, violent conflict, natural disasters and deadly disease outbreaks. The new agenda calls for a paradigm shift in the way in which development is done, and in the partnerships required to achieve sustainable development.

### What has been learned from the MDG experience?

Over the past 15 years, the momentum generated by the Millennium Development Goals (MDGs) contributed to reducing the incidence of extreme poverty; improving access to primary education; reducing infant, child and maternal mortality rates; combating HIV/AIDS, malaria and tuberculosis; and advances on other key MDG targets, like that for water.

MDG 8 promoted “a global partnership for development”. This galvanised significant increases in official development assistance (ODA), improved developing countries’ access to developed-country

markets, advanced major initiatives to reschedule or write down the external debt of developing countries, improved access to treatments for high-profile diseases and increased access to new technologies, particularly information and communication technologies.<sup>1</sup> As the MDG Gap Task Force Report 2015 underscores, despite important progress made towards the achievement of MDG 8, major gaps remain that will require strengthened partnerships for development to achieve the SDGs.

There were also issue-specific partnerships focusing on specific MDGs and their targets. For example, the Global Fund to Fight AIDS, Tuberculosis and Malaria is a partnership between governments, civil society, the private sector and people affected by the diseases. This Global Fund partnership – an innovative health-financing mechanism – supports programmes that have saved more than 17 million lives since 2002.<sup>2</sup> The rapid increase in access to antiretroviral therapy in countries supported by the Global Fund – from four per cent coverage in 2005 to 21 per cent in 2010 and 40 per cent in 2014 – has been a tremendous contributing factor.<sup>3</sup> Currently 2.2 million people are on life-saving antiretroviral therapy through UNDP programmes financed by the Global Fund.

Another example is Gavi, the Vaccine Alliance, which brings together governments, foundations, international organisations, civil society organisations and pharmaceutical companies to “improve access to new and underused vaccines for children living in the world’s poorest countries”.<sup>4</sup> Between 2000 and 2015, Gavi contributed to the immunisation of 500 million children, and strengthened health systems and immunisation services in more than 60 countries, thereby greatly contributing to progress on MDG 4, which aimed to reduce mortality rates significantly for children under the age of five.<sup>5</sup>

Gavi uses innovative financing mechanisms to provide long-term funding commitments to developing countries. For instance, it set up the International Finance Facility for Immunisation (IFFIm) in 2006 to accelerate the availability and predictability of funds for Gavi’s

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◀ Helen Clark visits a school in Fier, Albania. Despite all SDGs being interdependent, education has a uniquely important role in equipping and empowering people to contribute to the achievement of sustainable development



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◀ Kazakhs herd sheep to their spring pasture in Xinjiang Uyghur Autonomous Region, China. Transhumance helps to support biodiversity – an example of the nexus and balance between society, economy and the environment

immunisation programmes. IFFIm uses \$6.3 billion in long-term pledges from donor governments to sell ‘vaccine bonds’ in the capital markets, making large volumes of funds immediately available for Gavi programmes. Vaccine bonds have proven remarkably popular with institutional and individual investors who want a market-based return and a socially responsible investment opportunity.

### Partnerships and Agenda 2030

In Agenda 2030, UN member states committed to mobilising the means required to implement the Agenda “through a revitalised Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.”<sup>6</sup> This commitment is now embedded in SDG 17. Member states also pledged to

complement the Global Partnership for Sustainable Development with “multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources to support the achievement” of the SDGs (target 17.16).

Agenda 2030 recognises that each country has primary responsibility for its own economic and social development, but also that national development efforts need to be supported by an enabling international economic environment with coherent and mutually supporting world trade, monetary and financial systems, and with strengthened and enhanced global economic governance. The new Global Partnership envisages demands for ongoing North–South cooperation, but also goes beyond it to embrace South–South and triangular cooperation as vital sources of innovation, expertise and solutions for tackling development challenges.

The new Agenda offers many opportunities for engagement by philanthropy and the

private sector. In 2013, philanthropic finance going to initiatives in developing countries was estimated at \$60 billion,<sup>7</sup> while net ODA was \$135 billion.<sup>8</sup> Thus philanthropic investment has scale, and is also known for its flexibility and willingness to take risks and innovate. Forging partnerships with the philanthropic community and broader civil society at the country level will be crucial for UNDP during the SDG era. For instance, UNDP is a founding partner of the SDG Philanthropy Platform – a collaboration between philanthropy and the wider international development community.<sup>9</sup> It aims to enable partnerships on global development as we transition from the MDGs to the SDGs; to improve capacity, knowledge and data-sharing for philanthropic investment; and to promote accountability in the philanthropic sector.

The role of private investment in realising the Agenda will be very large, especially as it aligns with long-term sustainable development objectives. How businesses do business matters. For example, over and above the value of investment in developing countries, the use of inclusive and sustainable business models can have huge impact. Supporting the entry of micro, small and medium-sized business to value chains, providing skills training and decent work, and ensuring that business operations do not leave a toxic environmental legacy are all huge contributions to sustainable development.

Government policy and regulatory settings can also encourage investment into sustainable infrastructure – in, for example, energy, transport and waste disposal systems – and into research, development and innovation for sustainability. The removal of fossil fuel subsidies alone would be a significant boost for sustainability.

Drawing on all forms of finance (domestic and international, public and private, environmental and developmental) will be essential for SDG implementation. The different streams of finance can be blended



and leveraged. For example, public funding instruments like the Global Environment Facility (GEF) and the Green Climate Fund can catalyse much larger funding flows from other sources. The partnerships between UNDP and these instruments will play an important role in supporting developing countries in moving towards low-emission and climate-resilient sustainable development.

### Partnerships for advocacy, action and accountability

The outcome document of the Third International Conference on Financing for Development – the *Addis Ababa Action Agenda* – emphasises that multi-stakeholder partnerships matter not only for mobilising financial resources, but also for sharing development knowledge, technology and expertise, and for complementing the efforts of governments.

#### 1. Advocacy

The implementation of Agenda 2030 will be assisted by strong and continued engagement and support by broad partnerships of stakeholders. This will help to keep decision-makers focused on implementation, and to encourage the individual and collective behaviours that will move societies towards sustainable development.

Civil society and citizen participation and engagement featured prominently in the processes leading up to the finalisation of the SDGs. The UN's MY World global survey drew more than 8.5 million responses from individuals on priorities for the new Agenda. The successor to the UN Millennium Campaign, hosted by UNDP, will now play a strong role on national SDG advocacy and public engagement.<sup>10</sup> The campaign will encourage broad stakeholder engagement with – and ownership of – the SDGs in every country, as well as citizen-driven processes to track progress.

#### 2. Action

The SDGs promote coordinated action across the three dimensions of sustainable development: the economic, the social and the environmental. Actions in one area should be supportive of, or at least

not detrimental to, desired outcomes in another. For example, investments in maintaining biodiversity or in climate change adaptation can advance other goals on poverty eradication, health, food security or job creation – if well designed.

I recently witnessed this in Laos where an agro-biodiversity programme supported by UNDP, the GEF and the Food and Agriculture Organization (FAO) is promoting mushroom cultivation as a source of higher and more sustainable incomes than the traditional foraging for mushrooms in the forest. Both people and the forest ecosystem are better off as a result.

In pursuing such win-win initiatives to progress the SDGs, the expertise and resourcing of international organisations will be important, along with the many contributions that can be made by governments, bilateral donors, the academic and research community, philanthropy, the private sector and civil society.

Integrated approaches and multi-stakeholder partnerships are needed for actions to move the SDGs forward. For instance, on forest conservation, the UN-REDD Programme – a partnership of UNDP, FAO and the UN Environment Programme – supports partner countries in designing policies to reduce deforestation and forest degradation, which embrace multi-stakeholder dialogues and partnerships, and uphold the rights of indigenous peoples and local communities.<sup>11</sup> This partnership will contribute to the achievement not only of SDG 15 on sustainable management of terrestrial ecosystems, but also of SDG 10 on reducing inequalities.

#### 3. Accountability

The 2030 Agenda's emphasis on accountability requires governments and development actors alike to apply high standards to data collection and knowledge management, and to engage people and groups from all walks of life in implementing and monitoring the SDGs.

The new Global Partnership for Sustainable Development Data, of which

UNDP is part, is a good example of a multi-stakeholder partnership created for this purpose. It aims to build robust, high-quality datasets on sustainable development, and to drive a data revolution for implementing and monitoring the SDGs.<sup>12</sup>

It seeks to ensure that having reliable and accessible data for these purposes remains high on the agenda of governments, civil society and other stakeholders. By engaging diverse actors and data sources, countries can better track progress, while deepening the ownership people and governments have of the results.

#### Moving ahead

Achieving the SDGs will be challenging. Yet our world has more wealth, knowledge and technologies at its disposal than ever before. Partnerships will be vital in advancing Agenda 2030, as these resources now need to be fully harnessed in innovative and more joined-up ways.

UNDP is committed to working with governments, sister UN agencies and the wide spectrum of other development actors and stakeholders to revitalise partnerships for sustainable development. ●

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- 2 [www.theglobalfund.org/en/impact/](http://www.theglobalfund.org/en/impact/)
- 3 [ibid](#)
- 4 [www.gavi.org/about/mission/](http://www.gavi.org/about/mission/)
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- 9 SDG Philanthropy Platform is a collaboration between philanthropy and the greater international development community led by Foundation Center, UNDP and Rockefeller Philanthropy Advisors, and supported by the Conrad N. Hilton Foundation, Ford Foundation and the MasterCard Foundation, the Brach Family Foundation and key philanthropy networks such as Worldwide Initiatives for Grantmaker Support, Asociación de Fundaciones Empresariales in Colombia and Association of Philanthropy Indonesia in Indonesia
- 10 <http://beta.unsdgcampaign.org/>
- 11 [www.un-redd.org/AboutUN-REDDProgramme/tabid/102613/Default.aspx](http://www.un-redd.org/AboutUN-REDDProgramme/tabid/102613/Default.aspx)
- 12 [www.undatarevolution.org/report/](http://www.undatarevolution.org/report/)

# Data for development

*The digital age offers huge potential to generate data that can inform government policies to achieve the SDGs. But is data generation and collection helping those communities most in need and, if not, what can be done to ensure it does?*





By **Claire Melamed**, Director of Poverty and Inequality, Overseas Development Institute

In 2007, Google Trends tells us there were no searches using the term ‘data revolution’. Since then, the popularity of the phrase has been on a steady upward trend, reflecting a growing interest among governments, multilateral organisations and civil society in all things quantitative.

Why the sudden interest? The first reason is, perhaps, a certain level of panic. In September last year, UN member states agreed the 17 new Sustainable Development Goals (SDGs). It is still being finalised, but the list of indicators that countries will have to report on to track progress on the goals comes in at well over 100. Not only that, but the commitment to ‘leave no one behind’, if observed fully, means the data will have to

be reported to a much higher level of detail than ever before, so that the progress of specific marginalised groups can be tracked over time. For many countries this will mean investing in entirely new data – and for most countries, it will mean doing things differently and better than before.

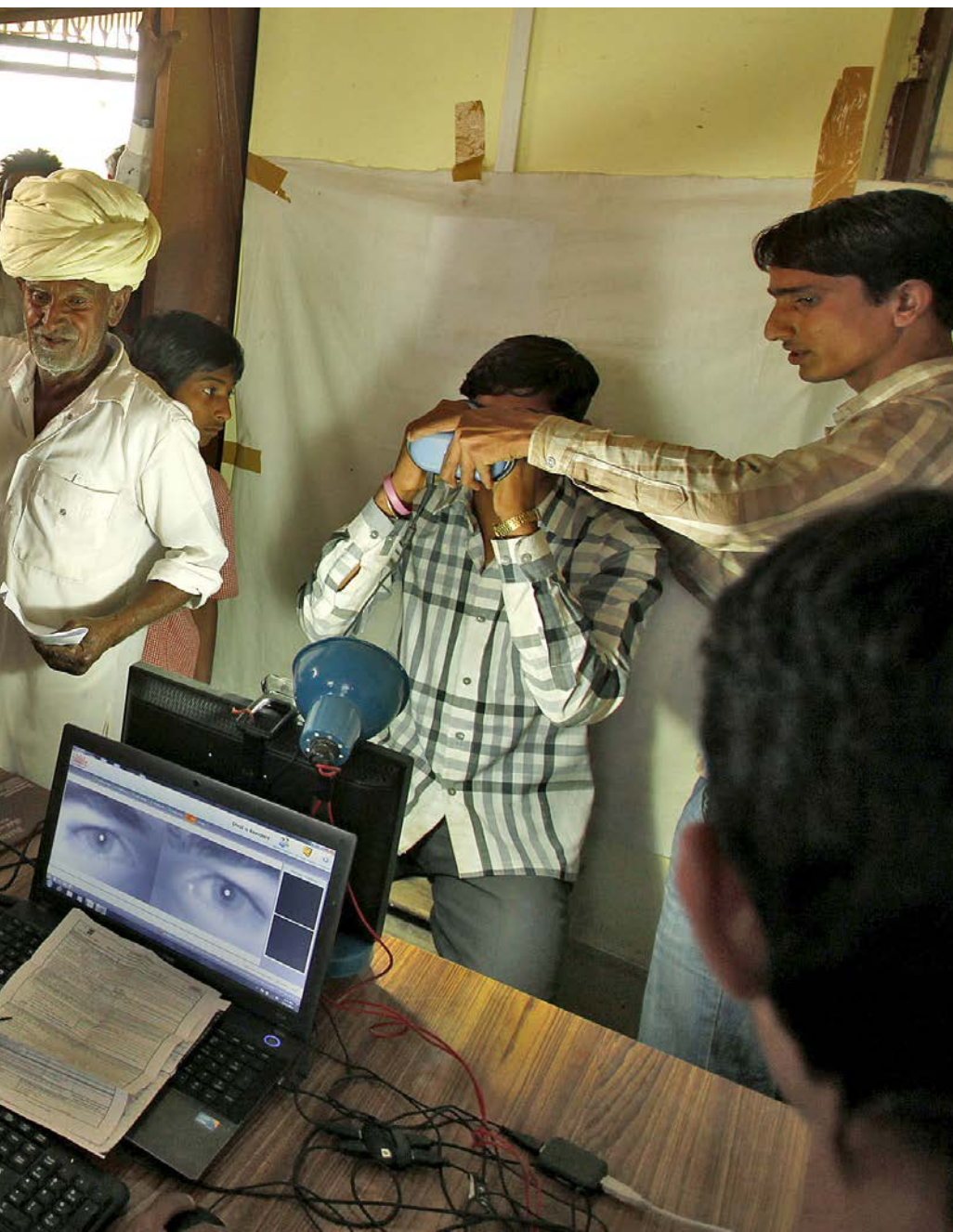
A second reason is opportunity. With the rapid growth of new technologies – satellites flying overhead every few minutes, mobile phones reaching the most remote villages, computing power making the manipulation of vast datasets a matter of a few clicks – the possibilities to improve our understanding of the world through data are expanding every day. While previous generations had to do the best they could with imperfect knowledge, today’s decision-makers have a vast array of facts available to them.

Or rather, some of them do. One of the defining features of today’s data landscape is inequality between countries, people and issues.

### Margins of error

While governments in many Organisation for Economic Co-operation and Development countries are in a position to experiment with new measurements, real-time data and innovative ways of opening up data for use, for many of the poorest countries in the world this is a luxury they cannot afford. Some of the basic building blocks of data for decision-making are simply absent. A majority of African countries do not, for example, have complete systems for collecting data on births and deaths. This means that, to take one critical indicator, maternal mortality rates in most countries are based on estimates – estimates that themselves rely on data from household surveys that are often years out of date. These estimates produce national averages of the number of women who die every year, with large margins of error.

The methods used for estimation were developed partly to help monitor the Millennium Development Goals, and while



◀ Enrolment at a centre for the unique identification database in Merta, India. This ambitious nationwide programme not only aims to reveal demographics but is also used to make direct assistance payments to the poor

they might be adequate for monitoring goals at a global level, they are almost entirely useless for governments trying to make policy to achieve them. If a government is trying to run a health service for pregnant women, but does not know in what region or district the highest maternal death rates are, it cannot allocate resources effectively to solve the problem.

The data deficit is partly a consequence of lack of resources – governments struggling with inadequate budgets are unlikely to invest in the latest data technologies. Donors have traditionally spent very little money on supporting national data systems – just 0.24 per cent of all aid in 2013 – and it's not just money: human resources are in short supply as well. In a familiar scenario, many countries have few trained statisticians and data scientists, and those that do exist are often snapped up by the private sector or non-governmental organisations (NGOs).

Inequalities do not only exist between countries. Unsurprisingly, other inequalities in data also follow disparities in wealth and power – the least powerful people and the issues that concern them are those about which least is known. Within countries, the poorest are often the worst represented in the statistical record. In Liberia, it can take days of travel on terrible roads, by canoe and by foot to reach the most remote households – so it's not surprising that the statisticians in the national capital suspect – because by definition it's impossible to be sure – that they are under-represented in official data.

### Data gaps

Sometimes even when people are counted, the most relevant information isn't collected. For example, we don't actually know what proportion of children still not going to school have a disability, because the information just isn't there. Until the advocates started making a fuss, it wasn't considered important enough to spend the money to collect the information. And, of course, many of the data gaps are most stark on issues relating to women, reflecting broader patterns of gender inequality and women's lack of power.

Only just over half of all countries have official data on domestic violence,

for example. If there's no information on when and where it's happening, it's hard to imagine effective policy to support women victims of violence in their homes.

The negotiations between governments leading up to the new SDGs, and the commitment to leave no one behind, have shone a light on the deficiencies in data that will slow progress towards achieving the goals. Governments, NGOs and others have realised that it is almost impossible to argue with the proposition that, all things being equal, it is better to have more information

make data faster, more accurate and more useful will take more than money. It will also mean governments, researchers, the private sector, NGOs and multilaterals working together to see how new data can solve old problems, and how new problems – like concerns about privacy, which can prevent the sharing of potentially useful data between companies and governments – can be solved.

Like so many of today's biggest challenges, be they in social policy, economic policy, humanitarian response or environmental sustainability, improving data will be a

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***Like anything else, data comes at a price. It costs money, time and human effort to collect, and all three are scarce in many countries. Should data be a priority?***

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than less. But, like anything else, data comes at a price. It costs money, time and human effort to collect, and all three are scarce in many countries. Should data be a priority?

Not always, of course. But, for governments, there's a minimum of data that is critical for effective service delivery – and the investments pay off. In Liberia, for example, even at its lowest post-war ebb the government ran a survey to enumerate the location and condition of the country's water points. This was critical data for a government trying to rebuild the infrastructure. This same information was invaluable to a different government department some years later, in deciding where to site the health clinics set up to deal with the Ebola crisis – knowing where the clean, reliable sources of water were located was absolutely essential in planning the response to the epidemic.

Improving data systems will be a slow process. Many governments are all too aware of the gaps in their knowledge and how much more effective they could be with more information. Making the resources available for the poorest countries will be a key part of improving data systems, and donors and other partners obviously play a key role.

However, making the most of the new opportunities presented by technology to

collective effort. There's no one institution that can make sure that the right data is available to the right people at the right time to drive the best outcomes.

But bringing enough institutions together to focus minds and resources on specific problems might just do it, and that is the role of the new Global Partnership on Sustainable Development Data. It was set up following the recommendation of an expert panel whose report, *A World That Counts*, was presented to the UN Secretary-General in 2014.

The partnership brings together governments, companies, NGOs, UN agencies and other multilaterals determined to do what they can to improve the production and increase the use of data, and start to redress some of the inequalities that mean that the poorest people and the hardest problems are the least well served by current information.

One of the unexpected but very welcome consequences of the negotiation of new global goals has been the focus on the data that is needed to achieve and monitor them. This is the moment for people who care about facts to step out into the political limelight and seize the moment to bring resources, energy and expertise to bear on making the invisible visible, and putting data to work to improve people's lives. ●



# Spain's vision of low-carbon development

© Getty/Antonio Luis Martínez Cano



■ **Wind turbines in Andalucía. A new development model will require changes in the way Spain both produces and consumes energy**

The UN Sustainable Development Summit, held in September 2015, adopted the 2030 Agenda for Sustainable Development. The 2030 Agenda includes the Sustainable Development Goals (SDGs), which will guide the international development agenda between now and 2030.

The fight against climate change, as well as adaptation and resilience to its impacts, is encapsulated in SDG 13 ("Take urgent action to combat climate change and its impacts"). World leaders met at COP21 in Paris in December 2015 to agree what form that action should take.

The post-2015 agenda, which promotes low-carbon and climate-resilient development, will also contribute to reducing current poverty levels – and has Spain as a major ally for its implementation. Spain has made a significant effort in the last few years to integrate climate change in its development cooperation plans and strategies as well as support several programmes, funds and bilateral, regional and international initiatives on climate change.

One of the main goals of the Spanish Government's current *Master Plan of the Spanish Cooperation* is to "improve the provision of global and regional public goods", for which sustainable development and environmental considerations will play a vital part. In a similar vein, the Sectoral Action Plan on Environment and Climate Change, developed by the Spanish Agency for International Development Cooperation (AECID), aims to promote a new development paradigm based on sustainable economies. Such economies are characterised by low-carbon emissions and high levels of biodiversity, social justice and equity, and where respect for the environment is the basis for development.

The work of AECID has also been key for the consolidation of regional initiatives such as the Ibero-American Network of Climate Change Offices (RIOCC). This network is promoted and supported by the Ministry of Agriculture, Food and Environment through the Spanish Climate Change Office, which acts as the network's

secretariat. RIOCC's objective is to strengthen the development and implementation of policies and activities to tackle climate change in Ibero-American countries. The network facilitates the establishment of alliances among all the countries, allowing nations to make progress together in a more practical context other than that of climate change negotiations. It also promotes debate around several climate change topics ranging from the scientific and technical to the economic and political.

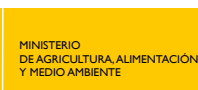
RIOCC is, without doubt, a pioneer initiative that has allowed the creation of a technical space for the exchange of information and experiences. It has also provided the opportunity to identify synergies and priorities for regional cooperation, while also promoting North-South, South-South and triangular cooperation.

The need to change the development model – the transition towards a low-carbon society – has become abundantly clear in Spain, a country characterised by its high energy dependency while importing around 80 per cent of its primary energy. Given its citizens' reliance on energy to maintain their current way of life, it is clear that a new development model will require changes in the way the country both produces and consumes.

In this context, all elements of the economy must effectively deal with the need to reduce greenhouse emissions in a way that also enhances economic activity and employment. To this end, in recent years, the Spanish Ministry of Agriculture, Food and Environment has been promoting several initiatives that generate low-carbon economic activity while creating sustainable employment.

Among these, the Environmental Boosting Plans deserve a special mention. Their main objective is to help those companies that are willing to move towards an environmentally friendly production model. In addition, the so-called Climate Projects represent a clear example of how it is possible to reduce emissions and promote quality jobs in those sectors associated with the fight against climate change. Meanwhile, Spain's National Registry of Carbon Footprints allows companies to calculate and so reduce their carbon emissions, while also promoting the use of national carbon sinks.

Low-carbon pathways also represent an opportunity to emerge from the economic crisis by rejuvenating entire sections of our society and economy, to build a sustainable, investment-led economy recovery. Spain is making the most of this opportunity. ■



# Beneficiary engagement in the SDG era

*The international community now agrees that successful aid intervention requires the involvement of communities and beneficiaries in the decision-making process. But what should this involvement look like, and how can it be achieved?*

By **Jonathan Glennie**, Director of Policy and Research, Save the Children UK

**T**here are few knowns in international development. While there is no shortage of ‘experts’ giving their firmly-held opinions on any number of important issues, the range of diverse views along with the changing fads and common wisdoms imply that there is little certainty.

On one issue, however, there is consensus both in anecdotes from development professionals and in the academic literature: without a significant degree of recipient/beneficiary engagement, development interventions are likely to fail.

This central tenet was at the heart of the Paris agenda on aid effectiveness, which set ownership as the first principle of effective development partnerships.

The fact that this is known by most people in development does not mean, of course, that such engagement is as common as it should be. The incentives that drive so much aid and development cooperation, today and throughout history, mean that doing development well is incredibly hard.

Indeed, while the so-called ‘results’ agenda that is now dominant in most donor strategies clearly has some merit – emanating from an understandable desire to account for high-quality expenditure of limited public

funds – it is putting significant pressure on this crucial principle.

You only have to listen to the recent speeches of most donor bureaucrats and count the times they emphasise beneficiary engagement and ownership to realise how endangered this idea has now become, quite contrary to the evidence – and somewhat depressingly given its heyday only a few years ago. In this context, it is worth briefly reminding ourselves why engaging the potential beneficiaries of an aid partnership is so important. The logic is fairly simple. History demonstrates again and again how external interventions have had less than positive results, even when carried out with the best intentions. And over time, the aid community has grown to realise that it does not have the answers to the complex problems it wants to help solve.

It is through partnership – the exchange of ideas, the joint building of strategies – that solutions are most likely to emerge. Often beneficiary communities do not have the answers either, and even with full beneficiary engagement, success is far from certain. But it is substantially more likely.

► Following an Action Against Hunger initiative, a community group in Masi-Manimba, the Democratic Republic of the Congo, holds weekly meetings to identify ways to tackle malnutrition and support healthy eating









And there is a further intrinsic, as opposed to simply instrumental, reason. Ask aid recipient communities and countries all over the world about their experience of receiving aid and you are likely to get strikingly similar responses, despite vastly different contexts. This was evidenced by a brilliant book by Mary B. Anderson, Dayna Brown and Isabella Jean published in 2012: *Time to Listen*. Communities tend to appreciate the efforts of foreigners or external actors to help, but they also talk of being alienated from the process, of arrogance, and often of an affront to their dignity. Engaging beneficiaries in aid partnerships is not only the right thing to do because it increases the chance of successful outcomes; beneficiaries also have a right to engage. Their dignity insists upon it.

Gone are the days of “us” and “them”, when hubristic outsiders arrived with preset plans. We are entering the era of the grand collective, of which the universality of the Sustainable Development Goals (SDGs) is one symbol.

In fact, the SDG process has thus far been the most participatory in UN history. It is a solid basis on which to now build a default attitude of beneficiary engagement into all development cooperation projects. The simple fact that all countries around the world have been engaged in drawing the SDGs together should not be taken for granted. It was not the case for their predecessors, the Millennium Development Goals, which were largely drawn up by UN bureaucrats building on Organisation for Economic Co-operation and Development drafts. They were a great set of goals but they symbolised a passing era of top-down development.

But just as broad engagement has made the goals comprehensive and owned, the challenges of widespread participation are also abundantly clear from the SDG process. Ask a wide range of people what they think and you will get a wide range of answers. The world swiftly becomes much more complex than a logframer in a donor office would prefer. To tackle the fundamentals of hunger, education, healthcare and sanitation, the SDGs imply that we also need to respond to issues of

inequality, industrialisation, consumption and production, and conservation.

And, challengingly, we have only just started. The drafting of high-level, global and therefore necessarily general objectives was the easy bit. The real challenge is now to apply this attitude of engagement right down to the national and local levels in interventions. Is the world of aid ready for what that entails: answers you were not expecting; complicating factors you would prefer not to have to deal with; demands on time and resources?

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### ***Engaging beneficiaries does not absolve donors from having to make tough decisions***

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The push under the Paris agenda to delegate some or all of that responsibility to developing-country governments was bold and in some cases appropriate, but it has proven hard to sell to sceptical publics and media. The principle of budget support could be equally well applied to recipient civil society organisations as to government ministries.

That should remain the aim, but it is hard to achieve in the real world. I would suggest three principles to guide aid partnerships in this new era: engagement should be bottom up, long term and genuine.

It might sound obvious that beneficiary engagement should be bottom up but there are many levels of beneficiary in the aid business, ranging from governments and major non-governmental organisations (and even companies) to, of course, communities themselves. Even in communities there is a hierarchy. Pushier, wealthier, better-educated people are often in a position to ensure their voices are heard, at times above others.

So it is important to be radically bottom up using what I call the ‘lowerarchy of listening’, which means that the people to whom you should listen the most are those who are normally heard the least. If development is about anything it is about rebalancing the norm, upsetting status quos that generally

have held for centuries, and encouraging different perspectives to come forward.

#### **Long-term approach**

‘Long term’ can mean different things to different people. One person’s long term is another person’s short term. The rise of the audit culture in development is in part a consequence of the failure to engage long term with partners and communities, but budget-checking and box-ticking cannot replace really getting to know someone. That takes time. There is no shortcut. If aid donors and development professionals want to have a meaningful and sustainable impact on the lives of poor communities, they have to do more than turn up – they have to accompany them over the long term.

Finally, suggesting that engagement be genuine might also sound like a truism if it were not that so much of it is not genuine. There is only one true test of the genuineness of listening: the degree of adaptivity of an aid programme. Engaging people but failing to take into account their input is worse than not engaging them in the first place as it undermines trust. But building adaptivity into an aid programme is very difficult, given the increasingly precise stipulations of donors. Planning and strategy-building processes are therefore all the more important. The better the plan, the less adaptation should be required.

Much, if not all, of this is well known to most development professionals, but their ability to put theory into practice depends a great deal on the source of aid money. Donors need to do much better in encouraging bottom-up, long-term and genuine beneficiary engagement, with all the time, money and hassle that might imply.

Engaging beneficiaries does not absolve donors from having to make tough decisions. More often than not there will be divergent opinions about the best courses of action, and it will ultimately remain up to budget holders to decide how to spend the money. There is no way around that, however much power is delegated to beneficiaries. But the irony at the heart of the increasing tendency to control aid spending centrally is that while it is supposed to ensure and increase value for money, it may be doing just the opposite. ●



# Advancing microfinance in Côte d'Ivoire – a human capital approach

From one branch and three employees to seven branches and a staff complement of 324 in March 2015, Grégoire Danel-Fedou has grown Advans Côte d'Ivoire (CI) from a start-up to one of the most coveted microfinance institutions (MFIs) in West Africa in just three years



■ Grégoire Danel-Fédou, General Manager of Advans Côte d'Ivoire (pictured front row, wearing white shirt and yellow tie) with his team

One of 293 managers currently seconded by the African Management Services Company (AMSCO) to private companies in sub-Saharan Africa, Grégoire Danel-Fedou has more than 12 years' experience in microfinance, including the establishment of a microfinance institution in Chad and an extensive impact assessment on rural MFIs in Myanmar, Asia. The General Manager's ability to grow Advans CI is testament to AMSCO's development agenda and dedication to building management capacity on the continent.

Despite improved GDP growth in recent years, incidents of poverty remain a grave reality for many African governments. Empowering the poor through financial inclusion is one of the ways in which the public and the private sector can create opportunities for entrepreneurs and those who still live on less than US\$ 1.25 a day. Alternatives to traditional banks, MFIs seek to reach Africa's largely unbanked market, often a wider and less advantaged income group.

Guided by the core issues covered in the Millennium Development Goals – now the Sustainable Development Goals – financial inclusion is one of AMSCO's key strategic focus areas together with agriculture and agribusiness, inclusive business and fragile/conflict affected states. Cross-cutting themes within these key pillars are gender, youth and women.

Launched shortly after the 2010-2011 Ivorian crisis, Advans CI's all-inclusive client base has grown to 32,491 compared to 7,350 when the company first started its operations in 2012. From the onset it became apparent that the company would need more technical skill and expertise to facilitate further

growth and take the business forward. To this end AMSCO seconded two more managers in the capacity of Network Expansion Manager and SME Credit Project Manager.

As an expansion to its service offering and to facilitate development in Côte d'Ivoire's cocoa sector, the company has since launched a cocoa loans scheme in partnership with the WCF Cocoa Livelihoods Program.

Previously focused on micro, small and medium-sized enterprises in urban and rural parts of Côte d'Ivoire, in 2014 the company launched its SME Unit and began developing tailor-made solutions targeted at the SME client base.

In addition to management support, an important aspect of Advans CI's growth strategy is the company's commitment to training and development. Between 2011 and 2012, through the African Training and Management Services Foundation, AMSCO facilitated grant funding to enable Advans to carry out initial training in the build up to the launch of the business.

Skills development remains just as important to the company today as it did then. Every new employee undergoes a three-month training programme before they are able to operate on the ground, ensuring that they launch into their new responsibilities with introductory market and product knowledge.

Advans, with the assistance of the AMSCO managers, has managed to overcome challenges that often hinder MFIs and general business growth, particularly those found in fragile or previously conflict-affected states. These include structural weaknesses in governance, portfolio management, skills transfer and financial viability, among others.

Although not a miracle solution to ending extreme poverty, microfinance can contribute towards short and long-term socio-economic development, particularly when coupled with a holistic and integrated human capital strategy.

AMSCO's involvement in providing human capital development solutions is based on the premise of making markets work to promote sustainable job creation and inclusive growth, thereby promoting economic development and, ultimately, poverty reduction. ■

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# Changing behaviour to achieve progress

*Achieving the SDGs will require both individual citizens and wider communities to make meaningful, long-term changes to their behaviour*

By **Bronwyn Hayward**, Associate Professor and Head, Department of Political Science and International Relations, University of Canterbury, New Zealand

**T**he Sustainable Development Goals (SDGs) that came into effect on 1 January 2016 were developed in consultation with governments, community advocates, businesses and researchers. The 17 goals and 169 targets provide an inspiring, if daunting, “plan of action





for people, planet and prosperity”. The contributors who helped draft these goals hope that by setting aspirational, universal targets – and monitoring progress towards them – we can make a sustainable, global difference toward “the future we want”. However, now the goals are agreed, many

▲ South African boys in the KwaZulu-Natal province wait to be taken to undergo medical circumcision as a form of HIV prevention. Radical and sustained behavioural change is needed to curb the rate of HIV transmissions

important questions remain. In particular, who is the ‘we’ who should take action, and what action might make the biggest difference? These questions lie at the heart of significant debates over who should do what, where and how to achieve sustainable progress.

One of the first questions embedded in the debate is whose behaviours should be the focus of change: individuals, societies or institutions (including both state and non-governmental agencies)? On the one hand, behaviour change involves carefully targeted interventions directed towards the individual as the primary locus of change. The ideas of behavioural psychology inform many behaviour change programmes, which seek to understand and influence citizen and consumer knowledge, attitudes and practices through a mix of multimedia and public participation techniques.<sup>1</sup>

By contrast, social change focuses on the community. As UNICEF notes, social change aims to transform the way political, economic and social power is distributed within and between communities. This approach assumes that significant transformation requires more than targeting cultural practices or ingrained norms. It also necessitates identifying and challenging structural inequalities and the institutions and systems (including economic systems) that lock communities into unsustainable trajectories or prevent capacity-building for longer-term change.

The relationships between individual behaviour and social change are complex. Our daily habits and routines – together with the emotions we attach to places, the presence or absence of influential peers and supportive communities, access to resources, legal regulations, the availability of investment finance and capability-building opportunities – all influence our attitudes, assumptions and actions, often in competing ways. To illustrate this point, it is helpful to reflect on the mixed experiences of the Millennium Development Goals (MDGs) that preceded the SDGs.

In 2013 a UN meeting of heads of state described the outcomes of the MDGs as “uneven” and noted significant gaps in the achievement of the eight ambitious targets,

including halving extreme poverty, halting the spread of HIV/AIDS and providing universal primary education.

Some actions on the MDGs achieved inspiring results. For example, rates of child mortality in Ethiopia were reduced by 67 per cent in the under-five-year-old population (compared to 1990 levels). In Tanzania, the Helping Babies Breathe programme provided skilled attendants at births, assessed babies, monitored temperatures, offered stimulation to breathe if required, and enabled mothers to keep babies warm and dry, resulting in a reported 47 per cent reduction in neonatal mortality.<sup>2</sup>

### Sustainable transformation

However, such success stories demonstrate that behaviour change is essential for making progress but insufficient as a basis for substantial and lasting change. To achieve sustainable transformation on a large scale, communities also need well-resourced and well-planned wider support. For example, in the case of the MDGs that aimed to reduce HIV transmission, “radical and sustained” behavioural change among a “sufficient number of individuals” was essential for success.<sup>3</sup> Yet if individual actions were to be successful on a large scale, these actions also had to be underpinned by political will to plan and target resource support, build capacity and coordinate policy action before significant reductions in HIV transmission could occur.

These experiences highlight why behaviour change is essential but insufficient to meet the SDGs. We need far-reaching changes in household behaviours – particularly in the areas of food consumption, transport, energy use and leisure – if we are to achieve more sustainable consumption of natural materials and energy.<sup>4</sup>

We cannot rely on technological innovation alone to achieve widespread reductions in carbon emissions or biodiversity depletion. No matter how many energy-efficient appliances, home insulation and water-saving devices we produce or install, technical efficiency won’t be enough unless people also change



© Reuters/Ina Fassbender

their ingrained habits.<sup>5</sup> A more sustainable future requires millions of people to rethink core values and act differently, as the Papal encyclical on climate change powerfully reminds us.

Nevertheless, even where citizens are highly motivated to change their behaviour, the experience of the MDGs reminds us that new, pro-sustainability actions will be hard to maintain in the face of major instability, such as a global financial crisis, war or the severe storms and droughts associated with a changing climate.

Despite the MDGs, natural resources have continued to be extracted at unsustainable rates, biodiversity loss has accelerated and global carbon emissions have increased overall by 50 per cent on 1990 levels. This experience is a reminder of the real and significant limits of individual action and benign environmental behaviour change. Achieving the future we want will take more than social marketing, philanthropy and volunteerism. It will also need carefully planned, state-led reform and regulation that can create the social, economic and political conditions that are conducive to effective long-term investment and more sustainable outcomes.

Achieving progress towards the ambitious SDGs is a formidable task. It will require us all to challenge ingrained social

norms, powerful vested interests and our cherished values and social identities. This is a much greater challenge than simply devising effective marketing campaigns and encouraging socially desirable pro-environmental action. We can also anticipate that some of the SDG targets may produce conflicting outcomes: for example, reducing trade barriers while ensuring greater security for small-scale farmers, and sustainably doubling food production by 2030 will be a difficult balance to achieve.

#### Individual and collective action

And yet again, the experience of the MDGs also reminds us that the future is not predictable, and unanticipated change can have exciting, far-reaching impacts in ways we do not yet fully understand. For example, an MDG target of enhancing communication through fixed telephone lines between 1990 and 2005 was dramatically superseded by the explosion of mobile telephone technology in the same period, as subscribers worldwide rose from 11 million to 2.2 billion. This rapid expansion in global connectivity has in turn helped facilitate new forms of online education, commerce and citizen-led political action.

While we cannot rely on technological innovation or environmentally benign

▲ Open-cast lignite mine Garzweiler, near Mönchengladbach, Germany. Despite environmental sustainability being an MDG goal, global carbon emissions have increased by 50 per cent on 1990 levels

behaviour change alone, our understanding of how we can challenge cultural practices and support sustainable and socially just norms is growing. Moreover, there is increasing global awareness of the way in which inequalities influence policy pathways and political action (or inaction). Changing our behaviour as citizens may not be enough to contribute to a more sustainable future, but no constructive change is possible without individual and collective action. We can indeed make a real difference towards the future we want. ●

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# Sustainable financing for quality education

Governments must commit the necessary means to make the education goal a reality

When the United Nations announced its new Sustainable Development Goals for the next 15 years in September 2015, Education International (EI)'s contribution to see education included as a standalone goal was nearly two years in the making. During that time EI has played an instrumental role in defining education policy for the foreseeable future through the Post-2015 development process, including at the World Education Forum (WEF) in Incheon, South Korea, last May, where a new education declaration was made.

EI successfully advocated for the inclusion of teachers' voice in this new strategy that defines education policy in the coming years. The critical role of teachers in achieving the education goal and all of its targets was recognised, with the delegates committed to "ensure that teachers and educators are empowered, adequately recruited, well-trained, professionally-qualified, motivated and supported within well-resourced, efficient and effectively governed systems".

The demand for free, quality primary and secondary education of at least 12 years (of which nine years are compulsory), early childhood

education, comprising at least one year of free pre-primary education, and equitable access to vocational education and training as well as tertiary education was also accepted and reflected in the outcome document, the so-called Incheon Declaration.

***Only sufficient financing can guarantee that quality public education for all becomes a reality.***

Governments also agreed to include minimum benchmarks for domestic and external education financing in the Declaration, with the Forum having recommended that at least 4-6 percent of a country's Gross Domestic Product and/or 15-20 percent of its public expenditure should be invested in education.

The Incheon Declaration contains many of our key demands, and makes it clear that our advocacy efforts and those of our affiliates have paid off. Still, the agreed benchmarks were a compromise and below EI's proposal for the necessary commitment by governments to investing at least 6 percent of GDP or at least 20 percent of public expenditure in education.

Education International's advocacy efforts for quality education for all are far from complete. Governments must ensure that the education goals, the indicators and financing frameworks, which have been adopted by the United Nations General Assembly, are substantiated by ambitious and robust budgetary commitments. Only sufficient financing can guarantee that quality public education for all becomes a reality.

First steps to surpass the abovementioned benchmarks were undertaken when the 2030 Framework for Action was adopted by the UNESCO General Conference in November 2015. Governments are now called upon to make sufficient means available to achieve these targets. The world's teachers count on your support.



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# Why trade matters

*Trade can help countries to meet the new Sustainable Development Goals. But if trade is to enable the kind of sustainable development that leaves no one behind, the right conditions must first be put in place*

By **Mukhisa Kituyi**, Secretary-General, United Nations Conference on Trade and Development (UNCTAD)

Economists often urge countries to integrate into the global trading system as a way of reallocating capital and labour towards sectors with a comparative advantage. But the benefits of trade go beyond that. Trade can contribute to higher levels of investment, which can enhance production, help upgrade technology and boost productivity. This is important for sustained development.

Increasing market size through exports not only generates economies of scale, making firms more productive, but also

triggers investment that expands the ability of a country to make, grow and sell things. Export earnings can also finance imports of cheaper, better and more varied machinery. This brings with it the more advanced technology needed to transform an economy towards higher levels of added value to goods and services.

Achieving this beneficial interaction between trade and investment catalyses the structural transformation of economies, creates jobs and develops skills in direct support of Sustainable Development Goals (SDGs) 8 (“promoting decent work and economic growth”), 9 (“building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering

innovation”) and 10 (“reducing inequality within and among countries”). In addition, a universal, rules-based, open, non-discriminatory and equitable multilateral trading regime, which provides the institutional framework for sustained global trade, is chief among the global partnerships for sustainable development whose revitalisation is called for by Goal 17.

But while there is general agreement on the pivotal role of the trade-investment nexus in transforming economies and supporting inclusive prosperity, this nexus can play its role only under the right conditions. The extent to which such conditions exist has proven to be uneven across economies and over time.

**Figure 1: Global trade growth takes a pause**



Source: UNCTAD Key Statistics and Trends in International Trade 2015



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### Securing conducive conditions

The successful use of trade as an enabler of sustainable development that leaves no one behind requires a conducive global economic environment. Recent trends in global trade have exacerbated the challenge of significantly increasing developing-country exports, in particular with a view to doubling the share of the 48 least-developed countries (LDCs) in global exports by 2020, as envisaged by SDG 17. The steep decline in commodity prices makes it difficult to maintain the

buoyancy of commodity export earnings for the LDCs – earnings which contributed to an increase in their share in global exports from 0.6 per cent in 2000 to 1.1 per cent in 2014.

Globally, world trade dynamics have changed since the global recession of 2008–9. Analysis by UNCTAD shows that, after a strong rebound in 2010 and 2011, global trade growth has been anaemic and lower than already sluggish global output growth (see Figure 1). The continued fragility of economic recovery in developed countries

is darkening the outlook for developing countries' export opportunities.

Governments in developed countries have a number of policy options open to them to reverse slumping corporate investment (this is important because corporate investment drives growth and supports global trade).

Chief among them are fiscal expansion that boosts public investment in infrastructure, tax reform that directs excess corporate savings into capital investment, and incomes policies that raise household





◀ A banana plantation near Rangira, Democratic Republic of the Congo. LDCs have duty-free and quota-free market access to the EU. Multilateral rule-making should aim to extend this type of access to other key markets, including South-South

consumption and further boost corporate investment and international trade.

### Navigating shifting global production

A second important condition for putting trade to work for development is a solid understanding of what kind of trade countries should concentrate on. It is increasingly rare that goods and services are produced in an integrated production process, in one location and by one entity. Rather, the emergence of regional and global ‘value chains’ recasts domestic

activities as part of cross-border production processes and emphasises trade in tasks. Evidence of this is seen in the changing share of domestic value added embodied in exports. These value chains have enabled a number of developing countries, notably in East and South-East Asia, to transform their economies and generate income and employment opportunities for their people.

However, accessing value chains and, more importantly, climbing the value-addition chain, is neither an automatic nor an easy process. Entering value chains can be supported by combining trade facilitation measures, which reduce the cost and time required to access external markets, with investment facilitation measures, such as creating a conducive business environment through streamlined registration and licensing procedures.

But developing countries at an early stage of industrialisation may become locked into low-value-added assembly activities, such as assembling products, due to stiff competition from other suppliers to keep labour costs low. Tight control over intellectual property and expensive branding strategies of the lead firm may also block them from moving up the value chain.

Problems in accessing and climbing value chains have drawn attention to the expanding variety of bilateral and regional trade agreements and international investment agreements (IIAs). These agreements often govern production arrangements in value chains and are intended to facilitate the inflow of foreign direct investment (FDI).

The empirical evidence on IIAs’ effectiveness in stimulating FDI, however, is ambiguous. Some of them contain more stringent, or additional, provisions than those covered by the multilateral trading regime. The lack of transparency and coherence characterising the tribunals established to adjudicate disputes arising

from these agreements, and their perceived pro-investor bias, further underlines the pressing need for systemic reform of the global IIA regime. Various options are available, ranging from safeguarding the right to regulate in the public interest, and creating a centralised permanent investment tribunal, to inviting countries to define their own road map for IIA reform.

### Strengthening trade policy coherence

A third condition for igniting the potential of trade to contribute to prosperity for all requires mobilising all available policy instruments. For example, UNCTAD’s work on the impact of trade on gender equality points to contradictory effects.

Export expansion may enable women to get wage employment in the formal sector, but often at lower salaries and with limited opportunities for skill development compared to their male colleagues. To address such issues, UNCTAD recommends, among other things, including economic empowerment in the implementation of SDG 5 on achieving gender equality and empowering women and girls.

In today’s international trade environment, non-tariff measures are becoming increasingly important and – against the trend of falling tariffs – the trade restrictiveness of non-tariff measures is on the rise. While these measures pose significantly higher barriers to exporters than tariffs in all sectors, they particularly affect agriculture (see Figure 2) – a sector of specific importance to exports from the LDCs.

Particularly worrying is that domestic measures taken by individual countries toward implementing the SDGs (such as technical barriers to trade designed to protect the environment) may further raise the number of non-tariff measures. Only working together can ensure that one country’s efforts to achieve its SDGs will not undermine those of others.

Developed countries are trying to limit the so-called ‘tax optimisation’ strategies used by corporations that declare profits in tax havens. Should we not apply the same principles to investment in developing

countries and make corporations pay taxes where they undertake their profitable activities? Last year, investment-related tax evasion cost developing countries some \$100 billion—about twice the amount of FDI that went to Africa in the same period.

This means that stopping tax optimisation will not just bolster the fiscal accounts of developed countries and allow them to make the public investment needed to accelerate economic recovery and global trade growth. It will also add to the public part of the finance needed for the investment push that is crucial for developing countries to attain the SDGs.

### Creativity and pragmatism

A fourth important way in which trade can serve the SDGs requires the international community to take creative and pragmatic actions that put the trade rules to work for development.

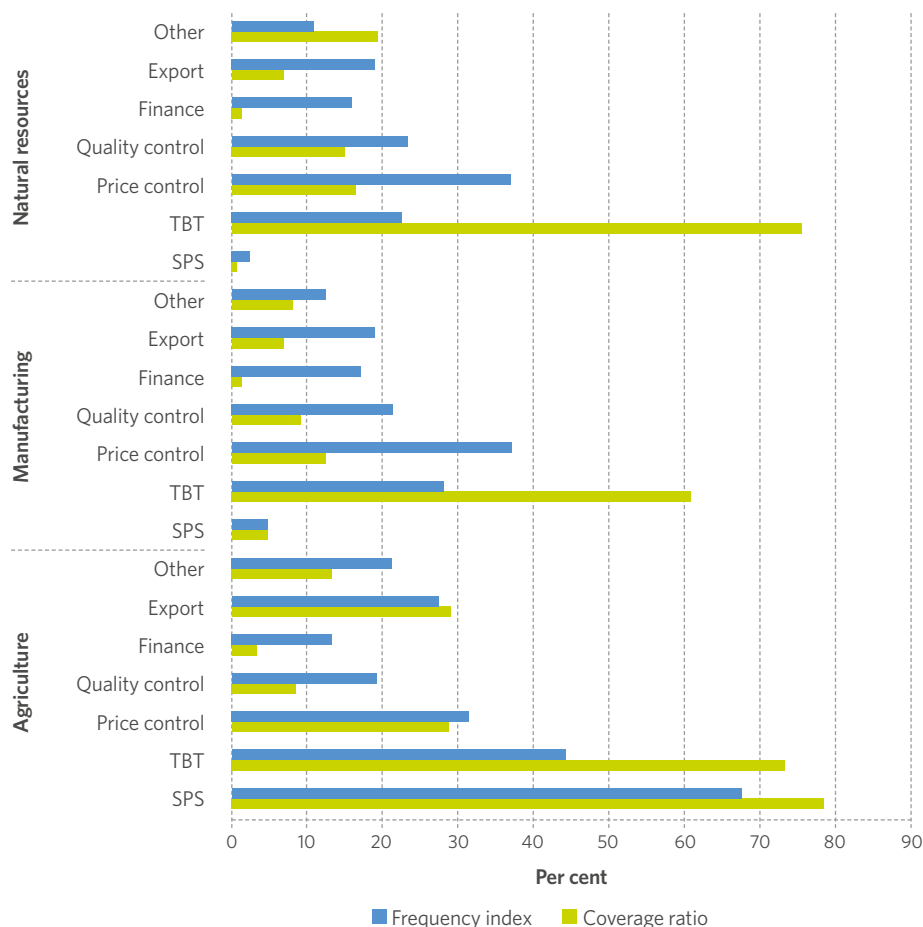
Starting with the Uruguay Round from 1986 to 1994, there was a strong assumption that the norm-setting of trade rules by the World Trade Organization (WTO) would lead to better development outcomes. However, the development ambitions encompassed in the Doha Development Agenda, which began in 2001, have not met those optimistic expectations, though some hurdles were overcome at the WTO's Ministerial Conference in December 2015.

So-called 'plurilateral' (multi-party) and regional arrangements, such as the Trans-Pacific Partnership, generally boost development objectives less than multilateral agreements, particularly since they do not do much to spur global trade. They are less about tariffs and market access issues, and more about regulatory convergence and standards that reshape global value chains.

Their norm-setting activities are non-inclusive and distort international competitiveness by providing different trading partners with different trading conditions. This has repercussions, particularly for the many lower-income countries that see their preferential margins in international markets erode.

Multilateral rule-making could address preference erosion, among other things,

**Figure 2: NTMs pose significant barriers to exporters, particularly in agriculture**



NTMs = non-tariff measures. TBT = technical barriers to trade. SPS = sanitary and phytosanitary measures

Source: UNCTAD Key Statistics and Trends in International Trade 2015

by broadening duty-free and quota-free market access to all merchandise exports from LDCs in key markets, including in South–South trade, and implementing the services waiver, decided at the WTO's Ministerial Conference. This would enhance LDCs' services supply capacities.

Appropriate policies can harness the trade-investment nexus for the SDGs. Trade and investment policies must be interlinked and part of a coherent broader set of policies. Only a comprehensive perspective can provide the coherent approach that we need to make progress toward the universal and transformative Agenda 2030 behind the SDGs.

UNCTAD's mandate of addressing trade, finance, technology, investment and sustainable development in an integrated manner brings important value to meeting these challenges.

We invite our development partners to engage in a dialogue on all development issues. To help integrate them in a holistic manner across sectors and dimensions of sustainable development, we look to UNCTAD 14, our 14th quadrennial conference to be held in Nairobi, Kenya, in July 2016, to affirm a strong global partnership and offer the right policy framework for achieving prosperity for all. ●



# United Nations Sustainable Development Goals

Aviva is one of the world's largest insurance companies and can trace its history back more than three hundred years to 1696. We have been positively impacting the lives of our customers and society for over three hundred years because our ancestors made good long-term decisions and behaved sustainably. We are doing the same today for our 34 million customers and with the \$500 billion of assets we manage.

The UN Sustainable Development Goals (SDGs) represent a unique opportunity for us all to create a global legacy. Aviva is a founding partner of Project Everyone, which aims to tell everyone in the world about the Goals. The more famous the SDGs are and the more widely they are understood, the more policy-makers will take them seriously, finance them properly and make them work.

Not delivering the SDGs would be the world's most significant market failure. Policy-makers have an important role to play to ensure that they are achieved. Governments and inter-governmental institutions must set the right policy framework to mobilise business and to bring capital markets, which are large and complex, to a more sustainable footing. Business, capital markets and global investors can then play their part - it is only by working together that we can effect positive change on the scale needed.

To help implement the Goals and meet the cost of achieving them, Aviva is calling for a UN Resolution on Sustainable Investment. This would set the UN's own roadmap for sustainable capital markets and crystallise the coalition we need to build from government, NGOs and society – and help catalyse the huge impact business and finance can make. The Resolution would also provide an umbrella agreement for the action which needs to be taken at the global level – such as promoting access to sustainability data via stock market listing rules and building public corporate sustainability performance benchmarks – to enable investors to pay attention to long-term investment drivers. This will encourage investors to redeploy the \$300 trillion of capital in the global capital markets in a way that will help to achieve the SDGs.

Momentum on sustainable investment has been increasing and Aviva believes we are now at a tipping point. The right building blocks are in place to provide the basis for the Resolution. For example, the Paris Agreement reached at COP21 includes a commitment to “making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development”. Furthermore, the Addis Financing for Development Resolution (Article 38) commits governments to design policies, including capital market regulations where appropriate, that promote incentives along the investment chain that are aligned with long-term performance and sustainability indicators. Finally, the SDGs themselves refer to finance in a number of places.

Although these are all excellent starting points for action, none of them will single-handedly move the markets on the scale required. This is why Aviva is calling for the Resolution. We now have to grab the unprecedented opportunity offered by the Sustainable Development Goals to shape a better, more sustainable future for everyone.



# Sustainable business

*How can the private sector drive change towards a sustainable global economy?*



© Reuters/Emmanuel Braun



By **Jonathan Ivelaw-Chapman**, CEO, Sedex

**W**e live in a shifting landscape, a fast-paced and uncertain globalised economy, in which the challenges of sustaining a successful business are vast. Increasingly, being a sustainable business is no longer confined to meeting

expectations around profit growth and shareholder value. The private sector, as an engine of economic growth, plays a key role in driving sustainable development. Challenges like climate change, resource scarcity and responsible sourcing are changing the systems within which business – and their supply chains – operates.

How companies respond to these complex sustainability challenges – some of which have the potential to threaten a company's licence to operate – is becoming increasingly vital as customers, shareholders and other stakeholders continue to pay closer attention. 2015 has been recognised as a critical year for sustainability: on three occasions world leaders attended major conferences to discuss issues such as climate change, biodiversity, human rights and development issues. Now that agreements have been made, how can the private sector drive sustainable development forward and which other actors are instrumental in this change?

Government has a role in setting economic, social and environmental policy for businesses. Companies can drive change through their own actions, but also by encouraging governments to follow the private sector's lead and adopt laws to provide the right framework for businesses to forge progress.

To support the private sector, the public sector can also offer strategic opportunities for goal-setting and collaboration. According to the UN Global Compact – a voluntary initiative based on CEO commitments to support UN goals – the Sustainable Development Goals are a great example of providing an opportunity for the private sector to frame long-term goals and partnerships that will make an important contribution towards achieving sustainable development for all. This is applicable to any department of a company's operations and within its supply chain.

Addressing issues within supply chains can help the private sector drive sustainable development, but the lack of visibility and direct influence over suppliers further down the chain can lead to distinct problems for companies. Indeed, a Sedex briefing highlighted that the deeper down the supply chain you go, the more risks there are.<sup>1</sup> Getting to these lower tiers can help uncover hidden challenges and opportunities, both for buyers and



◀ **Conflict minerals:** artisan miners working at the Ndassima gold mine in Central African Republic, which was overrun by Seleka rebels in 2014. Proceeds from the mining continue to fuel the brutal civil war

suppliers in those tiers. The level of ‘risk’ – demonstrated through the number of non-compliances found at audit – increases the further down the tiers. The sample used in the briefing found that tier two has 18 per cent more non-compliances per audit than tier one (Figure 1). On average, tier three has 27 per cent more non-compliances per audit than tier one. The research also shows that the criticality of issues is higher in the deeper tiers of the supply chain.

It is only when businesses are aware of the most vulnerable areas of their supply chain that progress towards sustainable development can be made. That is why Sedex – the largest platform that is tackling the problem at its roots – was set up in 2004. Sedex provides a collaborative platform where companies can securely share their responsible-sourcing data with their customers, helping to identify the different parts of their supply chains where risks are most likely to occur and where improvements can be made.

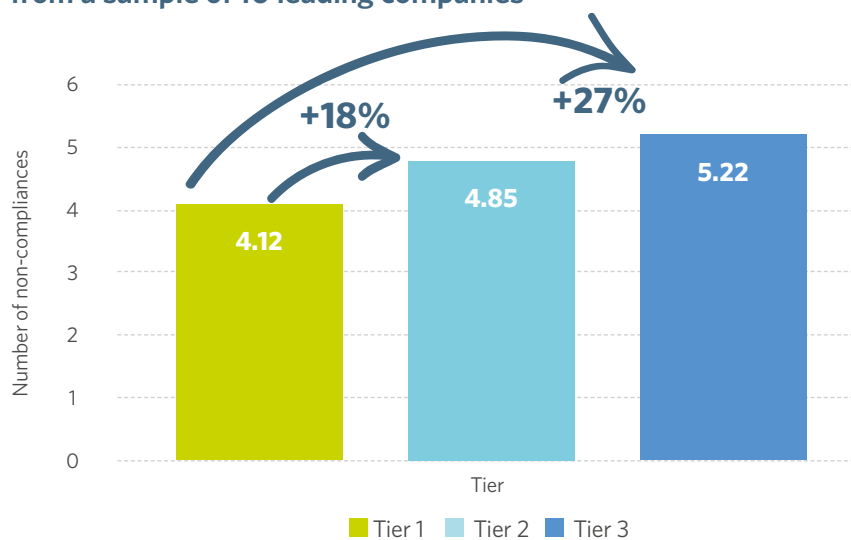
Tackling industry-wide issues collectively can accelerate the pace of change in a cost-effective way and collaborative industry platforms are becoming increasingly popular. In addition to Sedex, other organisations like AIM-PROGRESS and agreements such as the Bangladesh Accord have also helped and encouraged businesses to share information with each other through different formats.

This can be at a pre-competitive level, as with AIM-PROGRESS – a forum of leading fast-moving consumer goods manufacturers assembled to enable and promote responsible sourcing practices and sustainable supply chains. By collaborating, participants can maximise their impact, sending a strong message on the benefits of many players working together and providing additional leverage that smaller purchasing companies might not possess on their own. Throughout these partnerships, transparency is critical.

### Raising standards

Labels and certifications are additional elements that can contribute to raising standards by helping to provide information on the relationship between producers and consumers. For instance, Fairtrade ensures that the producer-consumer relationship is

**Figure 1: Average number of non-compliances per audit per tier from a sample of 10 leading companies\***



\*The sample analysed 10 companies with a combined total of 3,992 supplier relationships and 6,775 audits

Source: Sedex Transparency Briefing 2013

based on honesty and respect, by asserting the rights of all to enjoy decent living and working standards. By supplying products on the market with the Fairtrade label, corporates can raise the standards of their offering while consumers have the option of making an educated purchasing choice. Rainforest Alliance also provides certification through icons, signalling the relationship corporates have with the organisation. The ‘Rainforest Alliance Certified’ seal enables consumers to both choose products and support environmental, social and economic sustainability. The wider range of products available on the market provides incentives for companies to raise the bar within their industry.

Campaigning organisations also contribute to raising awareness on standards within supply chains and boosting sustainable development. An example is the Greenpeace ‘Detox’ campaign that focuses on hazardous chemicals that have entered our daily lives through various products. After events like the recent explosions at the chemical factories in Tianjin and Shandong province in China, NGOs like Greenpeace continue to monitor the situation, publicise

wrongdoings to avoid similar tragedies from happening again, and push politicians to change how the hazardous chemicals industry is regulated. The underlying goal is to encourage companies to evolve their strategy and operations towards having a more positive impact on the environment and communities in which they operate.

Companies that do not pay attention to their sourcing practices leave themselves open to multiple risks, including human costs, environmental degradation and the less tragic issue of losing customers as a result of reputational damage. Public opinion surveys have revealed the growing influence of personal values in purchase behaviour. Product origins are now in the spotlight. With the rise of ethical consumerism, more customers have started to pay greater attention to where brands stand on sustainability issues.

Previously, there has not been a mainstream outlet for these voices to be heard. Now, social media is changing the game, raising awareness and fuelling activism about unacceptable corporate behaviour. According to the Huffington Post, in the aftermath of the 2013 Rana Plaza disaster





# UN Global Goals for Sustainable Development

The United Nations Global Goals for Sustainable Development are a unique opportunity to shape a better, more sustainable world for everyone. In order to mobilise the trillions of capital in the global capital markets in a way that will help to achieve the Goals, Aviva is calling for a UN Resolution on Sustainable Finance, to set the UN's own roadmap for sustainable capital markets and provide an umbrella agreement for the action which needs to be taken at the global level.







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▲ An explosion at a chemical plant in eastern China's Shandong province in July 2015. NGOs like Greenpeace play an important role in raising public awareness about the production and use of hazardous chemicals and campaign for tighter safety regulations

in Dhaka, Bangladesh, there was a wave of consumer outcry via campaigns like the 10cents Pledge, or the online petition urging retailers such as H&M to sign a safety accord, which received more than 900,000 signatures. Consumers now have the ability to harness passions and move them forward, towards concrete sustainable change. This impacts consumers' purchasing behaviour and demonstrates how companies can be held to account for events deep down their supply chains.

This especially applies to millennials. A Boston Consulting Group Perspectives study highlights that this younger generation of consumers views brands as extensions of its own values and status and is more responsive to sustainability actions.<sup>2</sup> To win its loyalty, companies must do more than deliver high-quality products. According to the study, through their actions, storytelling and endorsements, companies should express the

## *Getting the regulatory framework right is a crucial factor in realising the potential of the private sector as a catalyst for sustainable development*

traits and affiliations that millennials wish to project about themselves. There is therefore an opportunity for companies to capitalise on this growing consumer interest for the good of planet and profits.

A great example is from retailer Marks & Spencer. The company's Plan A programme outlines 100 sustainability commitments to both save the Earth's limited resources and achieve performance improvements across all of the company's operations – from stores, offices and warehouses to factories, farms and raw material sources – in their supply chain. Not only has Plan A led to an increase in sales for the company, it has also enabled M&S to go beyond consumers' expectations, and therefore positively enhance its reputation.

As the main driver behind our global economy, the private sector is hugely

important in addressing sustainability-related challenges. However, getting the regulatory framework right is a crucial factor in realising the potential of the private sector as a catalyst for sustainable development. Companies can indeed lead the way in sustainable development – by increasing supply chain transparency and efficiency through all supplier tiers and business sectors – but must work in close partnership with governments and other actors to move forward effectively. Interconnectivity and collaboration are key. ●

1 [www.sedexglobal.com/wp-content/uploads/2011/06/Sedex-Transparency-Briefing-Nov-2013.pdf](http://www.sedexglobal.com/wp-content/uploads/2011/06/Sedex-Transparency-Briefing-Nov-2013.pdf)

2 See: [www.bcgperspectives.com/content/articles/marketing\\_center\\_consumer\\_customer\\_insight\\_how\\_millennials\\_changing\\_marketing\\_forever/?chapter=3](http://www.bcgperspectives.com/content/articles/marketing_center_consumer_customer_insight_how_millennials_changing_marketing_forever/?chapter=3)





# Waste management and the circular economy



*By Elisabetta Perrotta*  
 Director, FISE  
 Assoambiente

FISE Assoambiente is an association representing Italian companies that are involved in municipal hygiene services, the management of municipal and industrial waste, and soil remediation at national and European level. FISE Assoambiente works together with FISE UNIRE – the association representing, through its different members, Italian companies engaged in the recovery and recycling field (paper, glass, steel, end of life vehicles and tyres, WEEE, waste from construction and demolition, used clothes and accessories, oils and batteries). The two organisations work to develop the necessary conditions that allow fair competition in the market and the industrialisation of the waste sector, aiding the transition from the traditional, small-scale nature of waste management to a more comprehensive and structured industry.

## Waste as a resource

In Italy, the waste management sector has taken on an important role in moving towards a circular economy, bringing together the over-arching aims of secure access to resources, societal welfare, economic growth and environmental protection. It is not only an essential public service because of its immediate impact on the environment and health in urban contexts, but also an important part of the production industry, providing materials and energy (from recycling and recovery activities) to the manufacturing sector. The fast-growing waste management industry enables the use of waste as a resource as well as the ability to recover raw materials from waste.

An updated model of development and governance of the waste sector represents an essential step towards a model of circular economy, which is a new approach in challenging the crisis. The Italian companies involved in waste recovery have in recent years registered significant growth, also in terms of employment (see report: “Italia del riciclo”, 2015 – FISE UNIRE), compared to the negative economic trend reported in the manufacturing industry, and this can

be considered as a concrete indicator of the ongoing process towards a green economy.

But Europe’s move towards a circular economy is still vulnerable on a number of fronts, despite all the hard work put in by the waste and resource management sector to improve the quantity and quality of recycling. Businesses are still failing in the wake of soft global prices for some recyclates – which barely cover the up-front cost of collection and processing – along with acute price volatility and intense competition from lower-priced virgin material. This exposes the fragility of our transition to a circular economy. Because a viable business model for the creation of secondary raw material depends on reliable and predictable off-take markets, any weakness in those markets will affect the entire supply chain, down to the collection of secondary raw material. There is little point in collecting the material if no end market can be found for it.

## Regulation needed

This makes the need for a modern environmental policy and for appropriate regulation even clearer. In order to provide a serious policy for the industrialisation of the waste management sector, conditions must be created to encourage growth in investment and a wider adoption of green public procurement practices. The waste management sector must be respectful not only of environmental protection, but also of basic rules and market principles: efficiency, return on investment and quality of service.

It is absolutely necessary for this sector to adopt a new, more pragmatic, approach that will allow companies to improve their environmental sustainability while ensuring continuing economic development. ■

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# Bridging development goals and climate action

*Achieving both the SDGs and Paris climate framework will require a profound transformation of national economies. It will also need a new mindset that does not consider the attainment of one to be at the expense of the other*



© Reuters/Andrew Biraj

By **Leo Horn-Phathanothai**,  
Director for International Cooperation,  
World Resources Institute

**2**015 was a momentous year for political commitment and agenda-setting on two of the most urgent challenges of our times: stabilising the climate and eradicating hunger and

poverty. The adoption of the Sustainable Development Goals (SDGs) and the agreement of a landmark climate deal in Paris mark important steps forward for multilateralism and provide important frameworks to guide future development efforts and climate action.

The real tests for both agendas, however, will be how they are translated and acted

on after 2015, and the extent to which they spur complementary and commensurate action by non-governmental actors, such as businesses, financial institutions, cities and the academic community.

▲ Crossing a dam breached by cyclone Aila in Satkhira, Bangladesh. The success of Bangladesh's Comprehensive Disaster Management Programme demonstrates how climate action can be integrated with development



The SDGs and climate commitments cannot be successfully delivered in isolation from one another. A key implementation challenge will be to foster synergistic solutions where the two agendas meet. But this is easier said than done. For starters, each agenda is hugely ambitious and demanding on its own, before even considering how to manage the interlinkages between them. Moreover, inertia, institutional incentives and sectional interests reinforce existing silos and work against the kind of joined-up and transformative approaches that are required.

Delivering on both the SDGs and climate objectives will require a mindset of partnership between two professional and policy communities that to date have been operating largely separately, within distinct bureaucracies and institutions. The 'development' and 'climate' tribes speak different dialects, draw from different knowledge bases, and far too seldom collaborate. The resulting fragmentation of knowledge and action has bred the deeply misguided notion that climate action and development are separate concerns, if not conflicting interests. Looking forward, the SDGs and the climate deal agreed in Paris promise a new era of more joined-up action on climate and development.

### Interlocking agendas

Climate action and development are intricately intertwined due to: (a) the increasing risk of climate change impacts undermining development gains; (b) the need to transform key sectors that drive development as a means of curbing climate change; (c) the risk of development paths becoming dead-ends in the long term if they are not climate smart and environmentally sustainable.

How we address climate change – both in reducing emissions and building resilience to impacts – cannot be divorced from goals such as ensuring access to energy, building appropriate transport systems, and ensuring food and water security. Activities to reduce disaster risk and enhance resilience will become integral to development, and the benefits of taking these steps have already been widely demonstrated. For instance, the

## STRATEGIC PARTNERSHIPS FOR A GREEN ECONOMY

**T**he new Sustainable Development Goals bring credence to some of the greatest challenges global communities have faced for decades. The effects of climate change and pervasive poverty are real, are growing, and must be addressed now. The problem is not a lack of financial capital, technical expertise or leadership skills – it is a lack of collaboration and an effective mechanism for matching resources to communities and projects that would thrive given capacity and support.

We at Greenwork™ believe the emerging green economy is a rapidly expanding opportunity for empowerment and employment. Greenwork is the newest initiative of Peacework®, a global non-profit that creates participatory development initiatives in over 17 countries.

Building on Peacework's 27 years of experience supporting strategic cross-sector partnerships, Greenwork focuses on new opportunities in socially inclusive clean technology deployment. Our approach to mitigate climate change and reduce poverty utilises a strategic network of global partners across private, public and nonprofit sectors collaborating on projects that create shared value in renewable energy technology, resilience construction and sustainable agriculture.

### Innovating for impact

Backing our commitment to partnerships for change, we know it takes real innovation to make a substantial impact. Since 2011, Peacework has worked with Penn State University and their local project sponsor, NECA member Vegas Electric, recognised as a leader in providing clean energy solutions for Roatán, Honduras, to install photovoltaic systems that benefit community institutions.

With essential support from ELECTRI, the foundation of the National Electrical Contractors Association, these systems provide electricity for educational centres and power water cisterns for up to



250-family communities. By including university students, community leaders, local electrical contractors and Greenwork field managers, we are able to install equipment, train community members on maintenance, provide for repairs and educate local youth on critical technology.

Collective impact is clear. Penn State students apply learned skills in the field and build cross-cultural professional relationships. Local institutions take the lead in solar energy in their community by creating a model for reliable and affordable electricity.

### A customisable approach

The inclusion of social, cultural and political variables of communities ensures long-term sustainability of investments for all stakeholders. For financial investors – whether foundations or cleantech companies seeking to expand – this customisable approach is environmentally and culturally responsible and makes business sense, being both an economic and a social imperative.

The green economy is underway and communities throughout the world are ready for the evolution of job opportunities and access to innovative solutions. Through our strategic cross-sector partnerships the opportunities to expand business, create local jobs and actualise change in the lives of thousands are here and now.

Partnerships powered at [greenwork.org](http://greenwork.org)



introduction of Bangladesh's Comprehensive Disaster Management Programme helped reduce deaths from comparable cyclones by more than 95 per cent.

Developing countries can seize enormous opportunities from sustainable, low-carbon development. Distributed renewable electricity systems can increasingly fulfil the energy needs of rural communities, particularly as the cost of such technology continues to fall. Sustainable urban transport can reduce emissions while providing necessary transportation options. Agricultural practices that integrate forestry can boost resilience to climate impacts while also storing carbon.

Beyond the extensive causal interrelationships, the two agendas are converging in an important normative sense, as notions of universality, equity, responsibility and sustainability emerge as core principles guiding how both development choices and climate actions are framed and assessed. And these principles also raise similar operational challenges for both frameworks – for example, on measurement, tracking, reporting, financing – that call for more integrated solutions across the agendas. Of note, the outcome document of the Third International Conference on Financing for Development, held in July 2015 in Addis Ababa, explicitly connects development financing to the fight against climate change.

The synergies and interdependence between both agendas is already strongly reflected throughout the text of the SDG outcome document and the climate agreement. The interlinkages are also apparent in many of the national climate action pledges – known as Intended Nationally Determined Contributions (INDCs) – that countries have put forward and that will take effect under the new climate agreement. A stable climate is indeed integral to the SDGs, as expressed in Goal 13. References to climate resilience and adaptation are interlaced throughout the SDGs, and many of the targets incarnate key features of what a low-carbon, climate-resilient future would look like. At the same time, many developing-country INDCs are explicitly framed through a

development lens. The INDCs produced by Kenya, Ethiopia and Mexico provide some good examples of this.

### One common destination

The SDGs and climate agreement share common parentage in the Rio Conference of 1992, and are best seen as two sides of the same sustainable development coin. Both point in the same direction in their call for a break with business-as-usual, and presage a radical transformation of our economies and societies.

One must of course reckon with the very real concern that bringing these two

## *Developing countries can seize enormous opportunities from sustainable, low-carbon development*

complex agendas together could create significant burdens on already stretched bureaucracies and decisional structures, which tend to be especially weak in some developing countries. Indeed, that consideration alone should force the crucial issue of institutional coherence to the fore. Institutional fragmentation encourages inter-departmental competition for scarce resources and political attention, and it means key technical capacities are spread thin across a number of agencies. It also weakens incentives for collaboration, information- and data-sharing.

Beyond these considerations, an important pre-requisite for effective joined-up implementation is for national leaders to devise and propagate a succinct, resonant political narrative that brings these grand agendas down to earth, relates them to national aspirations and translates them into terms that business and citizens can get on board with.

Poverty eradication and shared prosperity form a common core from which a broader universal agenda of transformation can be constructed. A successful narrative would

need to underscore interlinkages, recognise that the two frameworks are stronger together than they are apart, crystallise strategic priorities at the intersection of climate protection and SDGs, and make the case for an economic transformation to drive low-carbon development that leaves no one behind. To be successful, such a narrative needs to be propagated at the highest levels of government, sending clear signals to bureaucrats, investors, businesses, knowledge institutions and citizens about the inseparability of both agendas, and rallying these diverse actors around a common national sustainable development agenda.

### Linking development and climate action to drive economic transformation

If stabilising our climate and achieving the SDGs represent one common destination, the choices we make about how we grow and develop our economies will ultimately determine if and how fast we get there.

Too many people still cling to the outdated view that climate is a 'green' concern and as such a luxury that poor countries needn't consider until they grow richer and acquire the means to 'clean up'. I appeal to common sense alone to put to rest the absurd notion that poor people are somehow more willing to accept daily exposure to life-endangering toxic fumes and to trade their children's health for a faster GDP growth when alternatives for cleaner development exist and are within reach.

The most influential arguments pitting development against climate action in a zero-sum struggle stem from the discourse of economic cost-benefit analysis (CBA). As the argument goes, tough choices are required given limited financial means, and poor countries must prioritise those development interventions that yield the biggest bang for buck. In its most outlandish form, we have arguments like those of Bjørn Lomborg who wields the humble tool of CBA with bravado to make a wholesale case against bold action to forestall climate change. There is no room here to pick apart Lomborg's arguments.<sup>1</sup> The broader point about trade-offs and prioritisation, however, merits serious consideration.





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edge interdisciplinary work pertaining to water. Universities, university departments, companies, and other organizations may nominate worthy individuals and teams of researchers for this prize.

Then there are four **Specialized Prizes**, each worth US\$133,000, covering all aspects of the water research landscape. Researchers and organizations may nominate themselves for any of these four prizes.

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Certainly there may at times be tensions between development and climate actions. More often though, policy options exist to deliver on climate objectives while also advancing development. Indeed there is growing recognition among leading economists that previous CBAs may have grossly underestimated the co-benefits of climate action.<sup>2</sup> There are sizeable opportunities that lie in unlocking synergies in infrastructure development, forest management or energy security, for example. That is why the government of Ethiopia is implementing a long-term strategy to achieve middle-income status by 2025 based on carbon-neutral economic growth.

Countries will of course need to establish priorities. It may well be that in very poor countries with large populations exposed to preventable diseases, priority is given to interventions that can dramatically reduce the burden of these diseases. This does not distract however from the point that, where linkages are salient, climate knowledge or action may assist and in some cases offer more cost-effective solutions. For example, knowledge of how climate change generates new patterns of vulnerability to malaria can help better target preventive interventions. In the same vein, improving public transport systems may yield considerable health benefits – through fewer road accidents and deaths and reduced air pollution.

Unlike the Millennium Development Goals, the SDGs are not about establishing priorities for the international community within a given and accepted status quo. The SDGs are about driving system-wide change towards a qualitatively different future. Interventions that may not be fully justified in narrow CBA terms on a case-by-case basis could, in fact, make good economic sense when carried out as part of a comprehensive package of transformative change.

This is demonstrated, for example, in infrastructure investments. About \$6 trillion is due to be invested every year in infrastructure globally over the next 15 years. According to a recent report<sup>3</sup> of the Global Commission on the Economy and Climate – comprised of former heads of government, finance ministers and leaders in the fields of economics and business –

choosing low-carbon and climate-resilient infrastructure would result in a capital cost increment of only \$270 billion a year, or less than five per cent.

The additional capital cost could potentially be fully offset by lower operating costs – for example, from reduced expenditure on fuel. This is before even considering other co-benefits, such as the significant savings on health costs that can be expected from reduced air pollution.<sup>4</sup> Beyond these cost savings, sizeable opportunities for innovation and greater economic efficiency are made possible by structural and technological changes that would unfold as part of this broader economic transformation. The report's broader conclusion is that countries at all levels of income have the opportunity to reconcile economic growth and climate goals.

Where transitional upfront costs may be significant, the Paris climate deal makes provisions for developing countries to access external support in the form of finance, technology transfer and capacity-building.

### Conclusion

Climate and development goals can only be delivered in a joined-up and mutually reinforcing manner. Failure to address climate change will jeopardise future development efforts and bequeath a depleted and degraded Earth to our children and future generations. How we choose to develop in the next 15 years will be the determining factor in our efforts to avert a major climate crisis.

A unified political narrative that links development and climate goals to national aspirations, and the realignment of institutions around these priorities are two important preconditions for effectively bridging climate action and SDGs to drive low-carbon development that leaves no one behind. While there will be trade-offs between specific policy objectives, the SDGs provide an overarching framework within which these trade-offs could be more smartly assessed and addressed.

To those in the development community who remain sceptical about climate action, Blaise Pascal's famous wager comes to mind.<sup>5</sup> Let's bet that bold action will be required to

avert the worse impacts of climate change. Even if we lose that bet, we still gain by having created more inclusive and liveable cities; by ensuring that farming that is gentler to nature and more productive by cleverly harnessing the carbon that would otherwise go to waste; by developing energy and transportation systems that do not pollute the air we breathe. That, surely, is a future worth fighting for together.

Ultimately, meeting the twin climate and development challenges needs more than incremental adjustment. It requires a transformation of our economies. China's experience offers a profound lesson about economic transformation, which I would like to leave the reader with: that it is not so much about effectively executing some well-conceived blueprint, as about a willingness to experiment, take risks, allow local initiative, learn by doing, and make course-correcting adjustments along the way.<sup>6</sup> It will require a profound change in the mindsets of both the 'climate' and 'development' tribes to give up the illusion of control and embrace the fundamentally uncertain and fluid nature of the transformation that beckons. ●

*This paper draws on research conducted in collaboration with David Waskow, Eliza Northrop, Mathilde Bouyé and Alex Evans, and from the textbook 'Climate Change and Development', co-written by the author and Thomas Tanner.*

- 1 Interested readers may refer to environmental economist Frank Ackerman's book 'Can we afford the future?', which devotes an entire chapter to debunking Lomborg's sweeping assertions and questionable methods.
- 2 See OECD (2010) 'The Benefits of Climate Change Policies'. The economic benefits of climate action are also investigated in depth by the Global Commission on the Economy and Climate <http://newclimateeconomy.net>
- 3 'Better Growth, Better Climate' available at: <http://2014.newclimateeconomy.report/>
- 4 These savings could be considerable given that fossil-fuel-related air pollution accounts for health costs in the region of four per cent of GDP in the 15 highest-emitting countries
- 5 French Philosopher Blaise Pascal posited that all rational humans should live as if God existed because they'd have little to lose if he didn't, and everything to gain otherwise
- 6 I elaborate on this argument in the article 'Challenging the China model': [www.chinadialogue.net/article/show/single/en/2252-Challenging-the-China-model-](http://www.chinadialogue.net/article/show/single/en/2252-Challenging-the-China-model-)



# Topping up capital for development impact

The use of public-private partnerships in investment funds provides an efficient mechanism for scaling-up development capital and, at the same, offers private investors a route to make impact investments without high-risk exposure

Existing capital flows available for development fall significantly short of meeting the enormous financial challenges posed by the Sustainable Development Goals (SDGs). Mobilising capital from the private sector is therefore critical. What can be done to attract the impact investor who remains understandably risk averse, especially when it comes to investments made directly into developing countries? Over the past decade, investment funds set up as public-private partnerships (PPPs) have succeeded in addressing this concern and proved their effectiveness by leveraging a capital influx into development finance.

As the SDGs are more ambitious than the previous Millennium Development Goals, additional funding is needed. This is where PPP funds, with their specific

because they effectively can count on an investment-grade risk cushion.

In the case of the funds advised by Finance in Motion, the PPP model is additionally supported by a very prudent investment and risk management process. In the more than 10 years since its inception, the European Fund for Southeast Europe, for instance, has not had to write off a single investment.

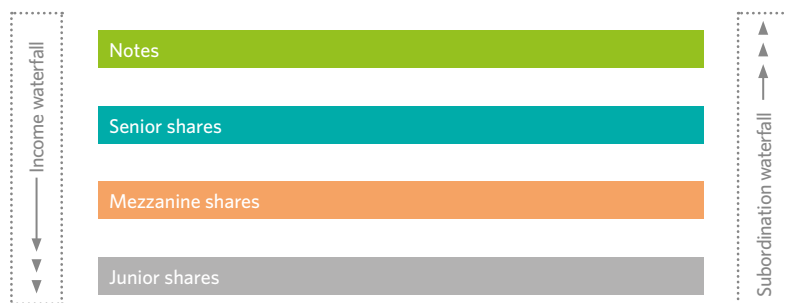
Another crucial element for the sustainable success of Finance in Motion's mandates is the technical assistance (TA) that goes hand in hand with the investment process. TA is not limited to individual support in, for example, optimising processes or developing new products. Its scope encompasses all aspects of the local financial sector, from financial education to supporting local responsible finance practices.

In addition, private investors also benefit from the waterfall structure when it comes to interest rate payments. While public donors in PPPs are usually last to collect interest on their investments, private investors receive a fixed rate yield even when the fund is not making any profit.

The income waterfall structure, together with the revenue waterfall structure, are key to leveraging public seed financing many times over, as many good examples in development finance funds show. In the case of the well-established EFSE, for instance, private funding is double that of public funding. Another example: the eco.business Fund, which was set up with Finance in Motion in December 2014, was able to attract private investments in its first year. In light of this track record, the PPP model is adding and will continue to add significant volume to official development assistance funding, directing flows into much-needed projects for achieving the SDGs in developing countries. ■

For further information please contact:  
Finance in Motion GmbH; Sylvia Wisniwski, tel: +49 (0)69 271 035 - 0; email: [s.wisniwski@finance-in-motion.com](mailto:s.wisniwski@finance-in-motion.com)  
[www.finance-in-motion.com](http://www.finance-in-motion.com)

## EXAMPLE OF A TRANCHED DEBT FUND



waterfall structures for risk and return, come in. This model – of which, for example, the European Fund for Southeast Europe (EFSE) is a pioneer – uses public funding from donors as a risk cushion in case of any defaults on the investment side.

Only when this so-called first loss tranche is depleted are semi-public investors such as international financial institutions called in, and then – only in a third step – private investors. Private investors who are interested in impact investments can now place their monies with funds that invest in countries or companies that would previously have seemed too risky

# South-South cooperation: new wine in old bottles?

*Does development cooperation between countries of the Global South offer a paradigm shift from the traditional North-South model, or just more of the same?*





By **Sanusha Naidu**, Senior Research Associate, Institute for Global Dialogue

In the past several years, the concept of South-South development cooperation (SSC) has gained momentum. Seen as a possible alternative to the North-South framework, SSC has provoked a considerable set of commentaries that coalesce around the viewpoint that SSC can correct the imbalances of the international development cooperation landscape.

The notion of SSC is based on the Global South's marginalisation from global development processes and international markets, while eschewing the experiences of imperial and colonial exploitation. In this regard the idea of SSC is defined by the Bandung principles of mutual interest, peaceful co-existence, respect for national sovereignty, non-interference in internal affairs, equality among developing partners, and respect for national independence, cultural diversity, identity and local content.

Theoretically, the simple yet powerful message from SSC focuses on the foundation of solidarity and shared historical experiences. This is supposedly manifested in practice by not repeating the same mistakes as former colonial empires and the dominant North.

But is SSC really a departure from past practices of development cooperation? Does the constellation of states that comprise the Global South represent new forms or patterns of development engagement? Are these new development actors articulating a substantial theory of change to the rules-based system of the global development architecture? Or is the rise of the Global South an extension of an existing configuration of North-South relations – a case, perhaps, of new wine in old bottles?

Based on these questions and other compelling issues, this commentary seeks to defragment the contours of SSC. Rather than trying to provide a justification for why SSC is better than North-South

engagements, it seeks to review the extent to which SSC differs in its framework and substance – especially in respect of whether it constitutes an alternative model of development cooperation.

The latter is significant when considering that 2015 had been identified as the year for setting the global development agenda, with major international gatherings such as the Global Review of Aid for Trade, the International Conference on Financing for Development, the UN Sustainable Development Summit, the UN Conference on Climate Change and the World Trade Organization Ministerial Conference.

### Distinguishing SSC?

As a starting point it should be emphasised that SSC is not a new phenomenon of the 21st century. Political, economic, social and cultural interactions between and among state actors in the region that we today identify as the Global South have been taking place for hundreds of years.

Take, for example, China's 'Silk Road' initiative under President Xi Jinping. Described as a major development framework, the 'One Belt, One Road' policy strategy is seen as a revival of China's empire and sphere of influence dating back to the Han and Tang dynasties. Driven by Beijing's current policy of economic diplomacy, the programme is considered to become larger than the US-led Marshall Plan for post-war reconstruction of Europe.

In a similar vein, the renewal of ties with Africa – whether through the Forum on China-Africa Cooperation or the India-Africa Forum Summit – also signifies the strengthening of relations with African states that were disrupted by the politics of colonialism and the Cold War.

But the engagement is more than just re-establishing relationships and networks. It is informed by the Bandung consensus – the idea being that the Global South understands its development challenges more coherently and succinctly because of shared historical burdens of underdevelopment. And so by implication, the notion of development becomes one that is by the South, for the South and of the South.

From the above, the appeal of SSC is that it seeks to articulate that the Global South is different from the Global North as it promotes engagement embodied by symmetry, mutual respect, non-interference and common burdens of exploitation. In short, SSC has become synonymous with the construct of win-win partnerships.

Yet trying to differentiate SSC from other forms of development assistance also demonstrates that while the rise of the Global South is identified as opening a new global framework for development, in many respects, things may remain much the same.

### SSC: a win-win partnership?

The idea that SSC represents a strategic brand of win-win partnerships is rooted in the context of aid effectiveness. In this regard, the opinion is that SSC can offer a paradigm shift to how global development assistance is disbursed.

This is in part a reaction to the ongoing narrative that aid has done little to alleviate poverty or improve livelihoods in recipient countries. It is what Dambisa Moyo, in her seminal book on development assistance, referred to as 'Dead Aid'.

So is SSC a win-win partnership? So far, both state and non-state actors have argued that SSC can provide the basis for enabling conditions around mutual accountability and ownership that are often absent in the current development aid architecture. This is borne out of the belief that SSC encapsulates a like-mindedness of thinking around development processes and practices. Both China and India are seen in this context. As much as these two Asian giants are large, developing countries, they have also graduated into the ranks of middle-income status. Each provides what it considers as a veritable amount of development assistance to countries in its regional neighbourhood and beyond (for example, to Africa). These contributions can be seen as having benefits for recipient countries while underlining the donors' self-interest. The emergence of the new actors from the Global South should therefore not be overstated.

In fact, like their counterparts from the Global North, these countries are aspiring

◀ Chinese and Nigerian workers on the construction of the new light railway in Lagos, Nigeria. The high-capacity rail system is being built by China's state-owned China Civil Engineering Construction Corporation



© SHAH MARAI/AFP/Getty Images

▲ The new parliament building under construction in Kabul, Afghanistan, financed and built by India

to define their role and identity in global politics. It becomes clear that they adopt a starting point of difference in how they disburse their brand of development assistance under the banner of SSC.

Consider, for instance, the disbursement of lines of credit by Beijing and New Delhi to Africa. For both countries, lines of credit form a critical component of their development assistance packages. They are seen as supporting significant projects that are identified by the recipient as an enabler for their economic development.

Once a project has been through a feasibility study and satisfied the criteria for funding, the recipient country will announce the tender(s) for the project. Theoretically, the tender process should be an open call that allows all vendors to apply. But often it is either explicitly or implicitly geared towards awarding Chinese and Indian companies contracts to carry out the projects, as well as based on sourcing equipment and materials from

such firms to implement the project. This is no different from how Northern projects are also executed. And why should it be? The idea that there is an exceptionalism of countries from the

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### ***In spite of the rhetoric of mutual benefits and equity, within the Global South some countries are more equal than others***

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Global South is a misnomer and such thinking fuels parochial perceptions that SSC should be different.

The bottom line is that in spite of the principles of win-win partnerships and rhetoric of mutual benefits and equity, some countries in the Global South are more equal than others. This characterisation can also be applied to the Global North.

#### **Complementing the SDGs**

With the Sustainable Development Goals

(SDGs) informing the global development agenda for the next 15 years, the question is: what role will SSC play?

Unlike the process of the Millennium Development Goals, the negotiations around the SDGs were inclusive, with countries from the Global South playing a significant role in the discussions.

To this end, South-South partnerships can complement the SDG outcomes in terms of how they shape the global architecture around the definition of inclusive development.

The fact that southern partnerships are anchored around the contours of shared historical experiences of development is limiting. SSC and partnerships remain vulnerable to the very nature of the international system in which they are supposedly trying to claim a space.

In this regard, one of the more important issues that SSC needs to address is whether it seeks to do development differently and how it will influence the global development architecture. This is the opportunity for SSC and partnerships to enhance their positive impact on the implementation of the SDGs. ●





# Sustainability in practice

Hoteles City Express reinforces its commitment to society through its sustainability programme

Hoteles City Express, a leading Mexican hotel chain, is a socially responsible company with a clear objective: to generate social, environmental and economic value in the cities where it has a presence.

The chain's sustainability programme reflects its strategic efforts in the areas of corporate governance, business ethics, quality of life, energy savings, environmental innovation and connection with surrounding communities. It includes environmental certifications, programmes for entrepreneurial support and an overall philosophy of corporate social responsibility. Hoteles City Express has positioned itself as one of the leading Mexican companies in terms of innovation and sustainability, becoming the first hotel chain in the country to receive a number of international certifications, including:

**EDGE Certification** (Excellence in Design for Greater Efficiencies): created by the International Finance Corporation of the World Bank, especially for those who seek to encourage the development of green buildings in emerging markets.

**BIOSPHERE Certification** (Responsible Tourism): awarded by the Responsible Tourism Institute, sponsored by UNESCO and aimed to constantly improve environmental and social impacts.

**LEED Certification** (Leadership in Energy and Environmental Design): awarded by the United States Green Building Council, it recognises architectural and urban design projects that demonstrate a commitment to sustainable planning and green architecture.

Hoteles City Express has also joined the United Nations Global Compact initiative, embracing the principles that relate to the protection of human rights. In March 2015 Hoteles City Express was awarded the title 'Socially Responsible Company' by the Mexican Center for Philanthropy. This accolade distinguishes the chain as one of the best companies in Mexico in terms of corporate governance, business ethics, environmental commitment, quality of life and social engagement.

Hoteles City Express also seeks to drive high-impact projects that generate a value to society and increase the social and economic well-being of the communities where it operates by supporting a range of projects aimed at boosting entrepreneurs. These include:

**The Pool:** an entrepreneurial project incubator.

**Cleantech Challenge:** the most important contest focusing on green initiatives in Mexico.

**Epic Lab:** empowering business makers and communicating best entrepreneurial practices and tools in communities where the chain has presence through strategic alliances with universities in Mexico.

**Startup Weekend:** supporting the programme promoted by UP Latam, a non-profit organisation that helps develop entrepreneurial communities around Mexico.

It should be noted that as part of the chain's labour inclusion initiative, a programme has been implemented for individuals with hearing disabilities, offering equal job opportunities. In accordance with its commitment to protect the environment, Hoteles City Express has earmarked 140 million pesos for adopting sustainable measures and initiatives that include: energy and water savings, waste reduction, as well supporting social responsibility projects according to its sustainability programme.

Through its commitment to society, sustainability, the environment and ethical practices, Hoteles City Express positions itself as one of Mexico's leading innovative businesses. ■

**cityexpress**  
**hoteles**



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## National policy, local delivery

*While national governments, working at the international level, have defined the scope and detail of the SDGs, it is local administrations that will shoulder much of the work to achieve their success. How can we ensure successful local implementation?*





◀ Pavão-Pavãozinho favela in Rio de Janeiro, Brazil. Participatory budgeting by local governments, determining investment priorities through community dialogue, was pioneered in Brazil and successfully applied in hundreds of cities across Latin America

SDGs are all about national governments and international funding sources (including private-sector funding). They are not about the funding needed by local governments to address the SDGs within their jurisdiction, or about supporting local governments to develop their own revenue base.

There is much discussion of monitoring – and a huge list of indicators chosen to do so. But almost all of this is on monitoring performance on the SDGs at the national and international levels, not the local level. Much of what is proposed for strengthening the information base is for national governments, not local governments. It is based on more comprehensive and more frequent national sample surveys. But these are no use to local governments because their sample size is too small to provide statistics for each local government area. Neither can they provide insight into what is actually needed at the local level, nor details of whether the SDGs have been met in each ward or street.

One solution to this is using census information, as this should provide relevant data from all households to guide policy and investment in each neighbourhood. But censuses are expensive, and it is rare for them to be taken more than once every 10 years. Furthermore, census data are rarely made available to local governments in a form that allows them to see who within their jurisdiction is living in poor-quality housing lacking piped water, sanitation, solid-waste collection, healthcare, schools and other needs specified in the SDGs.

When citizens lack basic services and other entitlements, it is not national governments or international agencies that they turn to but to local service providers. These are usually local governments or local bodies supervised and supported by local governments. Citizens do not turn to national governments if the standpipe they use no longer has water, or if they cannot enrol their children in local schools, or get healthcare, or have their waste collected regularly. They cannot bring pressure to bear on international agencies

By **David Satterthwaite**, Senior Fellow, International Institute for Environment and Development, and Visiting Professor at University College London

**W**e are confronted with a strange paradox. The achievement of most of the Sustainable Development Goals (SDGs) and their many targets in urban areas depends on local governments. But local governments are not the ones defining these goals, choosing the indicators to monitor progress or making commitments to meet the targets. Discussions of funding for addressing the

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that have ignored their needs and priorities for many decades.

Despite the fact that around a billion urban dwellers live in very poor-quality housing lacking basic infrastructure and services, most international agencies have refused to acknowledge this – or the scale and depth of urban poverty. Most international agencies have no urban policy or understanding of how to work in urban contexts.

There are some strong examples of what might be termed good practice in urban areas as local governments worked with civil-society groups in addressing the many needs listed within the SDGs. These include programmes that upgrade slums without displacing their inhabitants. They include local government support for grassroots organisations formed by slum or shack dwellers in more than 20 nations – to build houses, to upgrade their settlements, and to improve provision for water and sanitation.

They include one particularly innovative programme: the Community Organizations Development Institute – a national government agency in Thailand that provides funding and support for community-led initiatives to upgrade settlements or find land to build their homes nearby. But these are not highlighted or reported on in the documents discussing the SDGs and their implementation.

### **Innovation and transparency**

What is also ignored is the vital contribution of city and municipal governments and local civil society in many of the nations with the best performance in development targets – as in many Latin American cities. Their contribution was not made with the SDGs in mind or even with international funding. It was made by mayors and city governments that were elected and responded to local needs and priorities. Many of the best-performing cities also innovated in being more accountable to citizens and more transparent in reporting on funding flows and priorities.

One of the best examples of this has been participatory budgeting, where local governments support discussions in each neighbourhood or district on how public investment should be prioritised in that area. This was first developed in Brazil but it has

been applied in hundreds of cities across Latin America. In part, it is linked to a new generation of (elected) mayors who have had such an important impact by bringing innovation and commitment – as seen in cities as varied as Porto Alegre, Bogota, Rosario, Ilo and Manizales.

There are interesting parallels here in the history of city governments in high-income nations, whose local government policies and practices were very important in, for instance, enormous improvements in provision for

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## ***Building resilience to climate change depends heavily on local governments***

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water, sanitation, drainage, solid-waste collection, paved roads, street lighting and a range of municipal services. Here, the innovations were driven by strong citizen and civil-society pressure – and by strong and detailed local documentation of deficiencies for each house, road and neighbourhood. Both then and now, in many Latin American nations, we are reminded of the important role played by local democracy in getting needs met – and more broadly, for acting in the common good (and being re-elected if politicians do this well).

There is also the issue of establishing which part of national government will be responsible for managing the fulfilment and monitoring of the SDGs. Often this is assigned to ministries of the environment or development, but these generally have little power and limited resources. More to the point, almost all the SDGs that relate to service provision and poverty reduction fall outside their responsibilities.

Ministries of the environment, for example, are often not much good at, or particularly interested in, getting safe, sufficient water, good-quality sanitation, ample drainage capacity and solid-waste collection to those living in informal settlements – even though these represent the most profound environmental improvements in urban areas.

In all the discussions of accountability and transparency, who is actually making international funding accountable to low-income groups? No representatives of low-income groups sit on the boards of bilateral aid agencies or development banks – yet it is their deprivations that are the justification for all these agencies' programmes (and the funding they get).

### **Supporting local governments**

Now, on top of this dysfunctional system, we have climate change. We know that this is bringing increasing risks to much of the world's urban and rural areas, and that building resilience to this and contributing to lowering greenhouse gas emissions depends heavily on local governments. Yet their leadership in these issues is given little heed and their needs and priorities are not being addressed.

How will the new funds and funding agencies that are meant to support climate change adaptation work directly with local governments and local representative organisations of the urban poor? How do we get national government systems and international funding flows to support urban governments to become more effective, accountable and transparent – or to support the critical role of local civil society, including the organisations and federations formed by those living in informal settlements?

We need to reach a position where the commitments to meeting the SDGs are made by the bodies that have responsibilities for them – again mostly local governments. Where reporting on SDG progress in any nation is the aggregation of progress from each neighbourhood, ward and district. Where national statistical offices actually learn to serve the data needs of local bodies. Even better, why don't we revamp the SDGs to allow and encourage city and municipal governments to make their commitments, devise the best means of monitoring progress and report on it? ●

*Further details and examples of innovative local governments and civil-society groups can be found in D. Satterthwaite and D. Mitlin (2014), Reducing Urban Poverty in the Global South, Routledge, London.*





# PRIVATE-SECTOR SOCIAL INNOVATION FOR SUSTAINABLE CITIES

**By:** Consuelo García, Ph.D., Bryan Husted, Ph.D., Carlos Scheel, Ph.D.

Inclusive and sustainable cities constitute the eleventh sustainable development goal of the United Nations' Sustainable Development Goals. Although the private sector is implicated in many of the problems associated with cities, its role in the solution of those problems is rarely addressed. The Social Innovation Research Group of EGADE Business School of the Tecnológico de Monterrey is answering this need by studying the ways in which private companies can develop business models to solve the social and environmental problems of cities.

The positive and negative impacts of companies on communities has largely focused on environmental pollution generated by the firm. Industrial growth is an obvious culprit in the ecological crisis faced in many emerging markets. Schools of business administration have promoted the idea that firms need to be responsible and internalize these negative impacts. Yet much less attention has been placed on the relationship of the private firm to a broader range of social and environmental stresses faced within local communities. In a globalized economy, the importance of territory and local community is given short shrift.

Although much has been said about the circular economy, these ideas have rarely been implemented at a regional level. The Sustainable Wealth Creation based on Innovation and Technology (SWIT) model takes an important step forward by explicitly examining regional economic circularization and applying them in Mexican communities in order that all waste is reused in different productive activities within a region.

The Ixtlán Group in the indigenous region of Oaxaca provides an important example of how profits can be maximized not only for the firm, but also for the local region so that the firm benefits as well as the environment and community. The Group develops specific business units to solve community problems and meet needs as well as provide environmental training.

The circular economy also needs to be complemented with clusters of responsible firms that can support each other and stimulate friendly competition for social and environmental benefit. In Mexico, the automotive industry is a case in point where the compliance of a given company with environmental standards has a positive impact on the adoption of such standards by its neighbors. Just as clusters of firms are engaged in technology innovation, Mexico is seeing the rise of clusters of responsible firms that promote environmental and social commitment.

The Social Innovations Research Group\* is also combatting tendencies in modern cities to dehumanize workers and treat them as instruments for economic ends. Cities need companies that treat workers with the dignity they deserve. One such initiative focuses specifically on the aged who are often left behind in a nation of young people. By implementing programs for the training of mature workers in ways that are consonant with their learning styles, the research group is contributing to more inclusive, sustainable cities.

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*\*The Social Innovations Research Group of EGADE Business School engages in basic and applied research aimed at understanding the function of corporate social responsibility in large multinational corporations and in small and medium-sized enterprises. In addition, we study social, multifaceted entrepreneurship. Furthermore, we evaluate social and ecological costs of doing business in order to identify their causes and to find solutions. Finally, we study related phenomenon of current interest such as voluntary environmental programs and the role of the firm in the creation of income inequality.*

EGADE Business School is the graduate business school of Tecnológico de Monterrey, recognized in Mexico and Latin America for developing leaders with an entrepreneurial spirit, a humanistic outlook and who are internationally competitive. With sites in Mexico City, Monterrey, Guadalajara and presence in Lima (Perú) and Panama City (Panama), the School has a solid reputation based on the quality of its graduates, its innovative educational model, high-quality instruction and research achievements, and the global nature of its academic programs.

# From vision to reality: the journey of the SDGs

*"Agenda 2030 is regarded as the most inclusive intergovernmental policy process so far in the history of the United Nations. This outcome has been the result of the significant role played by civil society organisations in the actual negotiations and in helping shape the new agenda."*  
Nicholas Alipui et al, page 149

## SEALING THE DEAL

Seventeen goals and 169 targets were adopted by 193 UN member states in September 2015. Rather than maintaining the donor-recipient relationship that defined the MDGs, the new goals promote multi-stakeholder partnerships and are designed to be adapted to domestic realities, capacities and stages of development.

*"Local ownership is about broad-based engagement with a range of people within and outside the target institution(s) – people who should play a key role in diagnosing problems, identifying locally relevant remedies and leading the implementation of solutions."*

Andrew Rathmell & Arthur Mellors, page 44

## NARROWING AND LOCALISING

The broader national strategy should be followed by a detailed consideration of what is required of the state – in terms of leadership, capacity, resources, partnerships – to achieve each target. This process requires assigning roles and areas of collaboration for each sector of government and identifying relevant existing indicators and sets of data. Responsibilities must also be devolved to local government and communities. For example, Saemaul Undong, a local development initiative in the Republic of

Korea, encouraged rural communities to take charge of their own development. This people-centred approach has since been scaled up by the UNDP and exported to countries around the world, such as Bolivia and Uganda. Ultimately, these narrower, localised targets should identify the stepping stones towards the realisation of the SDGs over 15 years, comprising a 'timeline' of delivery.

*"Appropriate policies can harness the trade-investment nexus for the SDGs. Trade and investment policies must be interlinked, and part of a coherent broader set of policies."* Mukhisa Kituyi, page 69

## MAINSTREAMING OR SEPARATING?

While drawing up a more detailed strategy to achieve the SDGs, governments will be required to decide whether to incorporate the targets into existing policies – for example, on energy, social security and education – or to manage SDG implementation through a distinct policy track, with separate funding. According to Independent Research Forum 2015, both options carry risks; "mainstreaming would increase the chance that the SDG targets are internalized, and are more 'owned' by the respective sectors", but would make the goals, and the methods of implementation, more invisible. This lack of visibility could endanger state accountability for the realisation of the SDGs. Countries should share best practice on effective mainstreaming so that they can make an informed decision about how to map the SDGs against existing policy.



**T**he Sustainable Development Goals represent a universal agenda that signals a departure from the aid-centric approach of the MDGs. Unlike their predecessor, the goals require all countries, rich and poor, to realign their development policies to reach the global ambitions of eradicating poverty, ensuring education for all and protecting the environment.

But while the goals are universal in nature, their complexity defies a one-size-fits all approach. The steps outlined below are designed provide states with some broad guidance for realising the 2030 Agenda, and some questions to consider at each stage of implementation

## HAVING 'NATIONAL CONVERSATIONS'

Discussion and data collection are required in order to identify where the need is greatest and to ensure no one is left behind. Many countries have set an example by establishing National Councils for Sustainable Development or similar bodies, designed to engage all stakeholders in the process of creating national strategies. This participatory process is necessary to prioritise the goals and targets, determine the level and nature of interventions needed, identify the resources and capacities required, and create a timeline for delivery. Investments must also be made in data collection by capitalising on new technologies and forging public-private partnerships to leverage private sector know-how and resources in this area, as recommended by the UN Data Revolution report: *A world that counts*.

*"It is only when the voices of the poor and vulnerable, who have a stake in shaping their future, are heard and heeded that development can become sustainable."*  
Ela Bhatt, page 18

## BUILDING A BROAD STRATEGY

As the SDGs are interrelated and cannot be achieved in isolation, governments must develop broad strategies that allow different sectors to work together. These will enable countries to close the gap between domestic priorities and the global development framework. At this stage, this should entail identifying key areas for action, promoting coherence and setting clear objectives for effective monitoring and accountability. In Canada, for example, campaigners believe that their existing Federal Sustainable Development Strategy should be broadened out from its current environmental focus to wider aspects of sustainable development.

*"Many SDGs are interrelated and an integrated approach to address bottlenecks to achieving them will be needed, especially in light of the fact that the SDGs are more holistic in nature."* Mahmoud Mohieldin, page 12

## FINANCING THE SDGs

Successful implementation on the SDGs heavily depends on how governments allocate resources, explore sources of untapped revenue, increase trade opportunities and provide sufficient development assistance to developing countries. Forward-looking companies must also take the lead by tailoring their business models for sustainable development. In his *Synthesis Report*, UN Secretary-General Ban-Ki moon identified tax reform as a major means of increased revenue. The public sector has the capacity to raise significantly more revenue by fighting tax evasion, rectifying inequities and tackling corruption in order to invest formerly wasted resources in sustainable development.

*"Domestic revenues provide governments with independent resources for investing in development, delivering public services, and increasing state capacity, accountability and responsiveness to their citizens."* Ben Dickinson, page 106

“The new Global Partnership envisages demands for ongoing North-South cooperation, but also goes beyond it to embrace South-South and Triangular cooperation as vital sources of innovation, knowledge, expertise and solutions for tackling development challenges.” Helen Clark, page 52

## SHARING RESOURCES

Regional partnerships provide important opportunities for sharing resources. For example, South-South and triangular development cooperation has the potential to facilitate the exchanging of skills, technical support

and best practices. Trade, alongside foreign direct investment, is also a means for distributing new technologies and knowledge. According to the UN Technical Support Team, governments will need to formulate domestic trade policy as part of a coherent policy framework that incorporates environmental and social targets. A more universal and equitable trading system could help generate wider economic opportunities, including increased employment and greater efficiency of resources.

“(A)-dollar-a-day measures of poverty are inadequate. We need multi-dimensional measures of poverty for defining the challenge, framing the required actions and monitoring progress.” Richard Jolly, page 15

## CHOOSING INDICATORS

Progress on the SDGs will depend how it is measured. The UNDP’s Global Multidimensional Poverty Index (MPI) captures not only monetary poverty, but the various, overlapping disadvantages faced by the poor, including poor sanitation, malnutrition, and inadequate quality of housing and education.

Governments would benefit from designing national MPIs by selecting indicators of poverty that apply to their specific country contexts. Identifying the country-specific nature of poverty will be an important step towards ensuring marginalised groups are not left behind. The Overseas Development Institute identifies these groups to include children, women from disadvantaged groups, members of the LGBTI community, and the estimated 375 million workers who earn less than \$1.25 per day.

## MONITORING AND ACCOUNTABILITY

The outcome document calls on member states to “conduct regular and inclusive reviews of progress at the national and sub-national levels which are country-led and country-driven”. These reviews should comprise parliamentary scrutiny, with input from civil society, the private sector, indigenous communities and other stakeholders to ensure that they are both inclusive and accurate. According to Leo Williams, International Coordinator of the Beyond 2015 campaign, governments should develop “a public, inclusive and participatory national review mechanism”, which includes members of the public – particularly from the most vulnerable groups – and their representatives. Regions should also develop mechanisms for peer review, says Williams, which should be transparent, and should encompass all SDGs, their targets and means of implementation.

“We need a more efficient system to facilitate rapid feedback from the field about which policies and interventions are working and which are not.” Jamie Drummond, page 142

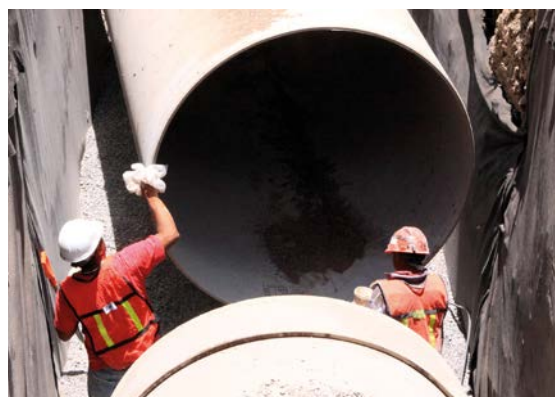
“If we, the fragile development community, are cleaning house for the next generation of development, we need to carry forward the lessons of what has worked and leave behind whatever has not.” Gary Milante, page 114

## LEARNING THE LESSONS

States should not wait until 2030 to learn the lessons from the Sustainable Development Goals. Throughout

the implementation process – from strategising and allocating resources, to monitoring and reporting – governments should continuously keep a record of what methods work and what needs to be improved, so that future development agendas can benefit from past experiences.





# Ensuring water and sanitation for all

■ Mexico calls upon the governments and decision-makers of all nations to join in solidarity with the Global Water Initiative. This is to ensure that water as a resource acquires the social, political and scientific clout to promote water security as a priority on the global stage.

To achieve this, countries will need to combine efforts and create appropriate policies – informed by scientific and technological knowledge – that improve the capacity management of water resources, in terms of both quantity and quality.

To this end, Mexico's National Water Commission (Conagua) has proposed creating an Intergovernmental Panel on Water. This would be a group comprising experts from UN Member States, specialising in water-related issues.

President Peña Nieto presented the proposal to the UN General Assembly in 2014. It was welcomed at the seventh World Water Forum in South Korea in 2015.

The aim is to support: coalition-building to mobilise governments, private sector and civil society around water; decision-making in water-specialised global institutions; and the establishment, for the first time, of a water regulatory framework as a universal axis with resilience at the forefront of a new global approach to disaster management.

An Intergovernmental Panel on Water would support the work of the post-2015 development agenda, which

includes a Sustainable Development Goal (SDG 6) solely dedicated to water ("Ensure availability and sustainable management of water and sanitation for all").

The post-2015 agenda is committed to strengthening international cooperation, recognising that sustainable development can be achieved only through an alliance between governments, civil society and the private sector to ensure the wellbeing of present and future generations.

Water flows across the 2030 development agenda. Ultimately, access to water and sanitation is not only a matter of dignity and human rights, it is central to achieving all of the objectives that governments around the world have just adopted.

More than ever before, water security is an urgent priority for the development of nations. ■

For further information, visit: <http://aneas.com.mx>

# Holding leaders to account

*Nations have pledged to eradicate poverty and protect the planet from degradation. How can citizens ensure that governments stick to their promises?*

By **Leo Williams**, International Coordinator, Beyond 2015

**A**genda 2030, signed off recently by world leaders to great fanfare in New York, is disappointingly weak on accountability. Despite a laudable set of principles that countries should aspire to respect when developing ‘follow-up and review’ processes, Agenda 2030 does not include robust mechanisms that allow civil society and individuals to hold their governments to account for implementation. So, how could true accountability be designed and implemented with a voluntary framework like Agenda 2030, and how will we be able to hold our governments to account?

## Why accountability is crucial

For my organisation, Beyond 2015, the purpose of Agenda 2030 – the new Sustainable Development Goals (SDGs) – is to enable coherence and prioritisation of action; to secure commitment to action; and to ensure accountability for action.

Agenda 2030 represents a pledge to current and future generations, particularly the poorest and most marginalised. The accountability regime is the test by which people will judge whether that commitment is being met.

This is not revolutionary. Our national civil-society organisation (CSO) deliberations highlighted that people want development to be based on human rights, equality and justice, environmental sustainability and good governance and accountability.<sup>1</sup> Governments recognise this: Goal 16 focuses on accountable and inclusive institutions at all levels. Paragraph 35 acknowledges “the need (for) effective rule of law and good governance at all levels



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## Agenda 2030 demands global action, coordination and accountability

and... transparent, effective and accountable institutions”.

This is not just about holding governments to their commitments – all partners in Agenda 2030 must be held to agreed UN standards in respect of human rights, environmental impact, transparency and effectiveness. It is imperative, for example, that governments agree strong laws to protect against environmental and human rights abuses by companies, ensuring that they are fully accountable and, at the least, that they do no harm.

## Implementing accountability at national and regional levels

Agenda 2030 clarifies that the “High-Level Political Forum... will have the central role in overseeing follow-up and review at the global level”.

With accountability being a politically loaded concept, Agenda 2030 merely commits governments to a “robust, voluntary, effective, participatory, transparent and integrated follow-up and review framework”, which will “promote accountability to citizens, support effective international cooperation in achieving this Agenda and foster exchanges of best practices and mutual learning”. National-level

▲ Youth leader Rasheen Aldridge of the Ferguson Commission listens as US President Barack Obama outlines plans to address the social tensions and racial inequality behind the civil unrest in Ferguson, Missouri, triggered by the police shooting of an unarmed teenager



processes will be the foundation for regional and global reviews.

So, this is what governments have agreed. However, implementation at national and regional levels will involve many further steps.

### 1. Monitoring by the people

Agenda 2030 must be monitored not just by governments but by people themselves. Accountability mechanisms must allow people, particularly those experiencing poverty, inequality and marginalisation, to participate effectively and without discrimination.

### 2. Adapted national strategies

Governments should develop a national sustainable development strategy through a participatory process that includes those most affected by poverty and injustice.

The strategy must include meaningful, measurable commitments on the progressive realisation of all the SDGs, as well as each country's equitable contribution to global achievement of the goals.

This strategy should be the basis for accountability. Paragraph 78 of Agenda 2030 recognises the need for such strategies.

### 3. Participatory national review mechanisms

Governments should develop a public, inclusive and participatory national review mechanism. The process must include members of the public – especially from the poorest and most marginalised groups – and their legitimate representatives.

These mechanisms should be supported by citizen-generated data collection and analysis. Paragraph 79 of Agenda 2030 speaks of regular and inclusive reviews, but stops short of proposing specific national mechanisms.

### 4. Enabling meaningful participation

An equal right to participate in all domestic processes of accountability, including the monitoring of Agenda 2030, must be guaranteed and realised – not least, to reflect the commitments within Goal 16.

Concrete steps include the development and implementation of participatory monitoring and accountability mechanisms and provision of financial support for

the most marginalised to enable their meaningful participation in such processes.

### 5. Innovative sharing of information

Innovative mechanisms, including the internet and mobile technology, can help people access information and evaluate change. Deliberative polling on key issues can foster public discussion, awareness and provide a source of further representative data. Mobile technology can allow for public feedback on the provision of local services. However, efforts must be taken to ensure that inclusivity is not damaged by a 'digital divide' within society.

### 6. Regional peer review

Each region should establish mechanisms for peer review, drawing on existing structures. These reviews should be comprehensive in their coverage of Agenda 2030 – encompassing all SDGs, their targets and means of implementation – and transparent.

### 7. Participation at the regional level

The effective participation of people and CSOs should be guaranteed at the regional level, with modalities comparable to those of national and global levels.

Stakeholders should be allowed to submit evidence within the review process and present written and oral contributions, and all official information and documents should be easily accessible to all.

### 8. Participatory and inclusive multi-stakeholder committees

At regional level such committees should be tasked with facilitating the participation of national and regional stakeholders during the peer review process, and with monitoring the process.

### Applying pressure at the national level

People have not worked for years on Agenda 2030 to see it gather dust within the UN. Part of the purpose of Agenda 2030 is to secure commitments to action – to make meaningful changes to the lives of people and the state of the planet. The biggest risk at the moment is a lack of political will to implement Agenda 2030 at the national level. Thankfully, there are many actions

that civil society can take:

- Ensure that governments create cross-departmental committees – consisting of (at least) the national departments of data, environment, finance, foreign affairs and planning – to work on the implementation and monitoring of Agenda 2030.
- Push governments to adopt a national sustainable development strategy through a participatory process that includes people experiencing poverty and marginalisation.
- Support the creation of SDG multi-party parliamentary committees, which would reinforce and support the executive efforts on SDG implementation.
- Call upon decentralised administrations and local governments to work closely with CSOs to ensure full ownership of Agenda 2030 at the national and sub-national levels.
- Call on governments to allocate sufficient national and local resources to the implementation of Agenda 2030.
- Push governments to establish participatory and inclusive monitoring and reporting mechanisms for the implementation of the SDGs, as well as to agree to public, inclusive and participatory national review mechanisms, as outlined above.

National-level accountability mechanisms are, quite rightly, at the heart of the accountability framework. However, the universality of Agenda 2030 demands global action, coordination and accountability. To be fit for purpose, any review mechanism must be based not only on the accountability of government inwards – towards its own people – but also upwards and outwards, to assess how effectively countries, the UN system and other stakeholders are cooperating to achieve the SDGs.

Finally, civil society must continue to insist that governments put in place truly participatory processes at national and regional levels, which will enable people and organised civil society alike to influence implementation plans and to engage in a systematic way in monitoring, accountability and review. ●

1 [www.beyond2015.org/cso-led-national-deliberations](http://www.beyond2015.org/cso-led-national-deliberations)

# Sowing the seeds of transformation

The Korea International Cooperation Agency (KOICA) will deliver on the promise of a better life for all, by tackling multiple targets in a unified strategy



By *Young-mok Kim*  
President, KOICA

2015 was a landmark year in which we reached the target date of the Millennium Development Goals that have steered development since the turn of the 21st century, and ushered in a new development paradigm for the post-2015 era, the Sustainable Development Goals (SDGs).

Development was also the focus of global attention at the 3rd International Conference on Financing for Sustainable Development, held in Addis Ababa in July, and the year culminated with the UN Conference on Climate Change COP21 in Paris, at which world leaders reached an historic agreement on climate change response.

The SDGs have embraced universality, inclusiveness and equality as core values, placing renewed emphasis on respect for human dignity, good governance, social prosperity, peace and security. Overarching the SDGs are three key elements, identified as requisites for sustainable global development: social development, economic growth and environmental conservation. What makes the SDGs stand out is that they take these three seemingly conflicting factors and strive to balance and harmonise them.

## Partnerships

It is instructive to consider why the SDGs include: “Revitalize the global partnership for sustainable development” as a goal in its own right, not merely a means to achieving the goals. Development can no longer be viewed as just the product of interaction between donor and recipient countries, but is a process applicable to all countries, the developed world included. Furthermore, developed countries should recognise their responsibility to respond promptly to their own development deficits and lead by example.

Conversely, the communities that we engage with in impoverished areas must be regarded as partners, not aid recipients. It is critical to show them respect and emphasise the spirit of self-reliance in order to empower them.

It is imperative that donor countries, partner countries, public and private players all combine their development efforts to achieve the full ambitions of the SDGs.

From Korea's perspective, it is not our desire to impose our own methods, knowledge and experience but instead to learn from and cooperate with international players, local intellectuals and organisations, as well as development communities. This type of inclusive partnership will increase the quality and effectiveness of our ODA, and fulfil our vision of turning KOICA into a truly open, development-cooperation platform.

## Our approach to the SDGs

We envision programmes as a whole, not segregated

by sector or specialism. Across the matrix of our work, whether between our focus sectors – education, health, agriculture and fishery, public administration and ‘technology, environment and energy’; or between our cross-cutting specialisms – ‘science, technology and innovation’, climate change and gender equality; or even between countries, we ensure that we have efficient linkages, clear communication and effective coordination. We call this ‘Impact in One’.

KOICA has so far formulated five programmes to support the achievement of the SDGs globally, with others to be finalised in the coming months:

- inclusive and sustainable rural development based on ‘Saemaul Undong’ (literally: New Village Movement);
- ‘Better Life for Girls’, which aims to provide better education and health for, as well as the empowerment of female adolescents;
- ‘Safe Life for All from Infectious Diseases’ in global health security;
- ‘Science and Technology and Innovation for a Better Life’;
- ‘Safe Water and Clean Energy in Climate Change Response’.

‘Smart’ Saemaul Undong (SMU) draws on Korea's own rural development model, which helped it to eradicate poverty in the 1970s, and tailors it to new cultural and geographic contexts. It exemplifies KOICA's holistic ‘Impact in One’ philosophy. This programme is particularly pertinent for the success of the SDGs, as 70% of the world's extreme poor reside in rural areas.

KOICA has teamed up with UNDP to increase its reach and it partners with governments, down to a local level, to design appropriate, integrated development plans. SMU engages communities through village meetings and, through education and training, transfers responsibility and ownership to the beneficiary community.

The second strand, ‘Better Life for Girls’, is an area that has particular support from Korea's President Park Geun-Hye, the first female president of an East Asian nation, who pledged at the 2015 UN Sustainable Development Summit to support the programme with US\$200 million for the period 2016 to 2020. The programme is built on three pillars: the right to education, the right to health and the right to a profession, with the aim of equipping girls with the knowledge and skills to participate fully and on equal terms in society. An important enabler for this programme is complementary public awareness campaigns to enlist the support of families, schools and communities.





In addition to the health of girls and reproductive health, a focus of 'Better Life for Girls', we have a programme that focuses on disease control and health security, supporting three of 11 action packages set out by the Global Health Security Agenda. These are: 1) an effective nationwide vaccine delivery system that is able to respond to new threats; 2) a nationwide laboratory system to test and identify outbreak specimens; and 3) health security professionals, trained and equipped to meet these threats.

Korea's emergence as a world leader in technology has taught us the potency of innovation and technology in tackling development challenges. We exploit this experience through our Creative Technology Solution (CTS) programme that encourages, via a public contest, the exploration of technological solutions that can be used to eradicate poverty in developing countries, and then create a business to develop and market that technology.

CTS is currently targeting 16 African countries, 15 in Asia, six in the Commonwealth of Independent States / Middle East and eight in Latin America, while projects are promoted where they relate to KOICA's Country Partnership Strategy, which prioritises countries based on their income, political situation, diplomatic relationship with Korea and economic potential.

As the world finally recognises the scale of the threat from climate change, which will multiply the suffering of those that are already most deprived, this clearly has to be a major focus for us. We have been active across continents, implementing a diverse range of projects, supporting education and renewable energy, and helping to develop national plans for green growth. Like all our programmes, this

does not operate as a silo, and technology and knowledge sharing form a major part of the cooperation.

The long-term success of projects will often depend on building momentum, particularly with follow-on investment. In this area, it is crucial to build efficient connectivity with the private sector. KOICA is exploring how to work with private finance in countries where we are providing technical assistance and encouraging input to grow. As part of this we have engaged with KPMG in a feasibility study entitled, 'Mobilizing finance for Infrastructure Development Projects in Developing Countries'.

The consultation will look at the constraints and possible solutions KOICA faces in getting finance flowing. The scope of the project includes: picking out potential investors and analysing investor's responses; promoting investment activities; and providing practical action plans in order to attract investment.

We are entering a new era for development, founded on rights and dependent on a balanced, coordinated response. We at KOICA are ready to play our part in that transformation by providing assistance, ideas and support; acting as a development platform, uniting an array of development actors to bring lasting benefits. ■

■ Clockwise from top left: a clinical dentistry project in Peru; an integrated rural development project in Kampong Cham Province, Cambodia; the Hlegu Township rural development programme, Myanmar; solar installations in East Timor

**KOICA**  
Korea International  
Cooperation Agency



# Funding the SDGs

*Key to making the SDGs a reality will be identifying – and then generating – the level and type of financing required across the international community. How can this best be achieved?*



© Reuters/James Akana



By **Guido Schmidt-Traub**,  
Executive Director, UN Sustainable  
Development Solutions Network

On 25 September 2015, world leaders adopted the 17 Sustainable Development Goals (SDGs) that set ambitious quantitative objectives to be achieved by all countries – rich and poor – by 2030. The goals are underpinned by 169 targets and a yet-to-be-determined number of indicators. It is a huge, complex agenda that has been developed through an unprecedented international consultation and transparent negotiations. Now the world must embark on making the goals a reality.

Some critics charge that the targets are unwieldy and far too numerous, but member states have wisely resolved that the targets should be tailored and adapted to country circumstances.<sup>1</sup> The international discussions should therefore focus on the 17 goals, which are clearly worded – or as clearly as one might hope for in an intergovernmental negotiation involving 193 states. Each goal comprises quantitative, time-bound objectives that must be taken seriously as operational milestones to be achieved in every country. This in turn raises the question of how much it might cost to achieve the goals and how the necessary investments can be financed.

When the Millennium Development Goals (MDGs) – the predecessors to the SDGs – were first promulgated in 2001, a year after the Millennium Declaration was adopted at the UN, they triggered a lively and sometimes acrimonious debate on whether one could or should estimate the cost of achieving international goals.

I led the UN Millennium Project's effort to estimate resource needs for the MDGs and was deeply involved in these debates.<sup>2</sup> The issue of whether needs assessments are a useful tool for operationalising global goals is far from settled, as illustrated by several recent discussions that pit needs assessments and the public investments they quantify against economic growth or policies.<sup>3</sup>

Yet these choices are false ones. In my professional experience all practitioners and serious analysts agree that to generate economic growth and achieve ambitious outcome objectives for social services, infrastructure and environmental sustainability (as outlined in the SDGs), countries require at least four complementary elements:

- good domestic policies, rule of law and an effective regulatory framework;
- a strong private sector that creates jobs and can mobilise a substantial share of the required financing;
- efficient public investments in public goods, such as basic education, primary healthcare, rural feeder roads and other forms of infrastructure; and
- international support in the form of consistent and coherent international policy frameworks (e.g. for trade, financial regulation, transfer pricing, tax evasion, money laundering, transnational crime) and, where needed, international co-financing.

Unless all four elements are in place, countries cannot achieve the outcome objectives enshrined in the SDGs.

Therefore, countries must, *inter alia*, determine the volume of public and private investments required to achieve the SDGs – assuming, of course, that sound policies are also in place.

### Areas for investment

In a recent paper, I proposed dividing the 17 SDGs into six major investment areas that require significant public co-financing: health, education, agriculture and food security, social protection systems, infrastructure (energy, water and sanitation, transport and telecommunications) and ecosystem management.<sup>4</sup>

Each area needs to consider the investments required to reduce greenhouse gas emissions and mitigate the effects of climate change. Other areas include data for the SDGs and international support for humanitarian work. Together, these areas describe all the investments needed to achieve the 17 goals – including cross-

cutting objectives such as eliminating poverty and inequalities and establishing gender equality – with the exception of business capital.

Under the MDGs, there has been great progress in areas such as health, education and access to basic infrastructure in understanding how ambitious long-term goals can be achieved and how to quantify and programme the underlying investments. Such needs assessments have become widespread and have grown in sophistication, particularly in the health sector.

Yet, in some areas, available needs assessments require substantial improvement, and all need to adjust to the shift from MDGs to SDGs, which require a greater focus on private financing, domestic resource mobilisation, and non-concessional international finance. Concessional international public finance, including official development assistance (ODA), is becoming less important quantitatively, but will continue to play a vital role in the poorest countries and for global public goods.

The most detailed evaluation of available needs assessments for the SDGs suggests that incremental financing needs for the SDGs are quite manageable at around two per cent of world GDP. A significant share – likely more than 50 per cent – of this financing can and should be mobilised by the private sector. Most of the remainder can be covered through expanded domestic resource mobilisation by governments in developed and developing countries alike.

Incremental investment needs in low-income countries will be in the order of \$400 billion per year of which some two thirds can be mobilised domestically and through private sources. Just over \$150–160 billion will be required in incremental international financing to the poorest countries, of which only a share will need to come in the form of concessional public finance, including ODA.

### Four key areas

This work yields four preliminary lessons and policy conclusions. First, meeting the SDGs is not primarily a financing challenge. Yes, incremental financing needs of \$1.4 trillion in low- and lower-middle-income

◀ Construction of a new hospital in Hoima, Uganda, which has benefited from an influx of investment on the back of the discovery of major oil reserves in Lake Albert

countries are substantial, but they can be financed if governments set the right policy frameworks to mobilise private investments, and domestic as well as international public resources are mobilised for long-term investments in sustainable development. This raises important and difficult questions of organisation that must be tackled in each

investment area, but meeting the SDGs remains first and foremost a moral challenge, as the Pope has expressed powerfully in his recent encyclical *Laudato si'*. Or, in the parlance of international diplomacy, the question is whether countries will pursue the global partnership they have agreed to solemnly in New York.

Second, different sectors have different financing needs and different opportunities for mobilising public and private financing. These must be understood clearly to avoid comparing apples with oranges. For example, the health sector will require overwhelmingly public financing to ensure universal health coverage, whereas infrastructure finance will take a large share of its funding from the private sector. So the Multilateral Development Banks' recent call to shift the discussion from billions to trillions applies only to infrastructure finance.<sup>5</sup>

Incremental financing needs for health, education and other SDG priorities will be at least one order of magnitude smaller. Some will require overwhelmingly public financing, while others, such as agriculture, can attract a large share of private investment. Each sector and every country will need to analyse its financing needs and determine how the necessary funding can be mobilised.

A third lesson is that financing the SDGs will require a substantial increase in government resource mobilisation. The challenge is particularly acute in poorer countries where tax revenues can be extremely low and will need to rise rapidly. The international community must help by supporting the strengthening of countries' tax collection systems, but also by curbing international tax evasion, money laundering, and the use of non-transparent offshore companies.

An estimated \$220–260 billion in international public finance will be required to meet the SDGs. More work is needed to determine how much of this incremental financing will have to be concessional. As a ballpark estimate, the international community will probably need to roughly double the volume of international concessional public finance to meet the SDGs. This increase is less than developed countries' commitment to increase ODA to 0.7 per cent of their gross national income, and the financial burden will become lower if it is spread across all high-income countries – regardless of whether they are members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development. Most

## ISLAMIC FINANCE IN AFRICA

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With its emphasis on transparency and fairness, Islamic finance has much to offer any economy, and Africa, with its bright economic prospects and relatively unbanked population, is a continent in which we at the ICD can do an enormous amount of good.

Our aim, and the aim of our parent organisation the Islamic Development Bank, is to encourage development through access to fair finance, making our mission entirely aligned with the UN's Sustainable Development Goals (SDGs).

At the heart of the SDGs is a commitment to end poverty, protect the planet and ensure prosperity for all. The Islamic finance principles of financial stability, financial inclusion and shared prosperity are in perfect harmony with the SDGs of ensuring food security, healthy lives, gender equality, resilient infrastructure, shelter, as well as helping build peaceful and inclusive societies.

Our commitment to helping foster Islamic finance in Africa can only help further those SDGs across the continent. And, as Boston Consulting Group points out, Islamic finance is not just for Muslim countries, or Muslims. Like any fair and efficient financial system, it can empower any community.

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in the banking sector, running Tamweel Africa, a consolidated Islamic banking group that operates across West Africa.

Tamweel's role is to build modern, dynamic Sharia-compliant African banks that will contribute to the economic development of the countries in which they operate. The development of banking networks is playing a crucial part in the development of the African SME sector, an important economic driver and key contributor to sustainable GDP growth.

Despite their importance to economic output, market conditions and regulatory environments do not always support SMEs. Islamic finance can help fill this gap, with Sharia-compliant solutions complementing the debt-financing products that are becoming available to African SMEs.

Africa is full of potential. By 2040 it will be home to one fifth of the world's young people with a larger labour force than China. It has more than half of the world's uncultivated land and access to a huge amount of natural resources.

By helping to develop strong and dynamic banking networks offering fair, flexible and ethical financing solutions, we are playing an important role in the development of a continent that has so much to offer.







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▲ Traditional farming in Burkina Faso. Food security and agriculture is an area that is currently lacking needs assessments that are sufficiently robust to attract the required investment. This sector typically draws a large proportion of its funding from private investment

likely, some of today's upper-middle-income countries will also provide increased volumes of concessional international financing.

Finally, a lot more analytical work is needed to strengthen our understanding of how the SDGs can be met and financed. Needs assessments in many areas – particularly food security and agriculture, social protection, infrastructure and ecosystems – lack the clarity and robustness

required to mobilise incremental resources and achieve the goals. Results from better needs assessments can then be mapped against systematic assessments of private and public financing flows to identify financing gaps and to track the effectiveness of investments.

We are in an immeasurably better situation than in the early 2000s when virtually all thematic communities lacked a robust understanding of the investment needs for their sector and how they might be financed. Much has been accomplished since then and the remaining knowledge gaps can be filled over the coming years. This will enable every community and every country to take a hard

look at how the necessary investments in the SDGs can be financed. It will allow the world to truly embark on the journey to achieve the SDGs. ●

- 1 [www.un.org/ga/search/view\\_doc.asp?symbol=A/70/L.1&Lang=E](http://www.un.org/ga/search/view_doc.asp?symbol=A/70/L.1&Lang=E)
- 2 [www.unmillenniumproject.org/reports/fullreport.htm](http://www.unmillenniumproject.org/reports/fullreport.htm)
- 3 See [www.brookings.edu/blogs/future-development/posts/2015/03/02-costing-millennium-development-goals-devarajan](http://www.brookings.edu/blogs/future-development/posts/2015/03/02-costing-millennium-development-goals-devarajan) and <http://ecdpm.org/dossiers/european-report-development/>
- 4 See <http://unsdsn.org/resources/publications/sdg-investment-needs/>
- 5 [http://siteresources.worldbank.org/DEVCOMINT/Documentation/23659446/DC2015-0002\(E\)FinancingforDevelopment.pdf](http://siteresources.worldbank.org/DEVCOMINT/Documentation/23659446/DC2015-0002(E)FinancingforDevelopment.pdf)





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## Can tax regimes underpin the SDGs?

*Generating the investment needed to realise the goals will rely less on traditional aid and more on countries' own ability to raise and utilise funds through their tax systems. For those with weaker or less developed tax regimes, this will prove a significant challenge*



By **Ben Dickinson**, Head, Tax and Development Programme, Organisation for Economic Co-operation and Development

It is clear that one of the major challenges of implementing the new, universal Sustainable Development Goals (SDGs) is financing. The broad scope and responsibility of the 2030 Agenda calls on all nations and societies to do their part.

And while development cooperation in the past was framed around terms like ‘donor’ and ‘recipient’, today it is increasingly clear that countries’ own resources are fundamental to finance the SDGs – and to make development sustainable. Domestic revenues provide governments with independent resources for investing in development, delivering public services, and increasing state capacity, accountability and responsiveness to their citizens.

These flows are not negligible. Developing countries’ domestic resources provide by far the largest share of financing for development, even in the poorest countries. In 2012, total tax revenues collected in Africa were 10 times greater than what countries received in the form of official development assistance (ODA).

Yet the potential is much greater. While Organisation for Economic Co-operation and Development (OECD) countries collect on average 34 per cent of their GDP as tax, developing countries achieve only half of this on average. Estimates suggest that ‘tax effort’ – the ratio of actual revenues to potential – is not low in all developing countries, but they also show that significant additional revenue could be raised in those countries where performance is weakest.

What’s holding things back? Many countries have limited capacity in their tax administrations and often tax avoidance and evasion are rampant. In July 2015, participants in the Third International Conference on Financing for Development,

held in Addis Ababa, highlighted the importance of scaling up international support to developing countries to help them overcome these two hurdles. They launched the Addis Tax Initiative, committing to double official development spending on tax matters by 2020.

At the same time, the OECD and UN Development Programme launched ‘Tax Inspectors Without Borders’, a programme designed – using a ‘learning-by-doing’ approach – to scale up the capacity of developing-country tax administrations to select and perform tax audits.

### Cooperation and transparency

Developing countries face exacting policy choices and trade-offs when looking to increase their tax collection and to encourage investment and growth at the same time.

A recent report to the G20, compiled by the International Monetary Fund, World Bank, UN and OECD and entitled *Options for Low Income Countries’ Effective and Efficient Use of Tax Incentives for Investment*, highlights the tension between using incentives, like tax holidays, to create an investment-friendly tax regime and securing the necessary revenues for public spending.

Wasteful tax incentives can lead to inefficient allocation of productive resources and actually depress economic growth. According to the report, the loss of potential tax revenue due to tax incentives across 15 Latin American countries ranges from 0.4 per cent to 5.8 per cent of GDP and there are questions about the investment gains.

At the same time, increasing tax revenues is not only a question of capacity and incentives. Loopholes in the international rules that allow corporate profits to ‘disappear’ or be artificially shifted to low- or no-tax environments are major threats to domestic resource mobilisation. Rwanda and Nigeria report that 70 per cent and 88 per cent, respectively, of their tax base comes from multinational enterprises, while in Burundi, just one company contributes nearly a fifth of all taxes collected.

The endorsement of the OECD/ G20 Base Erosion and Profit Shifting (BEPS) Project in November 2015 marks

a milestone in an era of unprecedented international tax cooperation. The BEPS Project helps governments close the gaps in international tax rules through a comprehensive, coherent and coordinated reform effort.

To shore up the global fight against tax evasion, last year over 90 members of the Global Forum on Transparency and Exchange of Information for Tax Purposes committed to begin to exchange financial information automatically, which will further strengthen international cooperation and significantly increase tax transparency.

Another area of particular concern for developing countries is the ‘natural resource curse’. Many resource-rich countries rightfully see their resources as a path to improved wellbeing for their citizens. Yet too often, these countries can find their ambitions plagued by corruption, volatility of revenues and poor economic growth in other areas.

For this reason, resource-rich countries need to design and implement fiscal regimes that not only satisfy domestic policy objectives, but also are able to weather the inevitable storms created by economic forces put in motion elsewhere, including industrial trends, corporate investment decisions, geopolitics and tax avoidance.

### Building trust

At the domestic level, building trust is essential to putting in place solid tax regimes. Specific challenges that loom especially large in developing countries include low taxpayer morale, corruption and the missing reciprocal link between tax and public and social expenditures. These challenges present huge obstacles to realising the potential of domestic resources for financing sustainable development.

The vicious circle of low tax morale and compliance – which reduces the lifeblood for funding public services – needs to be broken. For this, regimes need to be not only transparent, but also capable of using public revenue in a way that reasonably satisfies local notions of fair and sound investment. For societies still building their democratic and governance institutions, this is an exceptionally tall order. Strengthening

◀ Mothers with their newborn babies in Manila. The Philippines demonstrated how tax and tax morale can be raised: almost 80 per cent of additional revenues from its reformed excise tax on alcohol and tobacco go towards funding the country’s Universal Health Care programme

the links between revenue and expenditure can help them to foster a virtuous cycle of increasing accountability, trust, tax morale and, ultimately, tax revenues.

The Philippines offers a practical illustration. The country not only successfully reformed the excise tax on alcohol and tobacco, popularly known as the ‘sin tax reform’, it earmarked close to 80 per cent of the total incremental revenues from this reform to finance the national Universal Health Care programme.

The issue of non-compliance among hard-to-tax or informal sectors – including small businesses, small farms and qualified professionals – is another common tax challenge in developing countries, especially where administrative capacity and incentives to comply are weak. The informal sector

contributes around 40 per cent of GDP on average in developing countries and up to 60 per cent in many of them. Estimates of the cost of non-compliance are scarce, but the cost of not paying the value-added tax has been estimated at 50–60 per cent in some developing countries, compared to 7–13 per cent in developed countries on average.

To ensure that policy measures are responsive to the evolving needs of the country and its economy, good comparative data and revenue statistics are essential. The OECD’s annual *Revenue Statistics* report provides a framework to define which government receipts should be regarded as taxes.<sup>1</sup> It presents a unique set of detailed and internationally comparable tax data in a common format for all OECD countries, and includes an increasingly large number

of developing countries. This responds directly to the challenge of monitoring progress on mobilising domestic resources as set out in SDG 17.1.

These examples illustrate some of the challenges to – and opportunities for – progress on more and better tax collection. Yet the question remains: can countries use their tax revenues, aid, investment and remittances to meet the SDGs by 2030? While better tax systems are essential, they are not a panacea. Equally important is how this revenue is being spent and distributed, to ensure equity, promote inclusiveness and effectively address social needs – all pillars of the SDGs. ●

1 OECD (2015), *Revenue Statistics 2015*, [www.oecd-ilibrary.org/taxation/revenue-statistics-2015\\_rev\\_stats-2015-en-fr](http://www.oecd-ilibrary.org/taxation/revenue-statistics-2015_rev_stats-2015-en-fr)

## CORPORATE TAX, INEQUALITY AND INTERNATIONAL DEVELOPMENT

Inequality is now established as an issue of global concern. Within the SDGs it is to be addressed through achievement of a range of targets that includes growth in income of the poorest 40% of the world’s population.

Deregulation and the consequent increase in the scale of corporate tax avoidance have occurred in tandem with a widening gap between rich and poor. The two trends are closely connected. The ease with which multinational companies now side-step their tax liabilities has resulted in ordinary citizens bearing a greater proportion of the costs of government. In the period 1950–2010, the percentage of US federal government revenue from corporate tax reduced from around 30% to less than 10%.

Many tax-avoiding companies embrace a corporate social responsibility (CSR) agenda: typically taking steps to uphold human rights and promote environmental sustainability. Paying tax is rarely viewed as a CSR issue – a fact that illustrates the impact of powerful interests upon the deployment of language.

While all countries are adversely affected by corporate tax avoidance,

countries in the global South are especially disadvantaged. Many multinationals not only avoid paying tax to developing country governments but also extract special privileges, such as tax holidays, with the promise of investment. Moreover, by minimising their tax payments in the global North they squeeze national budgets: making it hard, politically and financially, to maintain spending on overseas aid.

### PR gains

Despite undermining governments in the global South through tax avoidance, many multinational corporations are eager to fund INGOs and UN agencies involved in international development. The funding they provide is not usually large – certainly a fraction of the tax they would pay were loopholes eliminated. Yet for their money they gain considerably in PR terms through association with efforts to improve the lives of the poor. Little wonder that development agencies focused explicitly on children have been particular recipients of corporate largesse.

Curtailing tax avoidance requires global action on regulation. Also vital will

be the building of popular pressure and norm setting. Expanding the notion of CSR so that proper payment is deemed foundational to the exercise of corporate responsibility is one aspect of this effort.

Civil society organisations have a valuable role to play in advocacy and in mobilising public opinion. Organisations such as UNICEF and Save the Children, which currently ‘partner’ with some of the world’s largest tax avoiding corporations, have so far not taken up this role.

However, as the connection between corporate tax avoidance, inequality and developmental failure becomes more apparent, the risks of reputational damage to such agencies can only increase.

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[www.bath.ac.uk/cds](http://www.bath.ac.uk/cds)



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# The forgotten minority

*While headline figures on poverty reduction have made for impressive reading, the burden on those left behind has fallen heaviest on minorities and indigenous populations. Have the SDGs got what it takes to lift these groups of people out of poverty for good?*

By **Mark Lattimer**, Executive Director,  
Minority Rights Group International

It might be helpful to begin by clarifying what the Sustainable Development Goals (SDGs) are not. Firstly, they do not present a model of future development that is radically different from that envisaged by the Millennium Development Goals (MDGs). The individual goals and targets have grown in number, of course, and they

now explicitly aim at sustainability. But apart from potentially applying a brake to the more carbon-intensive motors for growth, the model of human development that ends in prosperity is essentially unchanged. Secondly, the core means for achieving the overarching objective of ending poverty – international cooperation and partnership for development – remain similarly unaltered. In sum, the SDGs can be seen as completing and deepening the work of the MDGs.

But because of the way in which extreme poverty is structured in the world today – to say nothing of climate change – just continuing the approach taken for the MDGs will not be enough. To understand why, we need to look at how the MDGs often failed minorities and indigenous peoples. The same processes of ethnic or religious discrimination prevalent in wider society are frequently replicated in development interventions.



◀ Celebrating the Aymara Indian New Year at the winter solstice in Tiahuanaco, Bolivia. The indigenous peoples of Latin America suffer social exclusion, poverty and poor access to health: infant mortality rates are 60 per cent higher than for non-indigenous children in the region

Even in UN agencies, national staff are typically drawn from majority elites, and international staff, whether from lack of ambition or a misplaced sense of cultural sensitivity, refrain from asking questions when programmes fail to reach the most marginalised communities.

The impact of natural resource exploitation projects – mining, logging and agricultural industrialisation – may benefit some people, yet the communities expropriated from their lands rarely benefit significantly and are often left destitute. Interventions may begin with the good intention of facilitating the participation of those affected, but for indigenous peoples in particular, they can have little effect unless they recognise the principle of free,

Poverty in the world today increasingly has an ethnic or religious dimension. According to World Bank figures, in both India and Vietnam, for example, the first 10 years of the MDGs saw poverty rates slide for both the general population and for minorities. But in India, the resulting poverty rate among Dalits and Adivasis was twice that for others, and for Vietnam's minorities, some three times that for the majority population. Minority Rights Group International has estimated that over half of the world's children who remain out of school – including in Ethiopia and Kenya, as well as across south Asia – are now members of minorities or indigenous peoples.

Eradicating extreme poverty is not just a harder challenge than halving it; it is of a different order. More of the same won't do. People who are extremely poor can no longer just be seen as the not-yet prosperous. They are poor for a reason.

It is sometimes argued that the huge progress made towards pulling over a billion

## *The same processes of ethnic or religious discrimination prevalent in wider society are frequently replicated in development interventions*

prior and informed consent. The failure to achieve development for indigenous peoples often results from a refusal to plan interventions with indigenous peoples.

But the most compelling reason for a new approach derives not from the specific failures of the MDGs but from their overall success. The headline goal of halving extreme poverty, for example, was achieved well ahead of the 2015 deadline, as was the goal of halving the proportion of people without access to improved sources of water. Major strides forward have also been made in primary school enrolment and in cutting child mortality. It is important to recognise that these achievements have, in many cases, benefited minorities too. But as the general incidence of extreme poverty has declined, a larger proportion of the remaining poor are now minorities or indigenous peoples.

people – most of them in China – out of extreme poverty would mostly have happened anyway, without the MDGs. But that is beside the point. Those who first escape the poverty trap will, almost by definition, not be the hardest-to-reach groups. And while they may not be the poorest, their (modest) economic empowerment complements national growth strategies that partly depend on expanding the middle class as an internal market for goods and services.

MDG-driven interventions in the healthcare field have also had a tendency to concentrate resources on those who are easiest to reach: mostly urban populations from majority groups. Yet with challenges such as reducing child mortality, there are strong indications that focusing resources on the poorest and most marginalised

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© Reuters/Mohamed Abd El Ghany

▲ Nubian women near Aswan, Egypt. Nubians, displaced by the construction of the Aswan High Dam, have lobbied for half a century to be able to return to their ancestral homelands on the banks of the upper Nile

yields the strongest results. In an influential study, *Narrowing the Gaps to Meet the Goals*, UNICEF showed that implementing such an equity-focused approach meant that each \$1 million invested would avert 60 per cent more under-five deaths than the current intervention path.

This finding accords with other authoritative studies looking specifically at development challenges for minorities or indigenous peoples. As far back as 2011, the World Bank concluded that attaining the MDGs for indigenous people and ethnic minorities requires innovative approaches: “They may be hard to reach because they live in remote locations with poor transport. They may also suffer from social and economic discrimination and government neglect.” Noting the lack of data, the Bank highlighted the need to target groups more tightly and to “raise the quality of services by increasing the accountability of service providers to their clients”.<sup>1</sup>

Now is not the time to abandon universal targets. Eradicating extreme poverty and

other universal targets, such as ending preventable child mortality, imply at the very least a commitment to delivering for all – even if they fail to specify necessary steps for getting there. But by themselves they are insufficient, for precisely the reasons identified by the World Bank: a continuing blindness to the pervasive effects of official and societal discrimination and a failure of accountability to the most marginalised groups.

SDG 10 – advocated strongly by civil society as well as some UN system agencies – introduces new targets for reducing inequality. Many of the targets, however, are vague – a deficiency that looks unlikely to be remedied by the inter-agency expert group tasked with drawing up indicators.

When it comes to reducing inequality, it should be recalled that the measure is everything. It is quite possible for a country to substantially improve its Gini coefficient, for example, and still leave the situation of its most impoverished minorities unchanged.

Nor should we be naive about the political obstacles that remain. Politicians, particularly in south Asia, wishing to emulate China’s strategy for growth may well regard their own sources of ultra-cheap labour as an advantage to be

maintained, rather than a scourge to be eradicated. In sub-Saharan Africa, despite significant economic growth, the size of the middle class (even when defined using the minimal measure of those earning between \$10 and \$20 a day) remains stubbornly small, according to the Pew Research Center. Ninety per cent of the population, meanwhile, earns less than \$10 a day.

There is little in the SDGs that will guarantee that most minorities and indigenous peoples will escape poverty by 2030. Yet there is much there that could enable such a journey, including targets that promote the social, economic and political inclusion of all, and which call for the elimination of discriminatory laws.

Realising that potential, however, requires a more radical change of approach to the MDGs than is yet contemplated; one that involves systematically targeting the most impoverished communities and tackling ethnic and religious discrimination head on. The first step is to look more closely at which peoples remain left behind and to start listening to them. ●

1 World Bank, Global Monitoring Report 2011, <http://siteresources.worldbank.org/INTGLOMONREP2011/Resources/7856131-1302708588094/GMR2011-CompleteReport.pdf>



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# Fragile development

*The SDGs can only be achieved if the international community can improve its ability to assess fragile development situations – a classification that includes the majority of the world's most deprived and transcends national boundaries*

By **Gary Milante**, Director, Security and Development Programme, Stockholm International Peace Research Institute (SIPRI)

**W**ith some 700 million people currently living on less than \$1.90 a day, the first and most ambitious of the global goals is to eradicate extreme poverty. To achieve this, more than 150,000 people will have to move out of poverty every day for 15 years. This is already a herculean task, but eradication will be particularly difficult because it requires transforming





the hardest-to-reach places – places where development is both fragile and complex.

In 2015, as the world geared up to adopting the new framework of Sustainable Development Goals (SDGs) for 2015–30, we saw a round of reviews on peacebuilding, peacekeeping and UN Security Council Resolution 1325 (on women, peace and security), looking forward to the next generation of development. The International Dialogue on Peacebuilding and Statebuilding has also been reviewing progress on the New Deal for Engagement in Fragile States – the agreement that came out of Busan in 2011 between donors, the international community and the recipient countries (represented by the g7+), as well as civil society.

This is a good time to reflect on development in fragile situations. If we, the fragile development community, are cleaning house for the next generation of development, we need to carry forward the lessons of what has worked and leave behind whatever has not.

### **‘Fragility’ vs ‘fragile states’**

Like ‘weak states’ and ‘failed states’, the term ‘fragile state’ may have outlived its usefulness. It was intended to juxtapose countries with special needs and challenges against the ‘normal’ others, but normality is itself being called into question. Many in the development community have critiqued the term ‘fragile state’ for its imprecision and lack of conceptual clarity.<sup>1</sup>

It is naïve and misleading to suggest that fragility is only – or even commonly – a challenge of the state, as doing so presupposes that both the problem and the solution will be found at the state level. Additionally, fragility has often been misdiagnosed by well-intended but misguided lists of fragile states, which use discrete thresholds to classify countries.

For example, the challenges of reconciling multi-ethnic interests under one-party, authoritarian rule in Eritrea – which is on

the World Bank’s list of fragile states – are similar to those of Kyrgyzstan – which is not on the list. But these obstacles differ to those faced by the Democratic Republic of the Congo, for example, where capacity-building to deliver services in remote, conflict-affected provinces presents a major challenge. Certainly, one can change the methodology, but it is only a snapshot of slow-moving indicators, rather than a meaningful diagnosis of the fragility.

For this reason, donors are increasingly acknowledging that the challenges of fragility are multi-dimensional and multi-faceted. They are recognising that fragility is not a state-level challenge, and that it cannot be meaningfully arranged on a one-dimensional spectrum implied by an on/off list. In other words, they are realising that the concept of a ‘fragile state’ is devoid of meaning.

The term ‘fragile’, on the other hand, is extremely useful, something we should use moving forward in the next generation of development. Fragility – the vulnerability of a society or system to shocks, stresses and risks – is a useful moniker for development practitioners, both national and international, to communicate with each other. The term ‘fragile development’ (or, if preferred, ‘complex development’) moves the planning conversation into a more consultative, adaptive, flexible space, where planners are aware of risks and mitigate accordingly.

If we absolutely must speak of groups of people grappling with fragility, then the terms ‘fragile system’ or ‘fragile society’ may be more useful than ‘fragile state’. Thinking at the system or society level may help us better understand the stakeholders, the common and divergent objectives and outcomes and the sources of friction in a group. Fragile systems can transcend state-level conversations.

It is more meaningful to talk about the fragile society that produced and sustains Boko Haram as opposed to the fragile state of Nigeria. Similarly, it is more useful to speak in terms of the fragile system of local trade as impacted by Ebola in the Mano River Basin rather than the fragile states of Guinea, Liberia and Sierra Leone – or the fragility of the Red Corridor rather than the fragile state of India.

There is, of course, value in classifying countries when we want to provide descriptive statistics, but because of the diversity in fragile situations, there is almost no information gained from clustering fragile states. Rather they could be more usefully clustered in terms of ‘progress towards the SDGs’; by numbers of refugees and displaced persons or by net migration (people flee fragile situations); or even by a metric that involves air traffic or access for travel and tourism (most people, including investors, don’t visit fragile environments).

This is not just semantics. Words matter in the diplomacy of development. Successful practitioners understand how to navigate the language around building a shared understanding of fragility. That shared understanding is developed through consultation with stakeholders who will not buy into solutions unless they share the language.

### **Fragility assessments to build shared understanding**

Over the next 15 years, poverty and lagging development will increasingly be concentrated in fragile settings. To work effectively on development and poverty eradication where it matters most, practitioners will have to hone their fragile and complex development skills. An essential tool for working better in complex environments is a fragility assessment.

Fragility assessments, including political economy analysis, involve multiple actors developing a shared understanding of a complex social system. Done right, they can be an engaging consultation process that yields powerful shared insights into both the nature of the problems faced and the possible solutions.

If fragility assessments are done poorly, they will be lost as a tool for the next generation of development. Consider a recent interview with Hafeez Wani from the South Sudan NGO Forum who notes that: “The New Deal was unable to accurately diagnose the true drivers of conflict and fragility due to the weaknesses in the tools and methodology applied. It focused more on the technical processes

<sup>1</sup> Residents of Damask, Nigeria with soldiers from Niger and Chad, who recently liberated the town from Boko Haram militants. Fragile social systems can undermine what are otherwise seen to be functioning states

such as the fragility assessment than meaningful and honest dialogue at the grassroots level and among wielders of conflict”.<sup>2</sup> Once the fragility assessment is seen as a technical process completely disconnected from the drivers of conflict and fragility, the grassroots and those who wield conflict – all of which are precisely the point of an honest fragility assessment – then it cannot be a useful tool. Who is consulted and how the consultation feeds into national planning clearly affects success.

Where fragility assessments have succeeded in building a shared understanding of the challenges and the solution space they have usefully fed into national planning. In Sierra Leone, for example, the ministry of finance championed the fragility assessment, with support from donors and additional capacity. Most importantly, the entire consultative process was endorsed by the president through a mutual accountability framework with donors.

Likewise, the assessment in Timor-Leste identified challenges and recommendations that have been fed through the ministry of finance directly into presidential planning. To continue to be impactful and successful, these fragility assessments will need to be revisited, with regular, widening consultations identifying emergent challenges, what is working and what needs to be adopted.

Fragility assessments are needed to build shared understanding of the challenges necessary for fragile development to succeed. The Organisation for Economic Co-operation and Development principles for good engagement note “first, do no harm” and avoid unintended consequences, and advise taking “context as the starting point” for all development. Indexes of fragility provide little of the context and, for many of the same reasons that lists of fragile states are not useful, they may actually do more harm than good.

It is unrealistic to expect that such diverse situations could be measured with one, ten or a hundred indicators (were the data even available) that could be usefully aggregated and provide a meaningful way to compare them to other fragile situations. The main reason is that because fragility is

a construct, it is not directly observable, so we cannot measure it. We can only measure symptoms and conditions that we think are related to conditions that we think are fragile. We cannot say with any certainty that our indicators can tell us that one society is more fragile than another, because we have never directly observed a spectrum of fragility.

soundly reasoned and well targeted, donors find them much easier to support. We could apply what we’ve learned about what works and what does not with compacts designed for development, aligned with the SDGs for 2030 visions.

Compacts for 2030 could serve to rally development actors, private finance,

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## ***Planning need not be perfect, and rarely is. The vision may need to adapt ... but if the mechanisms for adaptation are built in, then the compact, coalition and consensus necessary to make progress can be sustained***

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### **The value of compacts and strategic planning**

One of the great contributions of the International Dialogue has been the concept of ‘One Vision, One Plan’ and the vital importance of cooperation toward a single development plan. It is essential that the concept of compacts is carried forward into the next generation of development. If we are going to genuinely do things differently in the next 15 years, every society should have a vision or plan for development and every donor, civil society and non-governmental organisation should be able to explain how they are supporting that vision. If an actor cannot explain how his or her activities support the national plan, they shouldn’t be working on complex development. It is really that simple.

That being said, it may be time in the next generation of development to revisit the scope of compacts. Need they be limited to only peacebuilding and statebuilding goals? Certainly, if compacts are a good idea, then they would be useful for other areas of development planning as well. Development plans – from the Marshall Plan to the five-year plans of China, Russia and Ethiopia, to Vision 2020 of Rwanda, for example – have provided important focus for development efforts.

Where they are undertaken with broad consultation, they can build consensus and effective coalitions. Where they are

diasporas and other possible support in fragile development settings. It is well known that post-conflict/disaster needs assessments serve as a useful focus for development, humanitarian and security actors, but there is no reason to wait for conflict or disaster to occur just to enjoy the benefits of coordinated and collaborative action behind a single plan. Compacts for 2015 to 2030 would be more realistic, given the time frame necessary for development, and could result in the commitment of financing and staffing for longer periods. Compacts that extend to building a vision to meet the SDGs by 2030, including Goal 16 on peace, justice and institutions, would also be more palatable to domestic planners and policymakers, who must build national support for such a plan.

As the community moves forward with designing compacts for the next generation of fragile development, it will be important to build in the flexibility and adaptation that is vital for success. There is very little equilibrium in dynamic, fragile situations. Sunset and sunrise clauses, contingencies and scenario-planning should be commonplace in these compacts, in light of the complexity and the incomplete information we have on complex environments.

Planning need not be perfect, and rarely is. The vision may need to adapt to changing circumstances, but if the mechanisms for adaptation are built into the agreement,



## g7+: a different perspective on development

*"The g7+ knows from bitter experience that without peace and stability there can be no development, and that conflict is development in reverse."*

*H.E. Ms. Sofia Borges, Ambassador of Timor-Leste for the United Nations*

The g7+ was formed in response to a gap identified by conflict-affected states in the achievement of Millennium Development Goals.

Although the 20 countries that are currently members of the g7+ are geographically and culturally diverse, they share common attributes, experiences and impediments to development. They are among the world's most mineral rich, yet least developed and low-income economies, and all have struggled to recover from conflicts, in which they were often casualties of wider geopolitical contests.

Generous assistance from development partners has so far proved ineffective in breaking cycles of poverty and conflict. The group aims to learn from one another's experiences and to advocate collectively for contextually tailored development, in order to lift themselves to the next stage of development.

	Life expectancy at birth (years)*	GNI per capita PPP (\$) **	Net ODA (US\$ millions)*
Afghanistan	60	2,000	5,266
Burundi	56	770	546
Central African Republic	50	600	189
Chad	51	2,070	399
Comoros	63	1,430	82
Congo, Dem. Rep.	58	650	2,572
Côte d'Ivoire	51	3,130	1,262
Guinea	58	1,130	500
Guinea-Bissau	55	1,380	104
Haiti	62	1,730	1,171
Liberia	61	700	534
Papua New Guinea	62	2,790	656
São Tomé and Príncipe	66	3,140	52
Sierra Leone	50	1,770	444
Solomon Islands	68	2,020	288
Somalia	55	unavailable	992
South Sudan	55	1,800	1,447
Timor-Leste	68	5,080	258
Togo	59	1,290	221
Yemen, Rep.	64	unavailable	1,004

\* Data from 2013

Source: World Bank

\*\* Data from 2014

GNI = Gross national income

PPP = Purchasing power parity

ODA = Official development assistance

then the compact, coalition and consensus necessary to make progress can be sustained.

### International Dialogue: from club to community

The complex development community has dramatically pushed the fragility agenda forward in the last 10 years, moving past the 'post-conflict' lens to a richer understanding of how fragility, in all of its manifestations, affects development. Through the International Dialogue, much of what we know was enshrined in the New Deal principles, including the tools of fragility assessment and compacts.

The community has moved past advocacy, as awareness of fragility has spread across countries and institutions and even into the SDGs, through Goal 16. Collectively, the community has moved the language away from failed and weak states to fragility, complexity and resilience – terms that provide traction for more honest conversations about peacebuilding and statebuilding. Now that the advocacy on, and awareness of, fragility have been built, the International Dialogue will need to determine whether it is a club or a community. In many ways, today, it is a club – a closed door meeting between donors and recipient countries, with some civil society. Given the depth of the fragile development challenge ahead, it may be time to broaden the constituency of the International Dialogue, expanding it to include the emerging donors, middle-income countries grappling with similar fragile challenges, the private sector and other 'friends of fragility' that can help to meet these challenges.

This could be the right time to expand the membership of the International Dialogue to include new partners. With the common language we have developed around fragility, useful tools like fragility assessments and compacts, and a growing community of practice for fragile development, we may be able to meet the goals we've set for 2030. ●

- 1 See the 'SIPRI Yearbook 2015' for a review of the literature.
- 2 See 'Strengthening the Political Dimensions of Sustainable Development', Frient Biennial Peace and Development Report 2013-2014.





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# Peace and security for sustainable development

*Conflict seems an ever-present fact of human existence, and nearly always at the expense of societal development. How can the international community ensure conflict does not derail the SDGs?*

By **Michael Clarke**, former Director General, Royal United Services Institute

**T**here is a logical interdependence between development and conflict.

Conflict and insecurity inhibits development and diverts resources to military purposes that could be better used for human development. Successful development of education, health, governance and infrastructure, meanwhile, are key attributes that make conflict and insecurity markedly less likely.

The growth of middle-class interests in a society – property and small business ownership, education and a sense of family stake in a society for future generations – is no guarantee that it will not be riven with conflict and insecurity. But societies are less prone to – and quicker to recover from – civil conflict if there is an active middle class with the opportunity to press its interests to government.

During the Cold War the relationship between development and conflict was effectively subordinated to the competition between the superpowers. Developed countries and the superpowers were assumed to have far too much to lose in any direct conflict. Their antagonisms were played out by proxy among other countries across the world. In these circumstances, development was highly politicised, skewed

towards military and security spending, and frequently had the effect of creating and bolstering autocratic dictatorships of both capitalist and socialist persuasions.

It is not surprising, therefore, that at the end of the Cold War in 1991 – and after some 30 years of learning the effects of organised international development across the world – there should be a desire to put development aid on a new basis. The UN's Millennium Development Goals (MDGs) were the most eloquent and important expression of this aspiration.

Development had to be sustainable, not politicised for the short term, and should concentrate more on governance, security sector reform and the empowerment of civil society. These would be the keys to unlocking economic potential in developing countries. In effect, it was frequently argued, the right sort of sustainable development was a higher priority for societies – and for whole regions – than security, since it created security in and of itself.

In logic it is hard to disagree with this judgement. But other structures changed drastically after the end of the Cold War and overtook the debate. Fragmentation in many regions, no longer of such interest to the old Cold War powers, exacerbated existing trends towards civil conflict and internal warfare. Crises across the Great Lakes region and in the Balkans characterised the



1990s, crises in the Levant and in south Asia the decade after 2000, and, since 2010, instability has spread across the whole of the Middle East and North Africa, the Sahel and northern Nigeria and in the poorest parts of Europe.

## Important truths

The sheer immediacy of security problems has been striking in many countries rendered vulnerable by internal conflict, or conflict driven from the outside that plays





on internal tensions. In these situations the essential needs of basic security appear to be paramount before sustainable development has any chance of success. Iraq has been in a state of incipient security crisis since 2011. In Syria almost half of its 20 million citizens are now either internally displaced or are refugees. Yemen has effectively split again into its northern and southern regions amid a religiously defined civil war. Afghanistan and the Pashtun areas of Pakistan remain on a security knife edge. The crisis in Libya

has already destabilised neighbouring Mali to the south and feeds governance crises in the sub-Saharan territories of West Africa. The states of the Great Lakes region – Democratic Republic of the Congo, Rwanda and Burundi – are still subject to extreme ethnic tensions.

The world has learned some important truths in the conflicts of the last 25 years that bear directly on the challenges of sustainable development. One lesson is that conflict zones very quickly develop their own micro-

▲ Fighters of Fajr Libya (Libyan Dawn) waiting during clashes with Zintan militia, fighting for control of Kikla in Libya. International intervention in Libya, which was billed as protecting the people from an oppressive dictator, has contributed to the spiral into civil war

economy. People and families continue to function by adjusting their 'normal' economic behaviour to whatever can support them amidst warfare. As a concomitant to the micro-economy, governmental corruption and organised crime become



prevalent in the conflict zone, not just in respect to arms and war materials, but in every significant aspect of the local economy.

Ordinary citizens are normally complicit with this; it is part of their survival mechanism. Sub-state political groups emerge – indeed often proliferate – in opposition to a corrupt government. But while such groups usually engage in criminal behaviour, they are more naturally politicised than criminal gangs. They may or may not link with international terrorist organisations such as al-Qaeda, Khorosan or ISIL, but tend to engage in terroristic behaviour. They pose the political challenge that generally legitimises weak and corrupt government and invites external intervention. Three broad, overlapping factions are therefore always at play in these cases: the government and its agents; the criminal (warlord) community; and the sub-state group community.

#### Addressing the dynamics

Notwithstanding its good intentions and the humanitarian and advisory work it can do, the international community's involvement in a conflict zone rapidly becomes part of the problem. It soaks up its own resources in-country, and can have the effect of creating an economic and political dependency culture. The intervening party will also find it impossible to avoid being drawn into the conflict by backing some combination of factions over others in attempts to create a national response to the fragmentation that originally triggered the conflict.

If the circumstances that lead to such conflicts are vastly different – as they inevitably are, spanning different continents, histories and cultures – the dynamics of such conflicts are nevertheless all too depressingly familiar.

None of this should lead us to despair, however intractable any one of these conflicts appears to be on its own. What can the international community do to address these dynamics, and in particular where might the United Nations take the lead?

A first step would be to emphasise that what is at stake in all such conflicts is the rules-based international system.

Great power politics have tended to be more obviously prominent in the way the international system has worked for the last quarter of a century, after a period of some 40 years when international institutions seemed to be growing in number and importance.

It may appear that the fabric of international order is being destroyed by the raw political competition between great powers and the prominent regional players. In fact, the underlying trends in world politics – notwithstanding areas of severe conflict and human misery – show evidence of the continuing growth of rules-based order and institutionalisation, albeit working in different ways.

### *The mainstream world economy simply flows around the micro-economies of conflict*

As Steven Pinker has pointed out in *The Better Angels of Our Nature*, long-term historical trends in war and peace are more favourable than might appear from recent years. War deaths and displacements are statistically lower now than at any time in human history. 20th century conflicts killed some 110 million people. Since 1945 around 25 million people have died as a result of war, during a period when the population of the world has doubled. Broad advances in literacy, trade and investment, government administration, cosmopolitanism and shared awareness of human rights – all important attributes of sustainable development – have had a structural effect on global politics.

So the conflicts of the present era demonstrate some catastrophic departures from the historical norms, and it is important that international attempts to address these crises are set in terms of those rules and principles that should – and increasingly are – being observed. Western ground forces operating in Iraq and Afghanistan made some attempts to integrate the observance of international humanitarian law and the principles of good

governance into their interactions with the societies among whom they were operating.

But success was patchy and a great deal more would have to be done in this regard, across many Western military forces, to have a significant effect in the immediate circumstances during or just after a conflict. And where Western ground forces may not be involved in fractured societies, there is a good case, as Hans Binnendijk has stated, for a “civilian surge” to help uphold both governmental competence and principles that are consistent with growing international norms.

In the economic sphere, sustainable development policies in conflict-affected regions could be directed more specifically at keeping the country or region plugged into the global economic system. The cruel fact is that the globalised economy and the triumph of the marketplace since the 1990s mean that the world economy punishes areas of conflict and instability by ignoring them. The mainstream world economy simply flows around the micro-economies of conflict. Even the notion that resources make some countries and regions vital to the economies of the great powers is difficult to sustain any longer.

Since the mid-1970s, oil prices have been highest during periods of relative peace in the Middle East and lowest during periods of conflict. Since 2011, the Middle East has been in ever-deepening conflict, while oil prices have reached historic lows in real terms not seen for over 40 years. Sustainable development policies cannot easily break directly into the micro-economies of conflict. But they can lessen their impacts and create a better exit route by championing initiatives that keep international investment flowing, maintain or reform the banking sector, promote international mentoring, and so on.

The UN's post-2015 Sustainable Development Goals point the way and show how thinking has evolved since the seminal MDGs. In essence, what is now required is a separate but complementary exercise that establishes both the principles and some practical ideas to create new UN ‘Sustainable Security Goals’ for the next two decades. ●



# Atrocity prevention and the SDGs – a shared ambition

*The Responsibility to Protect and Agenda 2030 seek sustainable solutions to the challenge of building peaceful societies. Improving knowledge and understanding of the role of development in preventing atrocities, and vice-versa, will bring benefits for both*



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By **Alexandra Buskie**, Policy & Advocacy Manager, United Nations Association – UK

Understanding how to prevent and respond to the commission of atrocity crimes (genocide, war crimes, crimes against humanity and ethnic cleansing) has been one of the defining challenges for the international community since the end of the Cold War. While the conversation initially focused on how to

respond to ongoing instances of atrocity through the use of military force, the agreement of the Responsibility to Protect (R2P) principle in 2005 helped to shift the focus to long-term, structural prevention. Within this context, the inclusion of peace and justice in the Sustainable Development Goals (SDGs) is crucial.

R2P is a political principle for preventing and responding to atrocity crimes. It places the primary responsibility for preventing

▲ A Rohingya refugee from Burma being processed at a shelter in Aceh province, Indonesia. The 800,000 to 1.3 million Rohingya resident in Burma are denied citizenship by law and are exposed to systematic abuse

atrocities with national governments, and provides a framework for the international community to assist and support states in improving their ability to uphold this responsibility, from development to diplomacy to military deployment.

So far, the development aspects of R2P have been underused and treated with caution. Concerns about the ‘securitisation’ of development are well founded and should be addressed, but if the SDGs truly aim to reduce all forms of violence, not just conflict, development programmes must be capable of addressing the distinct characteristics of atrocity crimes.

Goal 16’s ambition to “promote peaceful and inclusive societies” hones in on one of the key development interventions that contributes to the prevention of atrocities: building the resilience of societies by strengthening the rule of law and ensuring inclusive and accountable institutions. The rule of law safeguards against some of the structural root causes of atrocities, establishing trust between the state and its population through the principle of equality before the law – regardless of whether you are the head of state or a member of a minority ethnic group.

### Protecting the unprotected

An estimated four billion people across the globe are not protected by the rule of law. This can be due to anything from a lack of knowledge about their rights or how to access them, to an upfront denial of their rights or legal identity by the government in power.

Atrocities can and do occur in these lacunas of protection. In extreme cases, state leaders completely disregard the law in an attempt to retain power during conflict. The obvious example today is the use of barrel bombs, chemical weapons and indefinite detention by the Assad government against the Syrian civilian population.

In other cases, the law is manipulated to support the goals of the perpetrators. For instance, the 1982 Burma Citizenship Law excludes the Rohingya ethnic group and denies them the right of nationality. This essentially leaves between 800,000 and 1.3 million Rohingya without any legal protections and has created an environment in which systematic violations of human rights – including violence and destruction of property – are not only permitted but encouraged. In the case of Burma, ‘rule by law’, rather than rule of law, is being used

to facilitate the segregation, abuse and slaughter of the Rohingya population with impunity.

While international commentators celebrated the successful elections that took place in Burma last year, others pointed out that almost one million people were disenfranchised in the process. There is little indication from the incumbent government that the Rohingya’s legal protections are going to change. Any development programme in the country needs to take this issue into account if it is to be truly sustainable.

also look to the existing initiatives that have developed from states’ commitments to R2P and the prevention of atrocity crimes as pathways to help strengthen the rule of law.

Examples of these initiatives range from the R2P Focal Points – a network of 51 states that have designated a senior official in government to support the integration of atrocity prevention measures in national strategies and policies – to regional groupings like the International Conference of the Great Lakes Region and the Latin American Network for Genocide and Mass Atrocity Prevention.

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## *The rule of law safeguards against some of the structural root causes of atrocities, establishing trust between the state and its population through the principle of equality before the law*

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In other instances, states simply do not have the capacity to provide adequate legal protection to their populations. Those groups that feel threatened may seek their own means of protection. UN Special Adviser on the Prevention of Genocide, Adama Dieng, has argued that the international community should have and could have been involved much earlier to protect populations from atrocities in the Central African Republic.

By his estimate, an investment of \$100 million in programmes to strengthen the rule of law, improve the security sector and ensure that the judiciary was of the right capacity and quality to deal with accountability issues could have prevented the crisis. Having clear avenues for seeking redress helps to ensure that groups do not look for other ways to find justice, potentially risking the occurrence or recurrence of atrocity crimes.

Under R2P, the international community has a responsibility to build the capacity of states to prevent atrocities. As such, those working to achieve Goal 16 should prioritise interventions that are geared to prevent atrocities as well as conflict. They should

Each of these provides an avenue for states wishing to improve their capacity to prevent atrocities, sharing best practice and supporting capacity-building.

### Mutual reinforcement

R2P and the SDGs both seek sustainable solutions to the challenge of building peaceful societies. They are mutually reinforcing and each should be considered not just as complementary, but also as providing essential tools for achieving the other.

Development efforts need to be conscious of the specificities of atrocity risks, while initiatives to prevent atrocities must link up with wider efforts to strengthen the capacity of states to provide protections for their populations, be they legal, political, social or economic.

National governments and development actors must harness existing mechanisms and frameworks to help put the SDGs into practice. Working to bridge the conceptual and practical gaps between development and atrocity prevention is a clear first step towards supporting peaceful, resilient societies. ●





# In the shadow of conflict

*As the world focuses on the epicentre of the conflict consuming Syria and Iraq, neighbouring areas, such as the Kurdistan Region in northern Iraq, are being stressed to breaking point*

By **Bayan Sami Abdul Rahman**,  
Representative to the United States of  
America, Kurdistan Regional Government

**A**s millions of Syrians and Iraqis flee the violence wrought by religious extremists, the Kurdistan Regional Government (KRG) continues to stand as a sanctuary for those seeking safety.

With nearly 300,000 Syrians and an estimated 1.5 million displaced Iraqis finding safety in Kurdistan, the region's population has exploded by 30 per cent, putting extreme pressure on the KRG's nascent institutions,

which are struggling to maintain public services. In some areas of Kurdistan, refugees nearly outnumber local residents. The influx has also triggered a serious financial crisis in the region, halting the rapid economic growth that once had many comparing Erbil to Dubai.

As international military powers plan the liberation of Mosul, the seriousness of the KRG's plight must be considered. If the world is to win the war against the so-called Islamic State of Iraq and the Levant (ISIL), humanitarian response must be viewed as a pillar of the strategy, not a separate issue.

## A complex crisis

Kurdistan's refugee crisis is vast and deeply complex. The religious and ethnic makeup of the 1.8 million refugees and internally displaced persons (IDPs) reflect the diversity of the Middle East. Yazidi and Shabak Kurds, several Christian groups and Turkmen and Arabs from Sunni and Shi'a sects have all found refuge within Kurdistan.

Funding for humanitarian aid remains depressingly low. The 2015 Humanitarian

▲ Relatives mourn the death of a Peshmerga fighter killed in a suicide attack in Sinjar province, Iraq

Response Plan saw a 25 per cent funding shortfall, even after reductions to the plan were made in June. In November, the UN High Commissioner for Refugees (UNHCR) reported that funding for IDP programmes lags at a shocking 13 per cent of the necessary \$466 million,<sup>1</sup> meaning that this winter, many Iraqis who fled their homes in the middle of the night will go without even basic cold-weather supplies.

Many of the displaced have left with little more than the clothes on their backs; their daily survival depends on the supply

critical need of life-saving health services, 3.2 million of whom are children. Measles and cholera outbreaks have affected thousands, and health experts suggest that the likelihood of outbreaks of influenza and parasitic diseases are high. Primitive living situations present additional health risks to off-camp refugees and IDPs.

While emergency relief operations provide daily necessities to those in need, programmes focusing on medium- and long-term needs have taken a back seat. Tens of thousands of children remain

2015, the UN Development Programme found that a mere 378 individuals were accessing wage employment opportunities – less than two per cent of the planned 20,000. Only 11 of the planned 150 community support projects had been implemented.<sup>4</sup>

As refugees and IDPs while away the months unemployed in temporary shelter, depression and despair have taken their toll. The effect of their stagnation on future economic and social progress is unknown, but certainly profound.

### Economic challenges

2014 and 2015 were difficult financial years for the KRG, not least due to disagreements with the Iraqi government on the disbursal of federal revenues, which are used to pay civil servant salaries, care for refugees, conduct a war against ISIL and continue the work of governance.

To make up for lost revenue, the KRG has been compelled to increase its own oil production. Today the KRG sells oil to the world market, in compliance with the Iraqi Constitution and a June 2014 ruling by the Iraqi High Court. KRG oilfields are producing approximately 650,000 barrels of crude daily, and the Ministry of Natural Resources is working to begin substantial natural gas exports as well.

However, the recent crash in oil prices has deeply cut expected profits, and the KRG has had to rely on the goodwill of its international partners. The net result of the KRG's financial troubles is that the families of the host communities, as well as the displaced, suffer. The salaries of civil servants, and even front-line Peshmerga soldiers, are three to four months behind. With a majority of the workforce employed in the public sector, this accounts for a tremendous slowdown in economic activity. The optimism that the people of Kurdistan once had for the future is being challenged.

Furthermore, the increase in refugee populations has had predictable effects on labour, housing and commodity markets. The rise in unemployment has dropped hourly wages, while the rapid increase in demand for low-income housing and commodities has raised prices overall, sometimes dramatically.

## *The economic woes facing Kurdistan are extraordinarily dire. Under such financial burdens, the KRG is finding it increasingly difficult to conduct the work of governance, provide security and care for the displaced*

of food, shelter and clothing by the UN and a number of local and international aid organisations. Even so, since August 2014, food vouchers to Syrian refugees have been cut from \$31 per month to \$10–\$19, and now go to only the most severely food insecure, with 51 per cent receiving nothing at all.

Although UNHCR and the KRG have built more than 25 refugee and IDP camps, the vast majority of the displaced remain off-camp, with 17 per cent living in unfinished buildings, informal settlements, religious buildings and schools – what the UN terms ‘critical shelter arrangements’.<sup>2</sup> The KRG has established the Joint Crisis Coordination Centre, which produces statistics and targeting information in cooperation with the Kurdistan Regional Statistics Office, UN agencies and a number of international aid organisations. Kurdistan hosts the majority of international humanitarian operations in Iraq, owing to the continued stability of the region, and serves as a testing ground for innovative programmes. Still, servicing the daily needs of off-site refugees and IDPs remains a challenge.

The Iraq Health Cluster reports that more than seven million people in Iraq are in

without adequate education. Of the children whose families live in camps, 67 per cent are receiving a traditional education. For off-camp children, the situation is worse, with only 55 per cent in school regularly.<sup>3</sup> Families desperate for cash often find themselves forced to put their children to work, and in the past few years, the number of children begging in the street has increased – a phenomenon once rare in Kurdistan.

The displaced have suffered and witnessed unspeakable atrocities at the hands of ISIL. Many families are missing fathers, daughters, mothers and sons. Several thousand Yazidi women are still held by ISIL as slaves and suffer unimaginable brutality on a daily basis. Basic psychological care – critical to the future well-being of thousands of trauma survivors – is still nearly non-existent.

The achievements of skills-training and livelihood support programmes remain far short of their goals. During the early days of the crisis, when Kurdistan's economy was strong, the KRG was able to provide shelter, organise camps and allocate work permits to Syrian refugees. The sheer scale of the flood of displacement has since made these accommodations unfeasible. In November





▲ Yazidi refugees, who fled from Sinjar town when it was taken by ISIL, living in a construction site on the outskirts of the city of Duhok, Iraq

The economic woes facing Kurdistan are extraordinarily dire. Under such financial burdens, the KRG is finding it increasingly difficult to conduct the work of governance, provide security and care for the displaced.

### A crisis too far?

With the responsibility for refugees, crashed oil prices and a costly war with ISIL, the KRG is facing its toughest challenge in decades. In September 2015, the US Joint Coalition Coordination Center said: “It is the regrettable conclusion of the KRG that without a drastic increase in funding from the international community and financial transactions from the [Government of Iraq], the [Kurdistan] Region will neither be able

to cope with the current crisis, nor respond to anticipated new displacements.”

After the fall of Ramadi, the international coalition will look to liberate Mosul, Iraq’s second largest city of more than two million and the place where ISIL first declared its Caliphate. At the time of writing, the Peshmerga have already laid the groundwork, blocking off the city on three sides and cutting supply routes. There are at least 2,000 hardcore ISIL fighters in the city, in addition to unknown tens of thousands of supporters, and the battle to rid Mosul of the terrorists will be long and bloody. When Kurdish and Iraqi troops move in, the KRG expects several hundreds of thousands will seek refuge in Kurdistan. A flow of refugees of this magnitude would be catastrophic for Kurdistan. Not only would this vastly overwhelm the humanitarian response effort, but the strain on public utilities, markets and

governmental institutions would likely be too great. Quite simply, the KRG could not cope with such a scenario without significantly increased resources, particularly financial.

Kurdistan is a still point in a deeply turbulent region. Looking beyond ISIL, Kurdistan will be a staging ground for reconstruction. Owing to shared commitments to democracy and justice, the people of Kurdistan are proud allies of the West and have stood shoulder to shoulder against violent extremism for over a decade. Allowing refugees and the displaced to overwhelm the KRG would be a strategic blunder and profound moral failing.

### Urgent planning needed

ISIL and other militant groups in Syria are the primary cause of the troubles facing the Kurdistan Region and the greater Middle East. They must be denied safe haven, crushed militarily and ultimately destroyed. With the help of the international coalition, KRG Peshmerga forces and Iraqi security forces will strive to eliminate these terrorists from our territories.

The past year has showed us that victory is possible, but will be arduous and tremendously costly in blood and treasure. Far less certain is the fate of places like Kurdistan as we struggle to deal with the fallout of these military operations. When hundreds of thousands of people flee the massive Mosul liberation operation, they will head to Kurdistan. Already under serious financial pressures, the KRG would be unable to survive such an event without significant increases in humanitarian funding and infrastructure.

The combat operations to liberate Mosul will be meticulously planned. With the humanitarian crisis in Kurdistan at critical levels already, preparations for its fallout must be given equal consideration. ●

- 1 [http://reliefweb.int/sites/reliefweb.int/files/resources/UNHCR\\_Iraq\\_IDP\\_update\\_1-30\\_Nov\\_2015.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/UNHCR_Iraq_IDP_update_1-30_Nov_2015.pdf)
- 2 [http://reliefweb.int/sites/reliefweb.int/files/resources/20151130\\_factsheet\\_iraq\\_s-nfi\\_cluster.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/20151130_factsheet_iraq_s-nfi_cluster.pdf)
- 3 <http://reliefweb.int/sites/reliefweb.int/files/resources/Iraq%20RP%20Monthly%20Update%20November%202015%20Education.pdf>
- 4 <http://reliefweb.int/sites/reliefweb.int/files/resources/Iraq%20RP%20Monthly%20Update%20November%202015%20Livelihoods.pdf>



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# Can cities help reduce inequality?

*The growth of urbanisation has created stark inequalities around the world. Through more intelligent design and use of urban spaces, can we move towards a situation where cities provide safe, prosperous and enjoyable places to live for all their inhabitants?*

By **Richard Burdett**, Professor of Urban Studies, London School of Economics

In 1950, the fishing village of Shenzhen in south-east China had 3,148 inhabitants.

By 2025, the UN predicts this figure will reach over 15 million. The Democratic Republic of the Congo's capital, Kinshasa, will have gone from 200,000 to over 16 million, growing over the next decade at the vertiginous rate of six per cent each year (about 50 people per hour). Meanwhile Brazil's economic engine, São Paulo, will have slowed to the rate of 1.2 per cent per annum, nonetheless experiencing a ten-fold expansion over the 75-year period.

In 2015, London overtook its historical high of 8.6 million reached at the outset of World War II, bucking the trend of many European and North American cities that have experienced only slight or even negative growth. Compared to other global cities, London is inching forward with only nine new residents per hour, compared to double that number in São Paulo and more than 70 in Delhi, Kinshasa and Dhaka. Nonetheless, London will accommodate one million more people by 2030.

These snapshots reflect deep differences in patterns of urban growth and change across the globe, often masked by the crude statistic that the world is now more urban than rural

and that we are heading towards the 70 per cent urbanisation threshold by 2050.

Historically, urbanisation has always been closely linked to economic development. While growth in the mature cities of Europe and North America accelerated in the 19th century, most reached their peak by mid-20th century. Other regions of the world saw their cities grow most significantly from the 1950s onwards. Tokyo grew by more than half a million inhabitants each year between 1950 and 1990, Mexico City and São Paulo

▲ **Korogocho in Nairobi.** Around two million people live in shantytowns around Kenya's capital, contending with high crime, chronic unemployment and limited sanitation



by more than 300,000 each per year and Mumbai by around 240,000 per year.

The only exceptions in this period were cities in China and sub-Saharan Africa, which experienced modest growth. But from the 1990s onwards – with the impact of globalisation and opening up of the Chinese economy – cities continued to grow rapidly in south and south-east Asia, with China experiencing a sustained growth spurt that is palpable today. For example, the south Guangdong metropolitan area (which includes Shenzhen, Guangzhou and Dongguan) saw its 5.5 million inhabitants in 1990 increase six-fold to reach almost 32 million in just two decades.

The result of this process of growth and change is an uneven distribution of urbanisation across the globe. Europe, South and North America are the most urbanised of the five continents with 73, 83 and 82 per cent of people respectively living in cities, towns and other urban settlements. Africa stands at around 40 per cent and Asia at 48 per cent, and both regions are set to experience exponential growth in the coming decades – a combined effect of increased birth rate and migration.

### Patterns of growth

There are stark differences in patterns of urban growth across the globe. Most large cities in Europe and parts of North America hit their current size by 1950. Latin America, the west coast of the US, Japan and some Asian cities grew substantially in the years leading to 1990.

But the bulk of urban growth between now and 2030 will be experienced in sub-Saharan Africa, India and China and other Asian cities like Dhaka and Manila, while Tokyo will experience relatively modest growth over the same period.

There are equally stark differences in the distribution of inequality. While all cities display some level of inequality, some have more pronounced disparities than others, depending on their national and regional contexts, and the levels of economic development and informalisation, i.e. informal forms of employment.

What we are observing today – especially in cities in the developing world – is that

social inequality is becoming increasingly spatialised.

In her observations about inequality in São Paulo, the anthropologist Teresa Caldeira, Professor of City and Regional Planning at the University of California, Berkeley, has described a dual process of confrontation and separation of social extremes. The former is captured by the powerful image of the water-deprived favela of Paraisópolis in São Paulo, overlooked by the expensive residential towers of Morumbi with swimming pools on each balcony.

Caldeira defines the latter as a form of urbanisation that “...contrasts a rich and well-equipped centre with a poor and precarious periphery... the city is made not only of opposed social and spatial worlds but also of clear distances between them.

Since these imaginaries are contradictory – one pointing to the obscene neighbouring of poverty and wealth and another to a great distance between them – can both represent the city?”<sup>1</sup> Designers, developers, investors and policymakers are faced with increasingly tough choices as to how to intervene within changing urban physical and social landscapes.

How do you maintain the DNA of the city when it undergoes profound transformations? Who is the city for? How do you reconcile public and private interests? Who pays and who gains? The city planners of London, Paris, Barcelona, Hamburg and New York are grappling with the same questions as the urban leaders of African, Latin American and Asian cities, even though the levels of deprivation and requirements for social infrastructure are of a different order of magnitude.

Many urban projects of the last decades have contributed to a physical reinforcement of inequality. Gated communities and enclaves proliferate. They cast differences in stone or concrete – not for a few undesirable outcasts, but for generations of new urban dwellers who continue to flock to the city in search of jobs and opportunities.

The key question for urban designers and policymakers alike is what role, if any, does the design of the physical environment play in exacerbating or alleviating inequality?

Should we, as Suketu Mehta, author of *Maximum City: Bombay Lost and Found*, has recently asked, design cities that are fully inclusive? Or should we settle for urban neighbourhoods that at least don't exclude anybody?<sup>2</sup>

In many African and Latin American cities, inequality is a stark reality. For example, despite recent improvements, Rio de Janeiro and São Paulo still top the Gini index charts, which measure the differences between the more affluent and more deprived members of society. Inequality in these cities is nearly twice that of London or Berlin, even though it remains less extreme than in some African cities like Johannesburg or Lagos, or in other Latin American cities like Mexico City, Santiago or the highly planned Brazilian capital of Brasília.<sup>3</sup>

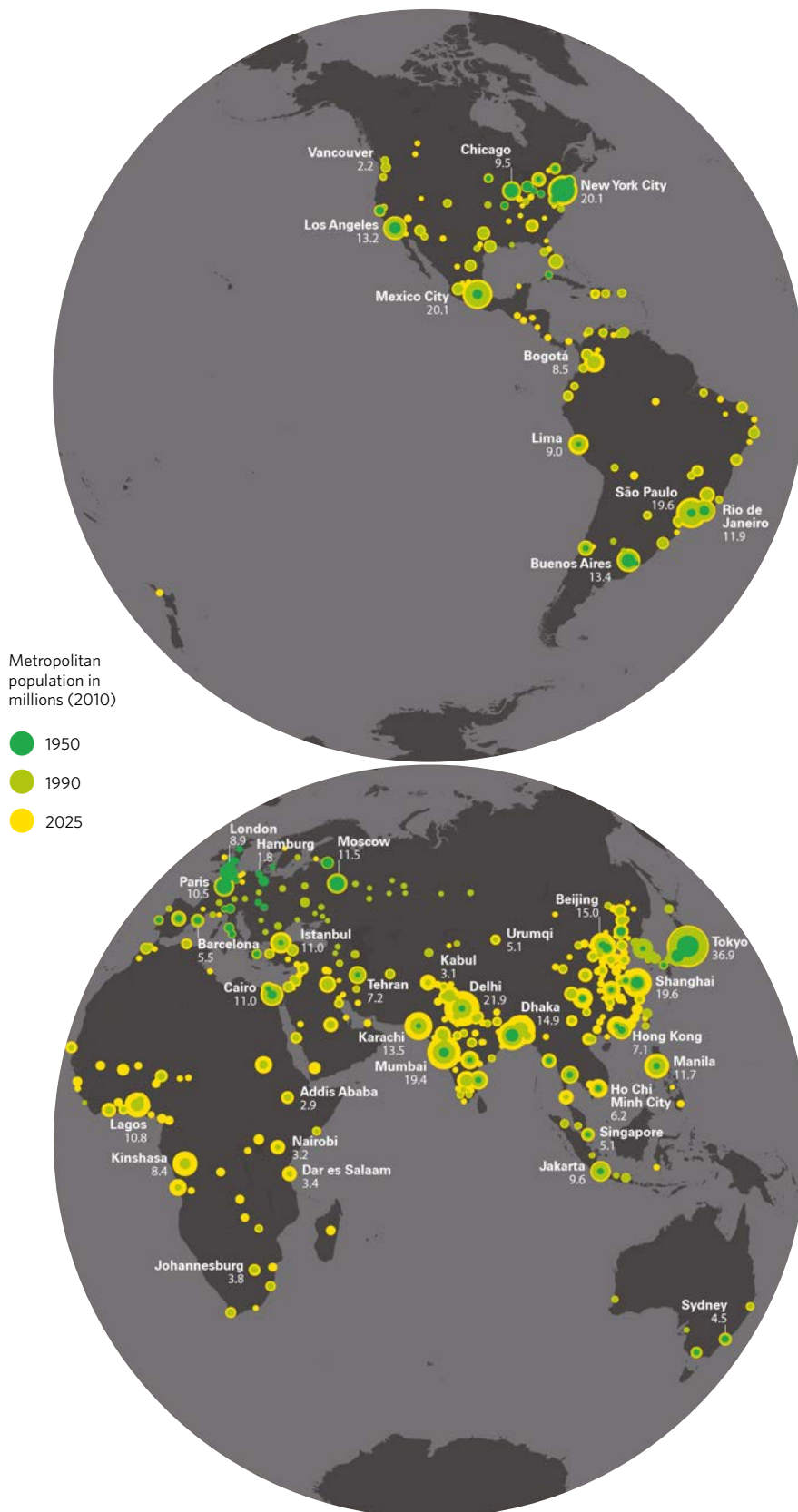
London, for example, has average income levels four times higher than Rio. Yet, the UK capital has a marked intra-urban distribution of inequality. The most deprived neighbourhoods are concentrated in the east and south, with more affluent residents concentrated in west London and the periphery of the city (the suburbs on the edge of the green belt). In Paris, by contrast, social deprivation is concentrated on the edges of the city, with poorly serviced, predominantly migrant communities living in 1970s block typologies in the banlieues beyond the Périphérique.

Few European cities display the clear-cut racial and spatial segregation of so many US cities like Chicago, St Louis and Los Angeles. However, they are equally exposed to what the sociologist William Julius Wilson has characterised as physical “islands”, which breed an inward-looking mentality where speculation about others takes the place of contact-based evidence.

The trend towards greater physical separation of distinct socio-economic groups is being implemented across the urban landscape of many cities, especially in those experiencing very rapid forms of informal growth.

In this respect, architecture and urban design play an important role in laying the ground for potential integration rather than creating environments that are intentionally exclusive.

## Global urban growth



### Mitigating impacts

Ultimately, the urban question revolves around issues of inclusion and exclusion. For Suketu Mehta, what matters is “not that everyone is included. It’s that no one is excluded. It’s not that you’ll get invited to every party on the beach. It’s that somewhere on the beach, there’s a party you can go to.”<sup>4</sup>

The spatial dimension in this equation is critical. It is the loss of porosity and complexity that Richard Sennett has identified as the critical characteristic of contemporary urban malaise. In his words: “I don’t believe in design determinism, but I do believe that the physical environment should nurture the complexity of identity. That’s an abstract way to say that we know how to make the Porous City; the time has come to make it.”<sup>5</sup>

The reality of the urban condition reveals that in many parts of the world, urbanisation has become more spatially fragmented, less environmentally responsive and more socially divisive.<sup>6</sup> Adaptable and porous urban design, coupled with social mix and density, will not solve social inequality on its own. But they will go a long way in mitigating the negative impacts of exclusionary design and planning.

By developing a more open form of urbanism that recognises how the spatial and the social are inextricably linked, perhaps we will be proved right that cities can help provide solutions and not just exacerbate problems. ●

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- 2 Suketu Mehta, ‘Beyond the Maximum: Cities May be Booming, but Who’s Invited to the Party?’, The Guardian, 30 November 2015, [www.theguardian.com/cities/2015/nov/30/beyond-maximum-cities-booming-party-ny-rio-mumbai](http://www.theguardian.com/cities/2015/nov/30/beyond-maximum-cities-booming-party-ny-rio-mumbai)
- 3 ‘2.2 The Economic Divide: Urban Income Inequalities’, State of the World’s Cities 2010/11, Unhabitat Org, [www.unhabitat.org/jo/en/inp/Upload/2233036\\_pages%20from%20Report-Englishrd-2.pdf](http://www.unhabitat.org/jo/en/inp/Upload/2233036_pages%20from%20Report-Englishrd-2.pdf)
- 4 Mehta, *ibid.*
- 5 Richard Sennett, ‘The World Wants More ‘Porous’ Cities – So Why Don’t we Build Them?’, The Guardian, 27 November 2015, [www.theguardian.com/cities/2015/nov/27/delhi-electronic-market-urbanist-dream](http://www.theguardian.com/cities/2015/nov/27/delhi-electronic-market-urbanist-dream)
- 6 Ricky Burdett and Deyan Sudjic (eds) (2011), ‘Living in the Endless City’, Phaidon, London, p.8

Source: Urban Age, LSE Cities, <https://lsecities.net/objects/13be5f3a0>



# Understanding corruption

*The SDGs recognise the importance of tackling corruption if their ambitious aims are to be realised. But with corruption a highly nuanced, persistent and pervasive problem, how can this be achieved?*

By **Alina Rocha Menocal**, Senior Research Fellow, Developmental Leadership Program, University of Birmingham

**T**hat institutions matter for development is now incontrovertible. One of the core lessons from the Millennium Development Goals (MDGs) was that progress in achieving different goals across countries (and even within them) often hinges on the quality of governance structures and dynamics.<sup>1</sup>

While governance was a considerable blind spot of the MDG framework, institutions are now at the core of the newly agreed Sustainable Development Goals (SDGs) and their ambition to eliminate extreme poverty and foster more resilient states and societies over the next 15 years. Goal 16 commits all signatory countries to “build effective, accountable and inclusive institutions at all levels”.<sup>2</sup>

Corruption in particular is identified as a central concern. A number of targets call for promoting enhanced accountability and transparency, including by significantly reducing all forms of corruption. But if corruption is the problem in development that everybody loves to hate, this does not mean that we understand it any better or that we can combat it effectively. Corruption is not black and white, but rather 50 shades of grey. It is time for a grown up conversation that moves beyond over-simplified narratives about the causes and effects of corruption and the ways to fight it.<sup>3</sup>

What would a more nuanced approach look like? Here are eight key points (drawn from research undertaken by myself and other colleagues for a recent UK Department for International Development Evidence Paper on corruption<sup>4</sup>) that might help kick-start a more mature discussion.

## 1. Corruption is not a straightforward, technical problem

Corruption is a complex phenomenon that is rooted in a wide variety of economic, political, administrative, social and cultural factors and power relations. It results from a multiplicity of interactions between different actors (within the state as well as in the private sector and other organised civil society) and institutions (including both formal and informal rules of the game) at different levels, be it international, regional, national and/or subnational.

Corruption is likely to thrive in conditions where accountability is weak, people have too much discretion, and the shared expectation is that others within a given community or society will be corrupt (so there is little to be gained by opting out of such behaviour). It is this collective and systemic – rather than simply individual – character of corruption that makes it so entrenched and difficult to address.<sup>5</sup>

## 2. Corruption can be particularly pernicious...

As suggested by demonstrations that have swept across countries ranging from Brazil to Egypt, Guatemala and Ukraine over the past decade, corruption deeply undermines legitimacy and trust in public institutions and shapes people's perceptions of government performance and state effectiveness.

Widespread revulsion against corruption can have dramatic consequences, both positive and less so. In cases like Brazil and Guatemala, for instance, it may be helping to rearticulate the linkages between state and society along more accountable and representative lines.<sup>6</sup> In other instances, as in the fate of most Arab Spring countries, prospects for progressive transformation have not borne fruit. Perhaps the most perverse backlash against corruption can be seen in the rise of movements like the Taliban and

ISIL, where every indication suggests that the ‘cure’ is far worse than any disease that could have been imagined. Corruption also skews the distribution of public services. As a large body of evidence shows, it negatively affects service delivery, in terms of both quantity and quality.<sup>7</sup> This can have a disproportionate impact on marginalised and vulnerable groups (be it in terms of gender, ethnicity, class, religion, geography, etc.) and lead to increased inequality.

## 3. ...but it may not always be as bad as we think

The term ‘corruption’ covers a host of activities and situations, some of which are more detrimental than others. There is a fundamental difference, for instance, between police officers demanding payment to carry out their responsibility to protect citizens (especially when they haven't been paid in months) and political leaders handing over lucrative monopoly rights to strategic allies in exchange for support – as has happened with many privatisation initiatives that have degenerated into ‘piratisation’ all over the developing world.

In addition, while existing evidence suggests that, at the micro level, corruption imposes costs in terms of both domestic investment and business productivity and performance, it has not been a determining factor in constraining macroeconomic growth. Different countries with highly variable levels of corruption have been equally able to sustain prolonged periods of economic growth (consider, for instance, Botswana, Brazil, Cambodia, China, Ethiopia, Indonesia, Mexico, Rwanda, South Africa and Vietnam). Some of these same countries have also managed to make important progress in the fight against poverty.

A key lesson emerging from the diversity of these experiences is that corruption



© Reuters/Jorge Cabrera

(or, more precisely, corrupt rent-seeking) is not what has made the difference, but rather how such rents have been managed and distributed.<sup>8</sup>

Other factors that seem to matter from historical experience are: political settlements that can enhance a sense of national identity; internally coherent states that can develop essential coordination capacities and build needed confidence in the absence of concrete rules; committed political leadership; well-organised political parties (in both democratic systems and hegemonic party-states); and accountability mechanisms that move beyond supply and demand and focus on engagement among actors in state and society.<sup>9</sup>

#### 4. The effects of corruption are far from black and white

As noted above, corruption can impact vulnerable and marginalised groups

disproportionately. Higher levels of corruption are also linked to increased inequality. However, there are also indications that the isolated removal or elimination of corrupt practices might not solve the problem. For instance, efforts to curtail corruption in low-income countries are likely to impede the functioning of the informal sector. This may be counterproductive given that the informal sector contains many of the poorest and most vulnerable members of society, and the reduction of 'corrupt' practices in largely informal economies may further exacerbate poverty.

The relationship between corruption, fragility and conflict is also illustrative in this respect. Given the negative effect that corruption has on legitimacy, corruption can in fact exacerbate conflict dynamics in fragile states by further undermining trust within and between actors in both state and society. On the other hand, evidence

▲ Tegucigalpa, July 2015. Demonstrators demand the resignation of Honduras' President Juan Orlando Hernández over the misappropriation of more than \$200 million from the country's social security fund

also shows that corruption can help to hold together fragile states. Access to the proceeds of corruption can be crucial in forming the political settlements necessary to end violent conflict. Among other things, the promise of a share of (corruptly gained) rents or economic revenues can facilitate peace processes, encouraging spoilers to participate. By contrast, efforts that seek to transform corrupt regimes too quickly can lead to violence as entrenched political interests resist change.<sup>10</sup>

These examples show how important it is to move away, as Heather Marquette has suggested, from the common, unquestioning assumption that corruption is always the worst of all evils and that it can be wiped out without collateral damage.<sup>11</sup>



### 5. Democracy is not a silver bullet...

Since the 1990s, the developing world has experienced a growing tide of democratisation. These transitions generated great hopes that democratic reforms would improve governance and reduce corruption. In principle, regular elections, a system of checks and balances, and a society free to organise should provide important mechanisms and/or incentives for politicians to deliver and be held accountable for their actions.

In practice, however, these assumed benefits of democracy do not emerge naturally. In many countries undergoing democratisation, corruption has either increased or become more visible. This is particularly evident in electoral politics, where campaign corruption scandals are uncovered regularly. In some settings, organised crime has thoroughly infiltrated political systems (witness what is happening across regions like the Balkans and Latin America, with Mexico as a particularly tragic example<sup>12</sup>).

This suggests an urgent need for campaign finance reform, a better understanding of the influence of dirty money (in this respect, the emphasis that the SDG targets have placed on combating organised crime is particularly welcome) and greater caution in approaching corruption in democratising contexts.

### 6. ...and neither are women

An influential 1999 World Bank study concluded that a higher percentage of women in government is associated with lower levels of corruption.<sup>13</sup> However, subsequent evidence remains inconclusive. In situations of risk (including, for instance, the risk of stigmatisation or vulnerability to punishment based on gender discrimination), women are less prone to accept bribes than men. This suggests that women may be more risk-averse, rather than less inherently corrupt. Indeed, other research shows that women are as likely as men to engage in corruption once they gain increased exposure and access to the political system.<sup>14</sup>

Knowledge of contextual dynamics and social taboos are essential to understanding the propensity towards corruption among men and women – and it should not be assumed that incorporating a greater number

of women in politics will be a magic bullet against corruption.

### 7. Formal rules are insufficient to address corruption

Various attempts to combat corruption across the developing world have fallen considerably short of expectations, often because they have been based on unrealistic (and often technical) blueprints, focused on changing formal rules. Yet, as we know, laws often look great on paper, but their implementation is another matter. Uganda is a great example of this paradox: at one point it had the best anti-corruption laws in the world (with a score of 99/100 in one league table), and yet it ranked 142nd out of 175 countries in the 2014 Transparency International Corruption Perceptions Index. And while there has been a veritable explosion of freedom of information laws – with Paraguay becoming the 100th country to enact one in 2014 – their implementation remains a pervasive challenge.

If we are to better understand what is likely to work in combating corruption and why, we must bring power and politics back into the centre of analysis and unearth the contextual dynamics at play. These include the underlying political arrangements or settlements; the nature and evolution of state-society relations; the kinds of interaction between formal and informal institutions; and embedded power structures and differentials among various groups both within and between state and society – to name just a few.

Anti-corruption measures need to be more strategic and tailored to specific contexts. They work better when integrated into wider efforts to promote institutional reform. Undoubtedly, those committed to fighting against corruption are increasingly aware that they need to develop a deeper understanding of the context (domestic, regional, international) and the factors driving corruption, especially in terms of political processes and the frameworks of incentives within which different actors operate. But the default position is still towards technical approaches that shy away from the deeper political realities, power dynamics and social structures that perpetrate corruption.

### 8. It's time for a more realistic approach (or, we need to grow up)

Corruption is a serious problem – and the answers are not straightforward. The SDGs offer an ambitious and compelling framework for transformation that firmly recognises the importance of institutions to foster more resilient states and societies. But the agenda remains profoundly aspirational, and squaring the circle between normative ideals and how change actually happens is the fundamental challenge of development over the next 15 years and beyond.<sup>15</sup>

If anti-corruption efforts are to be effective, we need to move beyond black and white platitudes and recognise corruption, its causes and effects in the full complexity of their shading. Dogmatic approaches to the fight against corruption that fail to understand that change is messy, and that neglect underlying structures and dynamics, may ultimately cause more harm than good. ●

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# From Sendai to Paris: risk-informed development

*Lifting vulnerable communities out of poverty will require a shift in thinking away from managing climate-related and other disasters and towards addressing the underlying risks of development*





By **Jo Scheuer**, Chief of Profession, Director, Climate Change and Disaster Risk Reduction, Bureau for Policy and Programme Support, United Nations Development Programme (UNDP)

**A**fter a year that has been replete with global agreements and processes that focus on sustaining development gains, we have an opportunity to truly transform how we address disaster risk reduction (DRR) and climate risk

management. Doing so, however, requires ambition, a willingness to tighten the bonds between processes, and a concerted effort to scale up best practices, including disaster risk governance and the concept of ‘build back better’.

Over the last 20 years, disasters affected 4.4 billion people, killed 1.3 billion and resulted in economic losses of \$2 trillion.<sup>1</sup> Between 1980 and 2012, extreme weather accounted for 87 per cent of all disaster events.<sup>2</sup> As climate change worsens, the

incidence of climate-related disasters is expected to rise even higher. Poor countries and poor communities – the most vulnerable to disasters – stand to be hit hardest, and decades of development gains are in danger of being erased. The big events we hear about in the news are often only the tip of the iceberg. The frequently recurring small-scale disasters that affect communities and households year in, year out constitute an even higher percentage of disaster losses.

We live in a time of environmental degradation and unprecedented urbanisation, with development plans lacking an adequate understanding of risks. In the case of Africa, for example, its population is expected to reach 2.4 billion by 2050,<sup>3</sup> with half of the population living in cities by 2030. Urban areas are often centres for growth and economic assets, but that also makes them epicentres of risks, even more so with climate change. Rising sea levels mean that highly populated coastal cities are prone to cyclones, coastal floods, coastal erosion and higher storm surges.

### Integrated approach

Advances have been made, but efforts to reduce disaster risk do not match the magnitude of the challenge. The institutional and funding arrangements in place are not conducive to comprehensive and integrated approaches across sectors and levels. Work on DRR, climate change, energy and environment is often pursued in silos, despite the fact that these issues are intimately connected. Donor funding for DRR tends to be fragmented and is sometimes not well aligned with national priorities. International financing for DRR is overly focused on middle-income countries, leaving least-developed countries without the support they so desperately need. DRR is also predominantly funded from emergency budgets, which inhibits longer-term efforts to build resilience.

Achieving the Sustainable Development Goals will require innovative approaches to



◀ The eruption of Mount Sinabung on Sumatra, Indonesia, as viewed from the village of Pintu Besi in June 2015. More than 10,000 people, from 12 villages, living around the slopes were evacuated to refugee camps

managing and reducing the risks associated with climate change and natural hazards.

We must shift our thinking away from managing ‘disaster events’ to addressing the ‘underlying risks’ that are inherent in the development process. With this shift in mind, UNDP has been championing the concepts of ‘risk-informed development’ in its DRR and adaptation programmes, and ‘build back better’ in its recovery operations.

Risk-informed development requires a functioning risk governance system. With the aim of protecting development investments and ultimately building people’s resilience, UNDP has made strengthening disaster risk governance a cornerstone of its efforts to understand, reduce and manage risk for the past two decades.

Effective risk governance is difficult to achieve and needs extensive collaboration and ownership from many partners, including multiple agencies within governments. It requires long-term and in-depth engagement to connect national/local plans and legislation to real-world impacts. It also requires capacity development beyond the traditional training; we need to strengthen local institutions so that they are eventually able to coordinate, solve problems, involve communities, share information and train others.<sup>4</sup>

Scientific and multi-disciplinary analysis combined with local knowledge and risk-informed programming can provide practical solutions for today’s challenges. Enhancing the understanding and monitoring of disaster/climate risks – as well as learning from past disasters – is also integral to building societal resilience.

### UNDP’s approach

UNDP has contributed to the social and economic recovery of disaster-affected communities and helped develop capacities through a two-pronged approach. First, we support national governments to assess recovery needs and plan and implement the recovery process. Second, we support communities to restore their livelihoods and carry out local risk reduction and adaptation measures. Both approaches embody the ‘build back better’ principle, which ensures recovery is not just an opportunity to



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▲ A child walks to school in Bhaktapur, Nepal a month after an earthquake ravaged the country on 25 April 2015. The ‘build back better’ principle is key to creating resilience and saving lives in the future

restore what was lost during a disaster, but an opportunity to build resilience and for government and society to transform and strengthen infrastructure and capacities.

The Sendai Framework for Disaster Risk Reduction, endorsed in March 2015, calls for a more holistic and systematic approach to DRR – one that emphasises the importance of multi-stakeholder partnerships. UNDP’s newly developed DRR flagship programme ‘5-10-50’ is dedicated to taking up this challenge.

5-10-50 supports the implementation of the Sendai Framework by enabling 50 countries to move towards risk-informed development over a period of 10 years through five mutually reinforcing interventions (risk assessment and communication, inclusive risk governance, urban and local-level risk management, preparedness and early warning–early action, and resilient recovery). 5-10-50 is a vehicle for moving from piecemeal international support towards harmonised and coherent programming at the country level. This will require mobilising the right

partners to bring about catalytic change on the ground by leveraging every partner’s comparative advantage.

During this time of unprecedented challenges, we also have an unprecedented opportunity to align the agendas of the Sendai Framework, the post-2015 development agenda and an international climate change agreement. Global partners must listen to the growing number of voices that are calling for development to be addressed through a risk-informed lens. If they heed this call, we will be in possession of a powerful tool that can help people, communities and whole countries rise from poverty. ●

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# Countering epidemics

*The 2014 Ebola outbreak in West Africa showed the devastating effect of deadly epidemics – not just for the victims, but for the broader health and prosperity of host countries. How can the international community build resilience against future outbreaks?*

By **Olawale Maiyegun**, Director, Social Affairs, African Union Commission

**T**he World Health Organization has identified six pillars on which health systems are based: services; workforce; information; medical products, vaccines and technologies; financing; and leadership and governance. Key to a functional health system that can equitably address the needs of a population are resources, which encompasses inputs such as: fiscal provisions; human resources;





◀ Temperature checks at the entrance to a Red Cross facility in Sierra Leone. In 2014, Sierra Leone, neighbouring Guinea and Liberia were at the heart of the world's worst recorded outbreak of Ebola

institutions and populations to prepare for and effectively respond to crises, maintain core functions when a crisis hits and, informed by lessons learned during the crisis, reorganise if conditions require it.<sup>1</sup>

### A new kind of epidemic

The 2014 Ebola outbreak was the first of its kind to occur in West Africa, where it commenced in Guinea and later spread to Liberia, Sierra Leone, Nigeria, Senegal and Mali. There have been more cases and deaths in this outbreak than all others combined. The 2014 epidemic is unique not just because it occurred in an area never affected before, but also because it showed greater propensity to spread across national borders and even continents as the virus travelled to Europe and North America.

Ebola impacted on the development of the affected countries, particularly on the three countries with wide and intense transmission: Liberia, Guinea and Sierra Leone. According to a recent report released by the World Bank Group on the economic impact of the virus, in the 'low Ebola' scenario, West Africa as a whole suffered an estimated loss in GDP of \$2.2 billion in 2014 and \$1.6 billion in 2015.<sup>2</sup>

In the case of 'high Ebola', estimates suggest \$7.4 billion in lost GDP for 2014 and \$25.2 billion in 2015. Both cases assume at least some spread to other countries. Factors contributing to the growing cost of Ebola include direct costs of the illness (government spending on healthcare) and indirect costs, such as lower labour productivity as a result of workers being ill, dying or caring for the sick.

Reflections on the disease by the UN Economic Commission for Africa alarmingly show that economic activity shrunk.<sup>3</sup> This contraction reflects multiple cross-currents: falling sales in markets and stores; lower activity for restaurants, hotels, public transport, construction and educational institutions (also caused

by government measures such as a state of emergency and restrictions on people's movements); and slowing activity among foreign companies as many expatriates left, resulting in lower demand for some services.

Epidemics such as Ebola can also increase morbidity and mortality from diseases not related directly to the epidemic itself, given the various combined effects on regular healthcare provision. For example, in the midst of an outbreak, fewer people tend to seek formal medical attention because of fear or stigma of being exposed to the disease.

Weakening health services can allow the incidence of other diseases to rise, including malaria, dengue fever and yellow fever. If healthcare systems have fewer resources for vaccinations or antenatal and child healthcare, maternal and infant mortality rates can rise. This is a particular problem in Africa, where a significant proportion of the population comprises women and children.

Indeed, women and children are as afraid to seek care during an outbreak of a disease like Ebola as the healthcare workers are to treat them, especially when patients present with symptoms similar to that of Ebola, notably fever, diarrhoea, rashes, difficulty breathing and swallowing, coughing and bleeding.

If pregnant women experience such symptoms but do not seek urgent medical help, it can lead to still or premature birth or even the death of the mother. For children, not seeking urgent medical help due to the Ebola situation can complicate any childhood-related illness, most often leading to death.

UNICEF estimates that 5,000 children died during the Ebola outbreak. Another 16,000 lost a primary caregiver and some five million missed significant periods of school. This has had an important impact on human development in the affected countries. Assuming that the level of education has a causal relationship with economic growth, then the epidemic has also threatened countries' future productivity due to the lower education of those who do not return to school – which will also require heavy additional investment

physical infrastructure and capital; drugs; medical supplies; commodities; and governance.

In Africa, however, health systems face multiple challenges in finding sufficient resources to provide universal access for citizens. Economic crises, environmental disasters, outbreaks of infectious diseases, malnutrition, rapid urbanisation and post-conflict fragility often expose and aggravate the weaknesses of these health systems.

Health system resilience, therefore, can be defined as the capacity of health actors,

in an attempt to bring educational outcomes back to pre-outbreak levels. In addition, even with fewer children in the classrooms, teachers' wages still need to be paid and facilities maintained.

The costs encountered during the Ebola outbreak re-emphasise the fact that health is both a beneficiary of and a contributor to development, and that investments in health enhance economic development. Health is therefore much more significant to poverty elimination than previously thought.

Just as epidemics affect economic development, projects intended to support development can also impact negatively on the spread of epidemics.

Water, for example, has come to be perceived in terms of its value for agriculture, electricity generation or private profit, rather than a social determinant of health. This has put potable water (in plastic bottles) beyond the reach of most poor populations in Africa, resulting in inadequate hygiene and the persistence of cholera and other diarrhoeal diseases.

Similarly, environmental impact assessments of infrastructure projects rarely take into consideration health impacts. Yet, the construction sector and building sites with a predominantly migratory labour force are often breeding grounds and routes of transmission for infectious diseases such as tuberculosis, HIV/AIDS and other sexually transmitted diseases.

Large construction projects have also been implicated in the spread of diseases like malaria. The development of irrigation projects, dams and other construction sites often leads to new bodies of standing water, which create ideal conditions for the proliferation of mosquitoes.

Given globalisation and the speed of human contact and mobility, there is a need to strengthen global health security through sustained surveillance, detection,

▼ The Merowe Dam in northern Sudan, at its inauguration. Migratory labour on major construction projects are conducive to the transmission of epidemics and the bodies of water created by dams can assist the proliferation of mosquito-borne disease

preparedness and response at national, continental and global levels. Health systems must be resilient enough to absorb the shocks and sustain the gains already made, or risk having decades of investment wiped out. Strengthening health systems for equity and development in Africa requires a comprehensive strategy that includes:

- governance (policies and legislation; organisation and management; performance);
- resources (financing; resource allocation and purchasing of health services; social protection; human resources for health; commodity security; supply systems);
- health systems operations;
- traditional African medicine;
- participation (community participation and empowerment, strengthening partnerships);
- health management information and research;
- integrated approaches and linkages;
- socio-economic factors and the political context of health;
- monitoring and evaluation.

It is in this context that during the African Union Special Summit on HIV, tuberculosis and malaria in Abuja in July 2013, governments acknowledged the need to establish an Africa Centre for Disease Control (CDC). This conducts life-saving research on priority health problems in Africa and serves as a platform to share knowledge and build capacity in responding to public health emergencies and threats.

The Ebola outbreak in West Africa underlined the need for action. It provided the impetus for speeding up the establishment of the Africa CDC for early detection, preparedness and response, as well as for building Africa's medium and long-term capacity to deal with public health emergencies and future threats. ●

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# Freeing the world of infectious diseases

An interview with Dr Jerome Kim, Director General of the International Vaccine Institute



“Our vision has always been to see a world free of infectious diseases. And it’s our mission to discover, develop and deliver safe, effective and affordable vaccines,” says Dr Jerome Kim, Director General of Seoul-based non-profit international organisation, the International Vaccine Institute (IVI).

Before leading IVI, Kim was developing vaccines himself. He’s a former colonel in the US Army Medical Corps where he ran a laboratory developing an HIV vaccine. He doesn’t, however, appear to be missing the lab.

“Leading IVI is the biggest and most exciting challenge I’ve ever worked on,” he says. Besides charting IVI organisationally and scientifically, he is an advocate, convincing governments, agencies, donors and pharmaceutical companies on the benefits of vaccine uptake and research.

What are his priorities? There are diseases that infect millions of people each year that are without useable vaccines, he says. The big three are HIV, TB and malaria. Vaccines for those would have the highest “overall impact on mortality.”

“Recently a malaria vaccine was approved,” he says. “So is that a cause for celebration? Perhaps, but there is still a lot of work to be done. We have effective and approved vaccines that aren’t being fully utilised in the rest of the world.” Examples include rotavirus, cholera and the pneumococcal conjugate vaccine that protects against *Streptococcus pneumoniae*. There is also the pentavalent vaccine, which bundles five paediatric vaccines together and protects against diphtheria, whooping cough, tetanus, *Haemophilus influenzae* type B (a bacteria that causes meningitis, pneumonia, otitis) and hepatitis B.

“If you want immediate impact, it would be with those kinds of vaccines,” he says. “With newer vaccines, typhoid would be a relatively easy disease target. There are maybe 100,000 to 200,000 deaths and 20 million infections per year. The impact of diarrhoea in the developing world is tremendous.” Once the new typhoid conjugate vaccines are tested and approved, vaccination would do a lot very quickly.

IVI’s strategy is clear: advocate for research and development of vaccines against diseases of global health importance, work with manufacturers to make vaccines accessible for developing countries, and work with countries to increase the uptake of vaccines against diseases that exert a large public health burden. But it isn’t just advocacy and partnerships. IVI conducts research, develops vaccines, and facilitates their delivery in the field.

Recently it has had a notable success in the field of cholera. “We are one of the only not-for-profit organisations

funded by the Bill & Melinda Gates Foundation to have moved a vaccine from clone to clinic,” says Kim. IVI was instrumental in the development and approval of a cholera vaccine. For more than five years, it has been working with manufacturers to produce it. Currently it has four suppliers. “Soon, there will be enough cholera vaccines for us to start trials to gauge its effectiveness on large populations.” IVI will use the results to encourage governments to implement mass vaccination programmes.

This work requires money and support. IVI is primarily funded by the Republic of Korea, Sweden and the Bill & Melinda Gates Foundation. Germany and Kuwait have provided funding, and there are current talks with India.



It also has 35 countries and the WHO as signatories, which have expressed their support for the IVI by signing its Establishment Agreement. However, countries such as the US and UK aren’t on the list.

“It would be nice to get a G7 country to sign up,” he says, as this would be an important symbol of commitment to global health. It would make an even bigger difference, if they move from being a signatory to a donor, so Kim will continue to state the IVI proposition – the need for an international organisation dedicated to finding vaccine solutions for the developing world.

“We will never give up. This is something we are committed to as an organisation, and IVI would welcome partners in the search for additional low-cost and effective vaccines.” ■

■ Image right: IVI, with the Malawi Ministry of Health, WHO, Korean Ministry of Foreign Affairs and other partners, conducted vaccinations in Nsanje, Malawi to curb a cholera outbreak as a result of massive flooding in early 2015. The oral cholera vaccine used in the campaign was developed by IVI



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# Scaling global change campaigns

*It is tempting to assume that public support for the SDGs is a given. But is it? How can the international community ensure that citizens around the world rally behind the goals?*

By **Jamie Drummond**,  
Executive Director and Global Strategy, ONE

**A**s we consider how to achieve the newly agreed Sustainable Development Goals (SDGs), it is essential that we invest in building the team to score these goals, and spurring this team onto winning actions. Many great interventions that could save lives are never scaled. Many great policies that could transform lives are never adopted. Why? Because people didn't get organised and demand them. Whether you agree with all or any of the new SDGs, the key to ensuring their realisation is investment in sophisticated campaigns.



◀ **UNHCR Special Envoy Angelina Jolie meets ethnic Kachin refugee children at a camp in Burma. Celebrity endorsement has proved extremely effective in raising public awareness and support, and in turn political support**

What strategies can activists implement that might help influence policymakers' decisions? One approach worth scrutinising underpins ONE, the group I co-founded with Bono over a decade ago. With the support of many partners, our work has arguably delivered some significant results: helping to cancel 100 per cent of the debts of 35 of the world's poorest countries; reforming trade, transparency and anti-corruption laws; nearly doubling smart aid to Africa; and scale-funding tried-and-tested interventions to fight HIV/AIDS, tuberculosis, malaria and child-killing diseases in the developing world.

One way to measure the outcome of these campaigns is to track the extraordinary drop in annual deaths from AIDS – by nearly 50 per cent – and in child mortality, with 3.7 million fewer children dying each year from preventable, treatable diseases in 2014 compared to 2000. That's about 10,000 fewer children dying every day.

We've campaigned for these global social change policies by applying a sort of 'secret sauce' – a rough recipe we've dubbed the "4Ps". It is outlined here in the hope that it spurs more analysis of a dangerously under-studied subject: what makes effective advocacy.

#### **P1: policy that is evidence-based**

It is revealing how many campaigns avoid disciplining their approach by not assessing what works and what doesn't. Organisations must test firmly held beliefs with evidence by building a sound network of relations with both think tanks and implementers.

For example, when we worked on debt relief, we backed a successful pilot project in Uganda. When we worked on AIDS treatments, we campaigned for the scaling up of pilot programmes run by Médecins Sans Frontières and Partners In Health, who helped people living with HIV in resource-poor settings adhere to complex drug regimens. Right now, we're campaigning for funds for Gavi, the Vaccine Alliance, which

invests in vaccines tested with support from the Bill & Melinda Gates Foundation.

These innovative partnerships to develop and enhance evidence-based policy tend to work best when the grassroots realities of citizens in the developing world stay central to the design. They must be treated as partners and clients to be served, not people to be patronised by overpaid experts flown in at considerable expense. Bono has labelled this evidence-based activism as "factivism".

#### **P2: politically non-partisan**

Second, in a democracy at least, you need to deal with power directly – whoever yields it. Lefty activists: that means you have to hang out with people on the Right. To those on the Right: you, too, have to deal with the other side; you must listen to their ideas and policy proposals. And you know what? Sometimes their ideas are better than yours.

When this strategy delivers compromise between the two sides, the resulting policy is usually politically longer-lasting. Examples include the US President's Emergency Plan for AIDS Relief, the UK's historic commitment to 0.7 per cent of gross national income on foreign assistance, and the original Heavily Indebted Poor Countries Initiative.

These programmes stick around and build a foundation for further improvements because of broad, carefully constructed, global coalitions between governments, faith groups, activists, corporates and foundations. This approach doesn't mean you shouldn't challenge power – you must. But it does demand an end to endless oppositional point-scoring.

Being non-partisan demands some pragmatism, by which ONE means the ability to accept incremental progress. This is often a natural result of working within political realities and the grubby business of doing deals. Imagine this: a politician starts listening to your campaign because he's read about it in the papers and received a ton of mail. He calls you into his office and wants to do a deal: "I'll promise to do 62.3 per cent of what you're demanding, and you have to praise it as if it's 100 per cent."

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This is a very good development – it means you’re in negotiation. But who are you to strike the deal? What gives you the legitimacy to negotiate on behalf of millions of people who are thousands of miles away? And what is the right compromise? These are painfully difficult questions to answer. Unfortunately in any given year, most politicians can give you only a piece of what you demand. They actually don’t have much power.

The stunning realisation is that they need whatever political power and capital you have amassed through campaigning in order to get the issue through the political process – and a measure of your political power depends on how many people can be mobilised in support of the issue you’re working on. That is the source of political legitimacy. That’s where the third P comes in.

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### ***As Bono has put it: “Celebrity has currency, and I want to use that currency wisely”***

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#### **P3: public pressure**

Smart policy ideas and adept political inside manoeuvring only get you so far. What’s key is broad-based public support, plus the proven ability to mobilise support in key constituencies, at short notice and in key moments within the political process.

New technologies and social media have, on many levels, made this much easier – note the millions of people we signed up to our recent Poverty is Sexist campaign in 2015; the hundreds of thousands our partners at Global Citizen mobilised to harangue the White House on aid levels to the poorest countries; and the millions that Change.org, Avaaz and others regularly incite to action.

But disintermediation of the media has also made it harder to reach huge audiences. This suggests the mass movements of the future must be more about building alliances between smaller, single-issue

campaigns. This is complex but doable – Change.org is nearly doing this – though it doesn’t deliver the amassed members all at once.

To achieve this still requires a lot of organising and political negotiation, for which no amount of new tech and social media can substitute. But these old-fashioned skills are at risk of under-investment in terms of both time and money. One means of quickly overcoming media disintermediation is through harnessing the power of celebrity and popular culture – the fourth P.

#### **P4: popular culture**

We’ve done this countless times since Drop the Debt in the late 1990s. The Global Citizen and Poverty is Sexist campaigns are, right now, experiments in the same vein. It works. To take your boring but important proposal (and trust us, few things are as dull as developing-country debt ratios...) and make it big, you have to find a way to put it into the primetime spotlight. That often requires the sugar-coating of celebrity endorsements. Sorry.

Busy politicians pay much more attention when they are either going to get public credit for responding to your campaign, or fear public criticism for not doing so. Praise or criticism is delivered through the media and, today, through social media. So one tactic is to coat the policy substance with celebrity, thereby shifting it from the margins into mainstream. Some find this approach appalling. They argue that we should do the right thing because it’s the right thing to do, not because it adopts a pop culture gloss. But we have to start where most people are: on YouTube, Twitter, Instagram, or bingeing on games like *Clash of Clans* or hit TV shows like *Game of Thrones*. We must engage there and offer to take them on a journey.

For example, hundreds of thousands joined ONE when Brad Pitt asked them to do so in an ABC interview with Diane Sawyer after a trip to Africa. Many of those who joined then – some probably as a result of their interest in a media personality – are today regularly taking action on corruption in the oil and gas sector, and the lack

of electricity in rural Africa. That’s quite a journey from where their activism started. As Bono has put it: “Celebrity has currency, and I want to use that currency wisely”. Today of course you must court celebrities with massive social media followings – those who understand how to speak in direct, authentic ways that people can trust.

So there you have the 4Ps. We’ve found them effective. But I’ll let you into a secret. There is a fifth P: the prophetic.

This P embarrasses most of my colleagues but in the view of other campaigners, it is essential. By this P, I mean the fundamental values that demand we be better; that bring us out of the daily grind to ponder the demanding, complicated ideals of equality and justice. It doesn’t require an exclusively religious worldview.

At their best, organisations like ONE, Change.org and Avaaz – and movements like action/2015 – offer members a sense of purpose, connectedness and wellbeing that are grounds for optimism about the future of humanity. They help us express the better angels of our nature. This dimension needs to be nurtured to overcome everyday apathy. It needs to be harnessed to overwhelm the darker forces that drive young men and women to join extremist groups and commit horrific acts of terror.

Our humanity faces an imminent choice. In 2015, world leaders fitfully agreed a roadmap on poverty reduction and sustainable development for the next generation. There is great opportunity and great jeopardy before us all.

For example, by some projections the world’s population is set to grow to more than nine billion by 2050. Two and half billion of these people will be in Africa, which will host 40 per cent of the world’s youth by then. This youthful energy could be a fuel for a stable, prosperous global economy, or it could prove an explosive mix for all the world’s inhabitants if their aspirations are thwarted by corruption, disease and environmental degradation.

These obstacles can be overcome, but only if we deploy and iterate the social change strategies considered here. Only then can we build the accountability movements required to ensure that the global





© Partners In Health/Elena Devyashina

▲ An HIV sufferer receives antiretroviral therapy pills from a Partners In Health (PIH) nurse in Tomsk, Russia. Pilot programmes run by MSF and PIH are a good example of how evidence should shape policy

goals to fight poverty, inequality and climate change are actually implemented.

There are steps that can be taken to scale social change advocacy of the kind outlined by the 4Ps. First, philanthropists must be less timid and fund more risky advocacy of this kind if they are serious about the change they wish to see in the world.

Second, the entertainment industry must be courted more deliberately and intelligently. Imagine a short MBA on world affairs for jaded Hollywood (and Nollywood and Bollywood) executives. Or Red Nose Day-type telethons in key emerging markets like Nigeria, Tanzania, Ghana and India,

connecting the burgeoning middle classes with their country's poorest, mediated by the power of their own celebrities and vernacular popular culture.

Third, we need to address the data crisis in development policy. We need a more efficient system to facilitate rapid feedback from the field about which policies and interventions are working and which are not. Today, one third of births and two thirds of deaths in the world aren't registered and datasets on extreme poverty are often a decade or more out of date. And this data crisis is sexist: the data is particularly bad or absent when it comes to the poorest women and girls. This is ironic because usually, interventions tailored for them are the most effective. These unnecessary inefficiencies urgently need addressing.

Finally, we need clarity in annual campaigning purpose. According to research conducted by the Bill & Melinda Gates Foundation, there are over 50 million citizens in Organisation for Economic Co-operation and Development nations who want to take action on global social causes, but don't because they are not sure what to do or whom to trust.

Given the impact their support could have on the challenges faced by the world, this is a tragedy. And there are hundreds of millions of people in the developing world who want to do the right thing too.

By harnessing the power of the 4Ps we can build effective, informed movements to help people everywhere influence policy – and ensure promises are kept. ●



# Cementing political accountability

*How can communities ensure that their political decision-makers make good on commitments to turn the SDGs into reality?*





By **Mark Goldring**, CEO, Oxfam GB

**F**or the first time in history, world leaders have signed up not just to reduce but also to eradicate extreme poverty and hunger. After years of negotiations over the global Sustainable Development Goals (SDGs), all of us involved in the fight against poverty are



now wrestling with how such lofty ambition can be turned into reality.

As the old adage goes, where there is a will, there is a way. So campaigning organisations often turn to political will as the magic ingredient that will ensure their ideas get pushed from the lobbying table to government policy – and then into action. Indeed, many of the reactions following the Sustainable Development Summit last September referred to the need now for political will to deliver.

### **Celebrating the SDGs**

The SDGs need to succeed: they go beyond ‘band aid’ solutions and look to build inclusive and sustainable economic foundations in ways that respect the planetary boundaries. Importantly, the SDGs are for every country, placing obligations on rich industrialised nations over and above the provision of aid.

Worth celebrating also is the standalone goal on reducing inequalities between and within countries. While it was a contentious issue in the course of the negotiations, this goal is no optional extra. Oxfam’s analysis of World Bank data shows that an extra 200 million people will remain trapped in extreme poverty by 2030 unless poor people’s incomes grow faster than those of the rich. If, as a world, we won’t live with poverty, then we can’t live with extreme inequality either.

### **Political appetite**

Of course, the political appetite for the SDGs that was so evident in September was important. The fact that the UN had never played host to so many heads of state at once was good news – and not just for the New York limousine companies. The months of painstaking intergovernmental negotiation that delivered the SDGs provided them with legitimacy and engendered a sense of ownership from all countries that was not present during the early years of the Millennium Development Goals.

But to turn the SDGs into reality requires many more questions to be asked than

simply: “Do political leaders really want to do this?” We need to ask what happens when the political will to implement the SDGs is put into conflict with other (and more immediately pressing) political concerns: the desire to win votes or political support from groups of people whose vested interests need to be challenged, for instance. Then there is the question of how effectively political leaders can assert their will over institutions beyond their direct control – multinational companies, for example.

More fundamentally, political will is a rather top-down concept, relying on the personal conviction of those in power. The will to implement the SDGs – or any other political goals – is not automatically transferred when the reins of power change hands.

Political will seems important, then, but not sufficient. It is *accountability* that we should be cementing as we move into the implementation period of the SDGs.

### **Cementing accountability**

To reach the poorest communities, the SDGs must gain traction in influencing developing-country budgets and policies. This will require a certain amount of peer pressure. Already in New York, some ‘vanguard’ governments (Colombia, Gabon, Indonesia) were talking about internalising the SDGs in domestic processes. They could be effective sources of pressure on their neighbours and others to follow suit. The role of the UN is to ask what peer-to-peer recognition or accountability moments could be created to reward progress and censure laggards.

The national media is always a good source of internal pressure on decision-makers. In which case the most helpful thing for the architects of the implementation process to ask is what sort of data or mechanisms could make SDG delivery a ‘story’. Following the lives of children born in 2015, for instance, might add a human face to the project. At a minimum we need comparable and tangible data across countries, allowing the media to compare results between nations (the way we in the UK are always told our children fall behind in maths compared to Korean or Chinese students).

◀ New York, 25 September 2015. To cheers and applause, the 193 member countries of the UN General Assembly adopt the 2030 Development Agenda



© UN Global Compact/Andres Wong

Civil society is going to be crucial in accountability, and will have a greater tolerance than the press for championing the less popular or media-friendly of the SDGs. But civil society is experiencing a closing of its operational space in many countries. The UN Secretary-General should clearly and unequivocally state that civil-society participation is an integral part of delivery.

### Accountability in the UK

The SDGs are universal. They require rich countries to develop, or grow, differently too. In the UK this means not just aligning the work of the Department for International Development (DFID) with the SDGs, but also implementing the goals for the UK public, and ensuring that UK policy beyond DFID has a positive global impact – across trade, tax, climate change and defence, for instance. That the SDGs themselves are still largely seen as being ‘for poor countries’ doesn’t help if they are to be used to hold a wider set of Whitehall departments to account.

Leadership from the top will be important; the Prime Minister was a great champion of the SDGs process and should ensure the drafting of a holistic sustainable development strategy for the UK. Domestically, political traction could depend on whether UK poverty groups take up the SDGs as a tool, or on whether processes

▲ Lise Kingo, Executive Director of the UN Global Compact, addresses the annual board meeting. Organisations like the UN Global Compact can be an effective conduit for engaging the private sector

within the UK Parliament (and national governments, since sustainable development is a devolved issue) can be established to scrutinise such a strategy as a whole.

Effective pressure is also likely to come from poor-country governments themselves. A universal set of goals provides a tool for their efforts to hold rich industrialised countries to account on issues of global economic justice such as tax.

### Influencing the private sector

At the UN summit there was a great deal of celebrating and encouraging further involvement of the private sector. This section of the economy has always had a role to play in development, but the willingness from some companies to be part of an agreed framework is welcome.

The first step in delivery will be to help companies gain a good understanding of the impact of their operations on the lives of people living in poverty. Oxfam has worked with the UN Global Compact to develop and launch an enhanced version of our poverty footprint methodology as a tool to help companies align their work with the SDGs.

Second is the importance of leadership. There were some clear champions of the SDG process in New York – Paul Polman of

Unilever, for instance – and their leadership in reporting and assessing themselves against SDG outcomes could be exemplary, as well as serving to demonstrate the benefits to core business.

And third, there is perhaps scope to translate the SDG outcomes into the language of risk, which may work to influence corporate behaviour or the behaviour of investors.

Cash-strapped governments are understandably keen to attract more private-sector involvement and finance in development. By the end of 2015, the amount of aid flowing into the private sector is expected to exceed \$100 billion, equivalent to almost two thirds of overseas development aid. Governments spending this money have a responsibility to ensure that such projects are well designed, with clear poverty-reduction objectives shared by all parties, transparency and the involvement of local people.

### Finding the cash

Finally, no amount of reporting or accountability will see the SDGs succeed if the trillion-dollar question of who will foot the bill is not addressed. The UK remains commendably stalwart in delivering its aid promise, but other donors are cutting back. As we saw in the Financing for Development Conference in Addis Ababa, there is little appetite among rich countries to address the structural reforms, such as a truly inclusive process of tax reform to benefit rich and poor countries alike, that are needed to underpin a new set of goals.

The SDGs provide the scale of ambition we need to see for a much better world for all. Political appetite to make them succeed is a necessary starting point, but Addis showed us that good will can crumble at the first serious hurdle. We need to do all we can to create alternative pressures and accountability moments on governments, companies and other actors.

This will be no linear, project-management style process of delivery. As my colleague Winnie Byanyima said in her address to the UN, the path to the end of poverty must be tangible, political and disruptive. The real work starts now. ●



# People power

*How can civil society gain more influence in the policy-making process for achieving a sustainable future?*

By **Nicholas Alipui**, Director and Senior Adviser on the Post-2015 Development Agenda, UNICEF; **Emine Isciel**, UN & Intergovernmental Affairs Officer on the Post-2015 Development Agenda, UNICEF; and **Naiara Costa**, Advocacy Director, Beyond 2015

**F**or the past three years the international community and stakeholders around the world have been engaged in negotiating

a new global development framework to eradicate poverty and promote sustainable development. This new agenda – titled *Transforming our world: the 2030 Agenda for Sustainable Development* – was officially adopted at the UN in September 2015 with an impressive outpouring of international goodwill.

With its 17 Sustainable Development Goals (SDGs), the new agenda is an interdependent and multi-dimensional

tapestry that defines a vision of how the world should look in 2030. Unlike its predecessor, the Millennium Development Goals – which were created without the involvement of governments and, most importantly, the people themselves – the post-2015 process has borne witness to a shift in partnership between governments and civil society, children and youth, and other stakeholders that connected across the three dimensions of sustainable development to create the new agenda. (In this article, we use the broad terminology of ‘civil society’ and ‘other stakeholders’ to go beyond non-governmental organisations and include the private sector, local authorities, trade unions, people with disabilities and others.)

▼ Post-2015 consultation with Northeast Region communities and UNDP partner NGO Movimento Nós Podemos in Paraíba state, Brazil



### An agenda by and for the people

From this perspective, Agenda 2030 is regarded as the most inclusive intergovernmental policy process so far in the history of the United Nations. This outcome has been the result of the significant role played by civil-society organisations in the actual negotiations and in helping shape the new agenda. It reflects the fact that the social, economic and environmental constituencies are starting to approach development together, increasingly turning to the 'local' to create space for different groups of citizens to participate and organise for political change.

However, serious gaps remain. The new model must be implemented in a way that does not downplay questions of power relations and sources of capacity for civil society to participate and organise for political change at global level. Drawing lessons from the process that led to Agenda 2030 and using evidence of practice, we highlight below tools and spaces that generate more meaningful participation. Attention is drawn to both opportunities and obstacles that are determined by an external environment (structure) and movements organising strategic efforts (agency).

The intergovernmental process that created Agenda 2030 was open to civil-society participation in all its phases. The first phase focused on producing the goals and targets, for which an Open Working Group (OWG) was established. The OWG met from 2013–14 in sessions that were open to civil society. Specific spaces were established for civil society to provide input during official sessions and through online platforms. At the same time, the My World Survey mobilised seven million people to vote on what would make the most difference to their lives.

Similarly, the report of the UN Secretary-General's High-Level Panel on the Post-2015 Development Agenda included consultations with civil society.<sup>1</sup> There was also a series of national, regional and thematic consultations that welcomed inputs from civil-society experts and other stakeholders. The final phase of the process, from January to July 2015, was held with civil-society participation in all plenary sessions.

The co-facilitators ensured the engagement of relevant stakeholders by convening interactive dialogues throughout the process.<sup>2</sup> These structured dialogues enabled many groups to directly influence the development of the goals, targets and the final outcome document. It is important to recognise that organisations with resources to send representatives to New York had higher chances to act successfully. Nevertheless, access to draft negotiation documents, the webcast of plenary sessions, the use of social media and other spaces created by the UN Department of Economic and Social Affairs and the UN Non-Governmental Liaison Service facilitated the participation of those who were not in the negotiation room.

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### *Empowerment was regarded as a crucial tool to enable meaningful participation*

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Unfortunately, the rhythm of the negotiations and lack of translated documents beyond English generated challenges for the wider engagement of civil society, especially from developing countries. It also became evident that the presence of informal channels and relationships were crucial to influencing deliberations. Although a more formalised structure for participation is useful in addressing some of the current obstacles to civil-society involvement in global governance, the official space for participation was not always sufficient. Nor was it always the most efficient for influencing deliberations and language suggestions.

Influencing power was also connected to stakeholder ability to shape decision-making through informal channels and the ability to leverage own organisational structures for support. This constituted one of the weaknesses of the consultative process facilitated by the UN. One of the key global dialogues was on Participatory Monitoring for Accountability, which

aimed at showcasing examples of good practice at country level to feed into the Means of Implementation section of the outcome document. Although much effort was put into this year-long consultative process, the lack of watchdogs at the global level hindered the efficient integration of recommendations.

Lessons learned from the process show that to influence decision-making, civil-society groups needed to recognise that an intergovernmental process demands a different set of skills and resources than a national process. The expert level of input needed – meaning language and textual recommendations fit for an intergovernmental process – produced some challenges for civic engagement, especially for grassroots organisations. While various groups may have previously utilised the UN as a global forum to call attention to particular agendas, the focus had to shift towards influencing official deliberations.

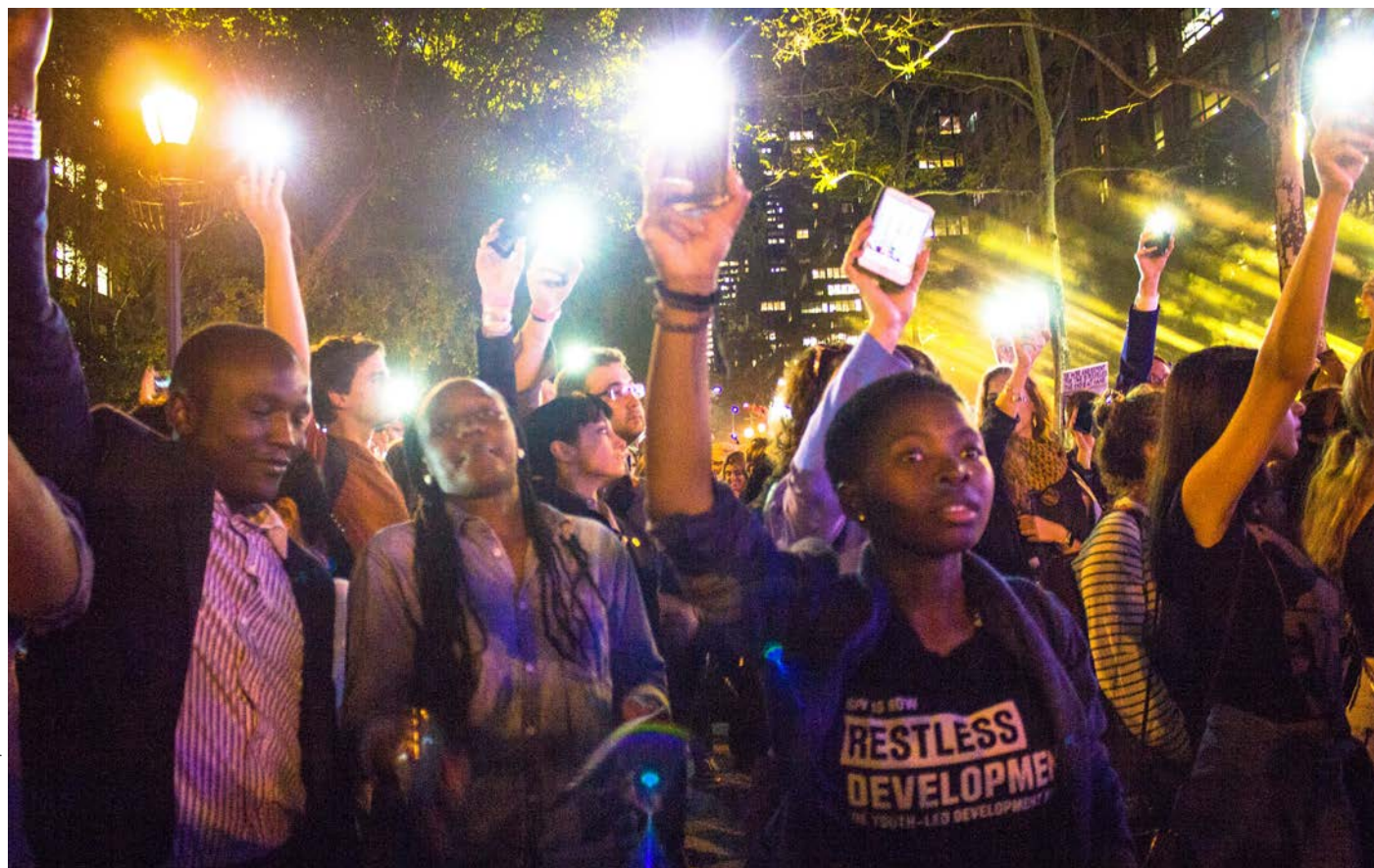
As a result, civil-society organisations undertook intense internal capacity-building efforts throughout the process. They eventually learned to frame messages and proposals in formats that could be considered by delegates and gained more sophisticated understanding of both process and negotiation language. Governments, on the other hand, often turned to civil society and read their reaction papers and analysis to fill research gaps that stood in the way of effective decision-making.

### The case of Beyond 2015

A global civil-society campaign, Beyond 2015, brought together more than 1,500 civil-society organisations from over 140 countries, focusing its work strongly on advocacy around the post-2015 process.<sup>3</sup> Common positions were developed for each phase of the negotiations, sometimes with inputs from more than 60 civil-society organisations covering the full agenda.

When developing common positions, language barriers and low internet connectivity proved to be challenging. To overcome these obstacles, the campaign facilitated communications in several languages, set up online spaces for discussion and updates and actively used social





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▲ 'Light The Way' march in New York on the eve of the Sustainable Development Summit, one of many marches held worldwide. The SDGs have been a turning point for civil-society participation in UN action

media for engagement. Empowerment was regarded as a crucial tool to enable meaningful participation. Capacity-building efforts were made to strengthen dialogue between local civil-society organisations and their country delegates, including facilitation of participation from the South. Still, the pace and amount of information shared with colleagues at the national level was identified as a challenge for some organisations, especially the small ones that did not have dedicated staff to follow the discussions.

Those challenges were not unique to Beyond 2015; other groups and constituencies experienced similar issues. However, all these tools and spaces created by Beyond 2015 enabled the campaign to keep its members informed about the intergovernmental process – its phases, key

issues and country positions – in a way that kept local and regional actors mobilised and ready to engage. The capacity to coordinate at different levels – national, regional and global – was key to giving voice to civil society and grassroots movements and to help bridge the gap that often exists between capitals and New York.

### **Maintaining and increasing engagement**

The process that led to the agreement of Agenda 2030 combined a high level of interest from governments, the UN system, civil society and other stakeholders with an unprecedented open intergovernmental process at the United Nations. Civil society and stakeholders used the opportunity to provide expert input to discussions, although with varying degrees of capacity and impact. The complementary character of structure and agency to understand meaningful participation is crucial.

Although the development of a structure for civil-society engagement in international

decision-making is necessary, acting successfully to influence deliberations cannot solely be understood as a product of participation in formal intergovernmental mechanisms. Influencing power is also connected to stakeholders' own strategic efforts.

The challenge of maintaining this level of inclusion, transparency and participation through implementation and follow-up and review of Agenda 2030 remains.

At the global level, the High-Level Political Forum (HLPF) is the space for interaction and follow-up. Agenda 2030 is clear on the call for inclusivity and engagement but the details have yet to be established. The 2016 session of the HLPF, to be held in June/July, will be a critical milestone in this regard. ●

- 1 [www.post2015hlp.org/](http://www.post2015hlp.org/)
- 2 [www.un.org/en/development/desa/development-beyond-2015.html](http://www.un.org/en/development/desa/development-beyond-2015.html)
- 3 [www.beyond2015.org](http://www.beyond2015.org)





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## A UN fit for purpose?

*Will the UN be able to deliver on the ambitious global development agenda set for the next 15 years, or does the world need a new breed of organisation to promote international cooperation?*

By **Stephen Browne**, Senior Fellow, and **Thomas G. Weiss**, Presidential Professor of Political Science and Director Emeritus at the City University of New York Graduate Center's Ralph Bunche Institute. Both are co-directors of the Future UN Development System Project

**T**he path to consensus among UN member states is to ensure that all their respective interests are included, along with those of multiple lobbying groups and advocates, as well as every UN development organisation. If one locks national and agency representatives in





◀ Damascus following what was said to be airstrikes and shelling by forces loyal to Syria's President Bashar al-Assad. The scale of suffering caused by the war is seen by many as a glaring symbol of UN impotence and failure

or climate change. The number of targets is so numerous that no country will be able to adopt all.

An exception is Goal 16 that, in acknowledgement of what is considered the main engine of development progress, deals with aspects of national governance, which include building strong and inclusive institutions, promulgating the rule of law, respecting rights and reducing corruption and “all forms of violence”.

Another exception is Goal 17 that concerns the “means of implementation”, which contains some general statements acknowledging that the goals will necessitate substantial new resources for their realisation. A central problem, which is especially pertinent for Goal 16, is that the last two umbrella goals shelter a large number of issues dear to the West and contested by many countries of the Rest.

### “The world we want”

If suitably adjusted to include realistic targets, if a proper monitoring system is put in place, and if adequate resources are available – obviously, some very big ‘ifs’ – this complex agenda is supposed to capture what UN publicity trumpets as “the world we want”. It will certainly play a role, although the goals do not encompass international terrorism, forced migration, cybercrime, capital flight, post-conflict reconstruction and other crises that undoubtedly will engulf the UN.

This agenda nevertheless constitutes a gigantic challenge to the UN development system on which successful implementation will at least partially depend. But what constitutes this system, and is it up to the job? In short, and as our Future UN Development System research project asks: what is the UN we want?

It is certainly not the world organisation that we have. The UN needs to be fitter-for-purpose if it is to be a useful partner in the post-2015 era. But unlike most public organisations, there are no incentives to pursue cost-effectiveness because member

conference rooms for two years, perhaps survival and a race to the bottom is not a bad result. Seventeen development goals and 169 explanatory paragraphs (with at least as many targets) resulted from the largest gathering ever of presidents and prime ministers – and a moral flogging from Pope Francis – at the UN summit of September 2015.

The outcome was *Transforming our world: the 2030 Agenda for Sustainable Development*. Optimists called it “aspirational” and “welcome idealism”, whereas an unkind William Easterly suggested a different meaning for the SDG acronym: “senseless, dreamy, garbled”. All too often the problem

with UN deliberations is that process is more important than product; getting to an agreed text is a sufficient criterion for success, however lacklustre the result.

Our view is close to *The Economist*’s, which aptly characterised an earlier draft as “something for everyone has produced too much for anyone”. Among the first seven goals, there is a restatement and a further elaboration of most of the unrealised Millennium Development Goals (MDGs). And because ‘sustainability’ is UN-speak for environmental management, the majority of the 17 goals are wholly or partially concerned with managing resources, energy

states are either the UN's interested patrons or its patronised partners.

There have been serious debates but only half-hearted efforts at reform, including the 2006 'Delivering as One' initiative. But astonishingly, the most serious scrutiny of the overall shape of the system took place in 1969, and we could do far worse than revisit the recommendations of that 'Capacity Study', spearheaded by Sir Robert Jackson.

While the importance of the world body in helping to confront a growing litany of global challenges has never been greater, the UN has never been more disjointed or demoralised. UN lifer and former Under-Secretary-General Dame Margaret Joan Anstee has lamented that after four-and-a-half decades, the Capacity Study remained "the 'Bible' of UN reform because its precepts are lauded by everyone but put into effect by no one".

In light of the sorry record, the discouraged reader may very well be tempted to ask whether the system is actually capable of fundamental change. We have been asking that question in a series of public opinion surveys over the last four years among people worldwide who support and are usually familiar with the UN's work. Samples in the United States and elsewhere would undoubtedly be more indifferent and probably more hostile towards the very

## *Whether the UN's development glass is half full or half empty, clearly there is very substantial room for improvement*

notion of international cooperation and the role of the UN system.

However, a large majority of informed respondents in the latest global expert survey of December 2014 were optimists (77 per cent) who maintained that the system could change, while only a quarter remained pessimistic (23 per cent). The proportion of pessimists was smaller among emerging powers (15 per cent) and larger among developed countries (31 per cent). Over the years, voices from some 10,000 citizens (two thirds from the global South) have also identified possible directions for UN reform, with more optimists than pessimists.

Rankings of individual organisations have shown very wide ranges of perception of both relevance and effectiveness. An informed global expert public has called for the merger of many overlapping UN organisations – how could it be otherwise? For the system as a whole, the most urgent and doable changes are to modernise

business practices, expand partnerships with other development organisations and clarify the relationship with the Washington-based financial institutions.

The views in the global South about the urgency of UN reform are often more strident than those in the North, although the support for a world organisation and UN system with less state control and more norm-making and operational autonomy are equally feeble.

### **Coalitions of the willing**

Whether the UN's development glass is half full or half empty, clearly there is very substantial room for improvement to get the UN we want, for the world we want – or even for the world that we have.

At the global level, the importance of having a system is nowhere more evident than in the UN's attempts to face up to major longer-term development challenges. If the UN is to have an impact in improving the planet's environmental management, climate change, food security, migration and many other issues, it requires marshalling 'coalitions of the willing' of different organisations within its own development pillar (technical, normative and operational).

In spite of their obvious shortcomings, the Sustainable Development Goals provide a framework for an ambitious development agenda for 2016-30 with appropriate leadership. They contain the vocabulary to advocate for sensible priorities and sequencing for concessional finance and investment.

This publication coincides with the beginning of a renewed development agenda and with the last year of current Secretary-General Ban Ki-moon's tenure. One of his legacies, seemingly, will have been to preside over the continuing decline of the UN's development system. Inertia will not be a viable organisational strategy for the next Secretary-General. We clearly require a different UN development system for the world we want. ●



© UNICEF/Zaidi

◀ Nomadic children in Balochistan, Pakistan are vaccinated against polio as part of a nationwide UNICEF programme. UNICEF has received high approval ratings for relevance and effectiveness in global expert surveys



We  
the  
peoples  
of the  
United  
Nations  
determined  
to save  
succeeding  
generations  
from the scourge  
of war, which  
twice in our lifetime  
has brought untold sorrow  
rights, in the dignity and  
women and of nations large  
which justice and respect  
sources of international  
progress and better standards  
of life in larger freedom,  
and for these ends to practice tolerance  
and live together in peace with one  
another as good neighbors; and to unite our strength to maintain  
international peace and security; and to ensure, by the acceptance of  
principles and the institution of methods, that armed force shall not be  
used, save in the common interest; and to employ international machinery  
of all peoples, have resolved to combine our efforts to accomplish these aims  
for the promotion of the economic and social  
advancement

We the peoples

# Leading the change

*The new UN Secretary-General, to be appointed in 2016, will play a pivotal role in how the organisation tackles global challenges. With so much at stake, how can the UN ensure it gets the right person for the job?*

By **Nina Hall**, Post-Doctoral Fellow, Hertie School of Governance, and **Ngaire Woods**, Dean, Blavatnik School of Government, University of Oxford

**T**his is a crucial moment for the United Nations. In September 2015 world leaders met at the UN in New York to launch the Sustainable Development Goals (SDGs) and focus world attention – and financing – on addressing these critical challenges. And in December 2015 world leaders met in Paris to forge a new, more effective and durable climate agreement. These are opportunities for the UN and its member states to address global problems. But 2015 was also a time of reflection for the UN: it celebrated its 70th birthday on 24 October and is now looking for a new Secretary-General to carry forward these goals and identify the UN's role in this changing global context.

## *An effective international leader can frame and propose actions that lie beyond any individual government's interests*

Reforming the UN has long been discussed. Its funds, programmes and agencies are often criticised for being too slow and mired in bureaucracy. The UN Security Council is often blocked by disagreement within the Permanent Five, or P5 (China, France, Russia, the UK and USA), each of whom have an effective veto. Member states burden the UN with new mandates every year, but seldom give it adequate resources to perform these additional tasks. The selection of the new Secretary-General, which will take place over the coming months, is an opportunity to strengthen the capacity of the UN to deliver on the SDGs.

However, the current selection process for the Secretary-General is surprisingly opaque and is closely

controlled by the P5. In the past, the Security Council has selected a single candidate and recommended them to the UN General Assembly. There has been little opportunity for most states to interact with the candidates or influence who should be selected. On this basis, we would expect the General Assembly to approve a compromise candidate who has emerged from P5 negotiations.

Change may be in the offing. On 11 September 2015, a resolution was issued by the General Assembly urging reform of the current selection process. This was partly the result of months of pressure by UNA-UK and other civil-society organisations acting through the *1 for 7 Billion* campaign.<sup>1</sup> Member states have now agreed to new selection criteria for the position, including: “proven leadership and managerial abilities, extensive experience in international relations, and strong diplomatic, communication and multilingual skills.”

They also called for informal dialogues or meetings with candidates in the General Assembly and encouraged states to present female candidates. At least three may be in the running: Irina Bokova from the UN Educational, Scientific and Cultural Organization; Helen Clark from the UN Development Programme; and Kristalina Georgieva from the European Commission. In addition, the resolution urged the Presidents of the General Assembly and the Security Council to issue a joint letter to formally start the process and to circulate information about all candidates on an ongoing basis. This is now underway.

### **Beyond selection**

Further pressure will be needed to ensure the UN is led in a way that will deliver on the SDGs. A new report issued by the World Economic Forum (WEF) and the Blavatnik School of Government at Oxford University highlights lessons about effective leadership in international organisations. Drawing on practices at 11 organisations, the report underscores how seldom the leadership search is conducted on the basis of specific, relevant competencies, tested against clearly defined





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criteria. More often, backroom deals are made among governments. Yet the pressure on the UN is part of a new trend. Just last year, the African Development Bank (AfDB) held competitive elections for its President. All candidates were profiled on the AfDB website and nomination forms and voting procedures were made publicly available online. At the end of 2015, a civil-society organisation, the International Council of Voluntary Agencies, sought to solicit interviews and profile candidates for the post of UN High Commissioner for Refugees.<sup>2</sup> The demands of the *1 for 7 Billion* campaign and the recent UN General Assembly resolution are positive steps towards openness and transparency.

The WEF-Blavatnik report goes beyond the selection process to highlight other ways to ensure (and test) ongoing effective leadership. Annual evaluations of performance are important, as are clear strategic goals and operational plans set by the leadership. For instance, the Managing Director of the International Monetary Fund has been evaluated annually by its board since 2009, based on agreed performance objectives. Interestingly, the Managing Director also assesses the executive board's

performance. In 2008, the current UN Secretary-General Ban Ki-moon established senior managers' compacts for many senior UN officials. These compacts, or agreements, outline the roles of UN department heads, who must report on how they are spending their budgets in relation to programme objectives. UN senior officials are also reviewed on how well they promote gender diversity. It would be timely to ensure that the next Secretary-General is also held accountable for his or her performance.

Another key element of good leadership lies in agenda-setting and innovating. An effective international leader can frame and propose actions that lie beyond any individual government's interests. For example, Dag Hammarskjöld expanded the Secretary-General's 'good offices' function. Kofi Annan brokered a groundbreaking deal with pharmaceutical companies to widen access to HIV/AIDS treatment. An effective Secretary-General can advocate for issues and situations that are not P5 priorities, including using his or her power to bring any matter to the Security Council that threatens international peace or security.

▲ Former UN Secretary-General Kofi Annan addresses patients and medical personnel at a centre for HIV/AIDS in Madagascar. Kofi Annan's initiatives on HIV/AIDS demonstrate how an effective Secretary-General can broaden the scope of the UN beyond the priorities of the P5



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▲ Secretary-General Ban Ki-moon, with (from left to right) Christiana Figueres, Executive Secretary of the UNFCCC; Laurent Fabius, former French Foreign Minister and President-designate of COP21; and France's President François Hollande, welcomes the adoption of the climate agreement at COP21 in Paris. The role of Secretary-General is critical to achieving consensus in the face of competing national interests

Effective heads of international organisations can seize and shape the capacity of their agency to deliver by brokering new resources for the organisation and through engendering better staff recruitment, promotion and morale. The new Secretary-General can appoint (or not) effective and qualified personnel to key UN positions, and urge and support those leaders to apply clear meritocratic criteria in all appointments and promotions (and resist political pressures to do otherwise).

He or she could insist that member states wishing to add yet more mandates to the UN also remove an equal number of those that already exist. And in brokering new resources for the organisation, an effective Secretary-General will need to balance short-term infusions of cash for 'special projects' (and sometimes special interests) against his or her duty to strengthen the capacity of the UN to serve all its members.

The UN needs better leadership than ever before. In every part of the world, people are at risk from challenges that no government can resolve on its own. Citizens can be struck by infectious diseases such as avian flu, Zika and Ebola that require global cooperation to contain. Livelihoods have collapsed due to financial crises that began in other continents. Climate change will flood and render uninhabitable some parts of the world. Conflicts, such as those raging in Syria and Yemen, will require

global negotiations to be resolved and, in the meantime, will continue to force millions into refugee camps and into unsafe boats crossing the Mediterranean.

In a positive vein, leaders across the world have recognised many of these challenges and their own duty to deliver to people across the world on the 17 SDGs. The UN will need an outstanding leader to do this. He or she will need to lead an organisation created in a different context – navigating the rising power of China, Brazil, India and the continent of Africa, each wielding greater influence and creating their own new institutions, such as the new Asian Infrastructure Investment Bank. He or she will need to innovate, and work with a host of multilateral funds and foundations involved in providing global public goods, particularly in the areas of health (e.g. Gavi, the Vaccine Alliance, The Global Fund, Clinton Health Access Initiative, Bill & Melinda Gates Foundation) and climate finance (e.g. the Green Climate Fund, The Global Environmental Facility). In all of this, a well-led UN can learn from the experiences of other international organisations, and push towards more effective, innovative cooperation among states. ●

1 [www.1for7billion.org](http://www.1for7billion.org)

2 For more details see: <https://icvanetwork.org/5-questions-post-UNHCR>



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Published by Witan Media Ltd  
 The Leathermarket,  
 11-13 Weston St,  
 London SE1 3QB  
 Tel: +44 (0)20 3327 3730  
[www.witanmedia.com](http://www.witanmedia.com)



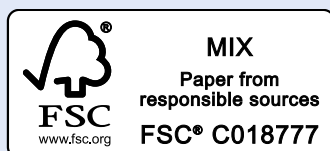
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Images: DFID, Getty Images, Millennium  
 Villages Project, Partners in Health,  
 Restless Development, Reuters, UN, UNDP,  
 UNHCR, UNICEF

Printed by: D2 Printing  
 ISBN: 978-0-9929223-7-5

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# About us

*The United Nations Association - UK (UNA-UK) is the UK's leading source of independent analysis on the UN and a vibrant grassroots movement campaigning for a safer, fairer and more sustainable world*

In 1945, the creation of the UN reflected the hope for a better future. Since then, UNA-UK has enabled ordinary people to engage with that promise, by connecting people from all walks of life to the UN and influencing decision-makers to support its goals.

Today, the need for the UN has never been greater. Thanks to the organisation, millions of people now live longer, safer and healthier lives. But many have been left behind. Far too many people still die each year from violence, disasters and deprivation. Human rights violations persist in all corners of the globe, and humanitarian emergencies are set to increase. War and persecution have forced more people to flee their homes than at any other time since records began.

These problems are not confined to one country. Nor can they be tackled in isolation. The UN is the only organisation with the reach, remit and legitimacy to address the challenges we face.

Last year, the UN demonstrated its ability to forge global solutions through two landmark agreements on sustainable development and climate change. Making these commitments count – for the world's most vulnerable people and for the future of our planet – will require global cooperation and public buy-in on a scale that transcends the buzzwords of “partnerships” and “engagement”.

UNA-UK serves as a bridge between governments, the UN and the public. We lobby for joined-up thinking on peace, development and human rights, and for strong action on climate change. We work with experts and practitioners to find new ways to tackle the challenges we face. Through education and training, we equip young people to play a role in international affairs. And by demonstrating why the UN matters, we encourage people to act on their responsibilities as global citizens. Our members and supporters multiply these efforts at the local level, and our sister UNAs around the world do so internationally. Together, we form a critical mass of support for a strong, credible and effective United Nations. ●

*To find out more and to join our growing movement, visit [www.una.org.uk](http://www.una.org.uk). If you are interested in working with us, please contact us on: +44 20 7766 3454 or [info@una.org.uk](mailto:info@una.org.uk)*



Front cover: Loading a traditional kiln at a brickyard in Rajasthan, India. The sizeable brick industry in India relies mainly on coal-fired kilns and heavy manual labour. Development should yield significant human, climate and environmental dividends – see Leo Horn-Phathanothai (p.80) on the need for developing countries to embrace the common ground between development and climate goals. © Reuters/Danish Siddiqui

# One Humanity, Shared Responsibility

The first-ever World Humanitarian Summit is a call to action by UN Secretary-General Ban Ki-moon to address the global challenges causing immense human suffering from conflicts and disasters. It will take place in Istanbul, Turkey, on 23–24 May 2016.

The Summit will bring together governments, the private sector, multilateral organizations, civil society, academia and crisis-affected communities in a united purpose.

**Together we can create a safer  
and more humane world.**

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