

PURPOSE



The 2030 Agenda for Sustainable Development constitutes a paradigm shift. It requires understanding and articulating a narrative around the meaning and value of sustainable development, how the Sustainable Development Goals (SDGs) interrelate across various sectors, and what it will take to achieve them.

Fundamentally, achieving the SDGs requires the active involvement of all stakeholders: the United Nations system, national, regional, and local governments, the private sector, civil society, academia and people at large. Success depends on pursuing a whole-of-government and whole-of-society vision with an eye to meeting the high ambitions and challenges of the goals. The UN system should be prepared to assist UN Member State in all aspects of this endeavour.

This SDG Primer aims to establish a common base of understanding and approach for the UN system in supporting the 2030 Agenda. It is primarily meant to inform, in broad terms, the programmes and actions of all UN entities, including their engagement with government and civil society partners.

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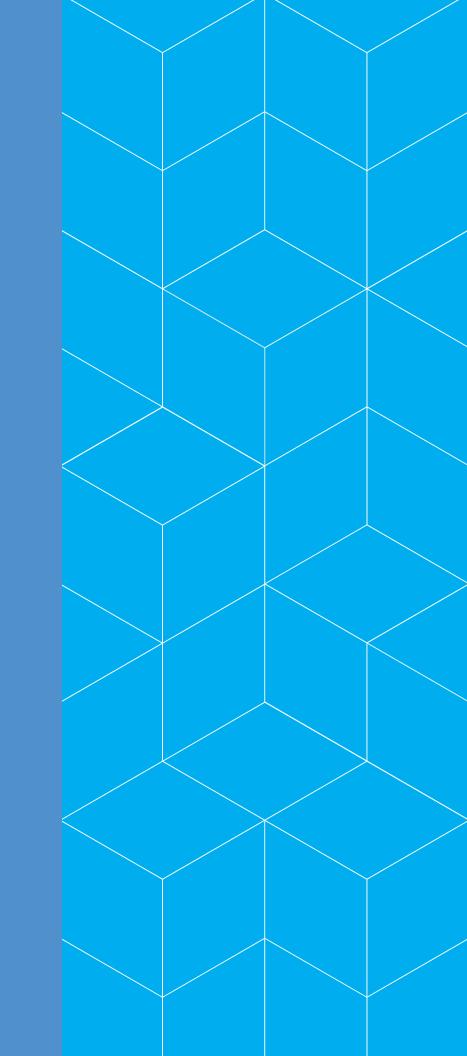
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PART 1: SUSTAINABLE DEVELOPMENT AND THE SDGs





CHAPTER 1: WHAT'S NEW ABOUT THE 2030 AGENDA AND THE SDGs?

The 2030 Agenda for Sustainable Development is a universal framework for action to end extreme poverty, fight inequality and injustice, and protect our planet. Every Member State of the United Nations signed on to this ambitious and transformative agenda, in recognition of significant, persistent challenges despite decades of growth and progress. With an unprecedented pace of change compounding these challenges and even creating existential crises, a common framework for fundamental, *sustainable* transformation and joint action is imperative. The adoption of the 2030 Agenda and its SDGs was in that sense a triumph of multilateralism.

Multilateralism and globalization have accelerated economic development over the past 40 years. National efforts and successes have been remarkable, and in some cases, unique, in human history. People around the world can be justifiably proud of achievements during the 15-year period leading up to 2015, when the Millennium Development Goals (MDGs) helped drive significant progress towards halving extreme poverty and realizing various key social priorities. Yet continuing and accelerating this momentum is not guaranteed. It is unacceptable that large numbers of people still live in poverty and hunger. Extreme inequalities and persistent poverty represent "last mile" challenges that economic growth alone will not easily remedy.

In addition, escalating threats can erode hard-won development gains, sometimes calamitously. The risks include rising levels of insecurity and conflict, the stark consequences of climate change and environmental degradation, and economic and financial volatility, to name a few.

Against this backdrop, the 2030 Agenda and its 17 Sustainable Development Goals (SDGs) set forth a high level of ambition: not only to finish the unfinished business of the MDGs, but also to pursue a broad, integrated approach to answering the biggest and most complex challenges of the 21st century, within a 15-year timeline. The Agenda calls for a fundamentally

different model of economic progress that is socially inclusive and environmentally sustainable. It emphasizes the roles not only of governments but also of citizens, businesses, civil society and others, where everyone is a shareholder in solving common challenges.

This primer explores the shift in the development paradigm embodied by sustainable development and the 2030 Agenda, and its complexities and breadth as represented by the 17 SDGs and their 169 targets and 232 unique indicators.

At its heart, the 2030 Agenda calls for a step-change in the **fundamentals of the world's economies.** This leads to progress for all people in a way that is inclusive and just, and that can be sustained over time and across generations. New pathways for sustainable and inclusive progress require systems thinking, which is why the Agenda includes the SDGs as an **integrated package**, i.e., interlinked across the economic, social and environmental dimensions of development.

A new generation of global and national approaches that build integrated policies to accelerate and sustain broadbased economic growth that benefits all peoples while respecting and regenerating planetary resources. It should support countries to invest in higher value added products and sectors, technology, a diversified economy and greater productivity, all of which should generate quality jobs and livelihoods (SDGs 7 to 15 highlight critical issues relating to such a transformation). Only then can countries meet the most pressing needs of their societies, including the eradication of extreme poverty (SDGs 1 to 6 reflect this social agenda and the human-centred approach to development required to underpin and accelerate sustainable economic growth). Finally, for the first time, the 2030 Agenda acknowledges the quantum leap required in the capacities, collaboration and resources for such a transformation to occur (SDGs 16 and 17 speak to the means by which social contracts are strengthened within and among States).

The Agenda's **universality** means that the SDGs apply to all countries and all peoples. In contrast to the MDGs, the Agenda is not a framework primarily prescribed for countries that are economically poorer or in crisis. It recognizes that universality is the only way to confront complex, interconnected and long-term challenges in an ever more globalized world.

The Agenda's rallying cry to **leave no one behind** reflects a sense of urgency. The benefits of globalization have significantly enriched a relatively small slice of the population. While many millions of people have been lifted out of extreme poverty, hundreds of millions of people remain extremely poor. The Agenda entails a commitment to the rights of all people, underlining interventions that identify, empower and support the most vulnerable, starting with those "furthest behind" first. This subtle but radical change to the development paradigm calls for stepping back from comforting averages and moving decisively towards identifying and closing gaps within the specific contexts of each country.

Strategies to reach the most marginalized and vulnerable will differ from broader strategies for a general population, and may be more expensive and difficult to implement. Systematically addressing exclusions that go beyond income and arise from discrimination, geography, governance, socioeconomic status, or shocks and fragility will help diminish the persistent exclusion of women and youth as well as persons with disabilities, the elderly, those who are forcibly displaced and many others.

Implementing the 2030 Agenda, given its focus on inclusive and peaceful societies, could significantly advance conflict prevention. With large segments of people and even entire countries being left behind, troubling patterns of violence and forced migration have emerged. Devastating new conflicts are erupting even as some existing ones seem intractable. With growing conflict and forced migration a real threat to the achievement of the SDGs, the United Nations has made a strong case for investing in conflict prevention. Realizing the goals will mitigate many factors widely understood to significantly enhance conflict risk, such as pervasive exclusion, weak state capacity and the multifaceted impacts of climate change. In the process, this will forge new, mutually reinforcing links across agendas for peace, sustainable development and human rights.

INTEGRATING THE THREE DIMENSIONS OF SUSTAINABLE DEVELOPMENT

A deeper look at SDG integration considers the myriad ways that pathways to different goals affect each other, positively and negatively. Integration calls for identifying and capturing synergies while managing trade-offs among goals and/ or targets. Tailored to specific contexts, such an approach can inform investment choices to accelerate simultaneous progress towards multiple SDGs. A range of policy tools will be required, encompassing regulatory, fiscal and other policies; planning and budgeting; institutions and political instruments.

Focusing on SDG integration necessitates a broad systems approach to development, over longer time horizons.

The goals call for thinking beyond a single development planning cycle to pursue solutions to today's most pressing problems while also building in strategies to tackle those that may be emerging. Urgently addressing immediate human development needs, for instance, can proceed in parallel with actions to slow climate change and build resilience to its impacts. Policies may last 10, 15 or 20 years, across multiple electoral cycles. National debate and eventual consensus within parliaments on urgent priorities for each country will be among the pillars of policy development.

The 2030 Agenda reflects agreement that social, environmental and governance considerations are good both for the world, and also for the economic bottom line. Greater sustainability can help businesses overcome global barriers to growth and deliver trillions in new market value, although it necessitates

disruptions to existing models in the largest sectors (e.g., energy, construction, transportation). Much depends on new economic models that transform patterns of over- and underproduction and consumption, so the Agenda works for everyone, now and in the future.

A shortcoming in previous development agendas was the insufficient attention given to development financing. To a significant extent, the 2030 Agenda marks an alternative investment agenda: Governments must mobilize and integrate additional resources from all available sources, public and private, domestic and international, and align these behind a sustainable development agenda. The allocation of investment will be critical, along with diverse partnerships to mobilize resources, including with businesses and philanthropies, given the volume of resources required.

Here are three instances of what new approaches to financing might look like:

- Mobilizing SDG investment through the alignment of a range of investment products with the goals. New infrastructure booms in green energy and climate change adaptation, at the scale required, will only be feasible through an innovative and ambitious mix of private, public and blended financing.
- Helping to bring small and medium enterprises and microenterprises into the formal economy through inclusive financial products and services: This will drive growth in domestic markets, while yielding greater tax revenues and expanding the national fiscal base.
- Mobilizing women and youth as investors, innovators and entrepreneurs.

The 2030 Agenda cannot be achieved by a narrow definition of development actors or even of government. The Agenda requires the mobilization of all sectors of government (the executive, legislative and judicial arms) and all parts of society, drawing on their institutional capacities and resources. This whole-of-society vision depends on a big step up in coordination and collaboration across agencies, programmes and policies, and across industries and sectors, both private and public.

Civil society was critical to the design and adoption of the SDGs, and continues to be key to implementation. Support for the important roles of civil society organizations could include strengthening the legal framework within which they operate, and investing in their capacities to participate in development, represent vulnerable and marginalized populations effectively, help implement the 2030 Agenda, and support monitoring and accountability.

A revolution in the collection and application of data will be imperative to prioritize the poorest, most vulnerable and marginalized communities and regions. Without high-quality, disaggregated data that provides accurate information on the right issues at the right time, it is virtually impossible to design, finance, monitor and evaluate effective policies. The data revolution offers unprecedented opportunities for action to



implement and monitor progress towards the SDGs, while also presenting challenges in terms of exclusion and marginalization.

The focus on integration in the 2030 Agenda depends on addressing complex development problems in countries at all stages of economic development, and at local, national, regional and global levels. **Cross-border and regional collaboration** will assume greater importance than ever before, requiring attention to capacities needed at different levels to take on the issues of the Agenda.

The 2030 Agenda defines fresh entry points for change and engagement, including through social entrepreneurship, philanthropy, finance, arts, peace movements, and research and academic institutions, hubs and networks. Expanding and fast-breaking **technological innovation** and communication offer tremendous scope to accelerate progress without further exacerbation of inequalities.

Ultimately, the achievement of the SDGs is a national responsibility. The United Nations has an important role in leveraging support to programme countries in their efforts to design the best strategies and plans to implement the SDGs. Efficient and effective support must be tailored to the needs of specific country situations, and carefully aligned with the contributions of all relevant partners from other multilateral organizations, civil society and the private sector.

CONVERGING COMMITMENTS

The 2030 Agenda represents the convergence of several major international processes: the MDGs, the series of UN conferences on sustainable development aimed at reconciling economic, social and environmental ambitions, and the advances made in the United Nations human rights framework during the last 70 years.

The 2030 Agenda goes together with the Paris Agreement on climate change, unanimously approved by States parties to the UN Framework Convention on Climate Change (UNFCCC) in 2015 just after the adoption of the SDGs. SDG 13 refers to the UNFCCC as the primary international, intergovernmental forum for negotiating the global response to climate change.

A number of other multilateral commitments serve as complements to the 2030 Agenda, such as the 2015 Addis Ababa Action Agreement on Financing for Development, the Agenda for Humanity of the World Humanitarian Summit, the Samoa Pathway for Small Island States and the Sendai Framework for Disaster Risk Reduction.

In representing the interlinkages among development, human rights, and peace and security issues, which are the foundational pillars of the United Nations, the 2030 Agenda stands for renewed commitment to people, prosperity, planet and peace through strengthened global partnership.



CHAPTER 2: WHAT SHAPES A COUNTRY'S SUSTAINABLE DEVELOPMENT PATH?

The strategies shaping a country's development trajectory need to be tailored to its specific context as well as dynamic and volatile changes in the global environment. Global challenges are more connected than ever, yet the responses remain fragmented, resulting in a series of risks and consequences. Even as the global economy is seeing rapid growth and lifting millions of people out of poverty, inequality is at an all-time high and worsening, large numbers of species are becoming extinct and the effects of climate change are felt everywhere. Rapidly changing technological frontiers have vast and little understood implications for development, peace and security across the world.

Several "megatrends" influence prospects for sustainable development.

Poverty and inequality. The 2030 Agenda aims to eradicate poverty in all its forms and dimensions by 2030. During the 15 years following the turn of the millennium, very significant economic and social progress unfolded in much of the developing world, with Latin America, for example, innovating boldly on social policy. Strong economic growth in developing countries led to a greater convergence in income across countries as a whole and a halving of overall rates of poverty. On average, the incomes of the poorest half of the global population grew significantly due to high growth in Asia. A rapidly expanding "global middle class" is expected to increase from 1.8 billion in 2009 to 4.9 billion by 2030.

While income inequality has fallen between countries, it has increased within countries, not only because of the gap

- 1 The global middle class is defined as households with daily expenditure of \$10 to \$100 per capita (in purchasing power parity terms). See H. Kharas and G. Gertz, 2010, "The New Global Middle Class: A Crossover from West to East," in China's Emerging Middle Class: Beyond Economic Transformation. <u>Brookings Institution Press</u>, pp. 32-52.
- 2 http://oecdobserver.org/news/fullstory.php/aid/3681/An_emerging_middle_class.html.

between the top 1 per cent and the rest of the population, but also because of the inequality of opportunity faced by the poor. The richest individuals in the top 1 per cent have captured twice as much of the benefits of growth as the bottom 50 per cent. Oxfam regularly calls attention to this phenomenon: noting, for instance, that in 2018, "26 people owned the same as the 3.8 billion people who make up the poorest half of humanity".3

The 2030 Agenda compels a closer look at the nature and quality of growth and how the benefits are shared among all segments of society. The fact that inequality levels vary widely across countries with similar levels of development highlights the important roles that national policies and institutions play in bringing about, or, conversely, fighting inequality.4

Demographic and social change. The demographic makeup within and across countries and regions has changed dramatically over the last few decades. In contrast to the shrinking population in Europe, the population in Africa is set to double by 2050. By 2055, Africa's population of young people (between 15 and 24 years) will have doubled from its 2015 levels.⁵ The proportion of youth unemployment, stubbornly high alongside patterns of jobless growth, is thus a huge concern.

Elsewhere, the profile is mainly one of ageing—and not just in Europe or countries such as Japan. Between 2017 and 2030, the target date of the SDGs, the number of persons aged 60 years or over is projected to grow by 46 per cent from 962 million to 1.4 billion globally, outnumbering youth as well as children under the age of 10. This increase will be the greatest and the most rapid in the developing world.6

Other demographic changes speak to a world on the move, with shifting centres of economic power related to internal and external migration. More than half the world's population now lives in urban areas, and 1.5 million people are added to the global urban population every week. By 2030, 60 per cent of people will live in urban areas. According to UN projections, almost 90 per cent of urban population growth will take place in African and Asian countries, placing huge demands on infrastructure, services, job creation, the climate and the environment.8

- ${\color{red}3} \quad \underline{\text{https://www.theguardian.com/business/2019/jan/21/world-26-richest-}}\\$ people-own-as-much-as-poorest-50-per-cent-oxfam-report.
- 4 World Inequality Lab, 2018, World Inequality Report 2018. https://wir2018. wid.world/.
- 5 United Nations Department of Economic and Social Affairs, "Population facts: Youth population trends and sustainable development." https://www. un.org/en/development/desa/population/publications/pdf/popfacts/ PopFacts_2015-1.pdf
- United Nations Department of Economic and Social Affairs, Population Division, 2017, World Population Prospects: The 2017 Revision.
- United Nations Department of Economic and Social Affairs, Population Division, 2018, World Urbanization Prospects: The 2018 Revision. https://esa. un.org/unpd/wup/Publications/Files/WUP2018-KeyFacts.pdf.
- United Nations Department of Economic and Social Affairs, Population Division, 2018, World Urbanization Prospects: The 2018 Revision. https://esa. un.org/unpd/wup/Publications/Files/WUP2018-KeyFacts.pdf.

Economic pressures and crisis have spurred historic levels of migration and forced displacement. Both internal and external population movements make profound economic contributions, such as through remittances and the reduction of labour shortages, but also pose risks related to social tensions, inequality, violence and pressures on the environment.

These changes are transforming economies and the kinds of goods and services that are demanded and produced, from health care to real estate, education and social services. They also challenge the cohesiveness of societies and the ability to articulate a common narrative of needs that can be reflected in public policies. The 2030 Agenda provides a framework for developing this common narrative.

Technology and the Fourth Industrial Revolution.

Transformative technologies can offer real solutions to longstanding development problems. Online services are reaching previously unserved groups, providing vital agricultural inputs, access to finance and better health information. Distance education has revolutionized learning, teaching and collaborative work, even though some of it short-changes its users, and face-to-face education will likely remain the highest quality option for some time. The Fourth Industrial Revolution the fusion of technologies across physical, digital and biological spheres—offers great promise through new avenues such as artificial intelligence.

It also brings new risks and challenges. Especially noteworthy is the changing sphere of work. While advances in health and education and large shares of young people and workingage populations make the world better equipped for work than ever before, economies are currently not delivering in terms of the quantity and quality of employment. While the global unemployment rate remains largely unchanged, the International Labour Organization notes that progress in reducing vulnerable employment has "essentially stalled" since 2012. Progress in reducing working poverty is inadequate to keep up with the growing labour force in developing countries.

In a digital and increasingly automated economy, what does the future of work look like? And what are the implications for those on the wrong side of the digital divide? Advances in automation make the future of work an open question. Computers could perform the work of 140 million knowledge workers by 2025, according to some estimates, while artificial intelligence might eliminate 30 percent of middle-income jobs9. This will change traditional production patterns and organizations, calling for a different mix of labour skills and competencies.

Climate change. The 2030 Agenda emphasizes climate change as one of the greatest challenges, putting "the survival

McKinsey, 2017, Jobs Lost, Jobs Gained. https://www.mckinsey.com/~/ media/mckinsey/featured%20insights/Future%20of%20Organizations/ What%20the%20future%20of%20work%20will%20mean%20for%20 jobs%20skills%20and%20wages/MGI-Jobs-Lost-Jobs-Gained-Report-December-6-2017.ashx.

of many societies, and of the biological support systems of the planet, at risk". ¹⁰ Climate change is in some sense "the megatrend of the megatrends", influencing everything else. It leads to more frequent and severe disasters, stripping away livelihoods and assets, and resulting in mass displacement. It undermines food security and water availability, and worsens threats to public health. The impacts of climate change reflect the deep inequities at work in the world today; people and countries who have contributed least to greenhouse gas emissions generally suffer the worst impacts as they are poorer and have less capacity to manage the consequences.

Unsustainable development feeds climate change, including through the overexploitation of ecosystems and global warming due to carbon emissions from human activity. Climate change also feeds back into unsustainable development. For example, rural migrants crowd into urban slums when agricultural livelihoods are destroyed by ever more extreme weather events. Even as climate denial and weak political will for climate action remain roadblocks to durable solutions, rising sea levels and volatile weather patterns increasingly cause human misery and economic damage, amounting to a systemic risk that could soon develop into all-out crisis in a number of locations.

The ecological footprint of global production and consumption systems. Trade liberalization and globalization over the last 30 years have brought clear progress in terms of greater shared prosperity among nations, with world GDP growing from around \$50 trillion in 2000 to \$75 trillion in 2016. 11 Yet patterns of production and consumption in the wealthiest nations and population groups are associated with overconsumption and disposability that exceeds the carrying capacity of the planet. Other consequences include some poorer people trying to keep up by taking on heavy burdens of debt. Instead of circular economies, which minimize waste and make the most of resources, linear economies move materials from extraction to poorly managed, unsustainable and often dangerous disposal. Costs are not factored into the production process and end up externalized, such as through public health challenges, environmental degradation and burdens on future generations as the world runs up against planetary boundaries.

Looking forward, the developing world's middle class is likely to be a critical factor in economic and social change: driving consumption and demand for food, better housing and consumer products. In 2015, the Chinese middle class for the first time outnumbered the American middle class and became the world's largest, counting 109 million adults compared with 92 million in the United States. Further, by 2030, world population as a whole is anticipated to reach 8.6 billion—about a billion more people needing food, water and energy.¹²

While the imperative for more sustainable systems of production and consumption is now more acute than ever, the issue of overconsumption is still far from adequately discussed, much less addressed.

Increasing uncertainty, shocks and crises. The ability of countries to chart their own economic and social development is increasingly challenged by external and internal shocks, and high levels of uncertainty and volatility. Instead of an enabling international economic and financial environment, policy-related uncertainty in major economies ripples outward, causing financial market disruptions, protectionism and heightened geopolitical tensions.

Poorer countries and vulnerable populations are disproportionately impacted by shocks and volatility, while countries in conflict face ever greater challenges in finding a path to peace and development. A significant upswing in internal violent conflicts since the turn of the millennium constitutes the biggest impediment to sustainable development for affected countries and regions. Increases in violence, persecution and human rights violations have driven a 75 per cent jump in global forced displacement over the past two decades, from 37.3 million people in 1996 to a record-high of 68.5 million in 2017.¹³

Climate change is already causing more frequent and intense natural hazards, which combine with population growth and patterns of economic development to worsen impacts on human security. The most vulnerable peoples endure disproportionate costs and hardships. During the past decade, while natural hazards accounted for 32 per cent of deaths in high- and upper-middle-income countries, they were responsible for 68 per cent of deaths in low- and lower-middle-income countries, which are less equipped to prevent disasters and cope with their consequences. Development progress will be even more contingent on measures to build disaster resilience.

Public health shocks also pose a major and increasing threat. Long-standing infectious diseases like HIV and malaria and "new" outbreaks of viruses such as Ebola or Zika present especially significant challenges to countries with weak health systems, poor infrastructure and limited resources. This threat is intensified by rapidly increasing antimicrobial resistance, an emerging global health security risk. At the same time, the World Health Organization points to the rise of chronic noncommunicable diseases as the most significant challenge to public health. Heart disease, cancer, diabetes and chronic respiratory diseases (sharing common risk factors of substance abuse, unhealthy diets and physical inactivity) no longer principally afflict affluent societies, but have become a global threat, despite the good news of higher life expectancy overall.

¹⁰ United Nations General Assembly resolution 70/1, Transforming our world: the 2030 Agenda for Sustainable Development, para. 14.

¹¹ United Nations Department of Economic and Social Affairs, 2017, New Globalization Report 2017.

¹² United Nations Department of Economic and Social Affairs, Population Division, 2017, World Population Prospects: The 2017 Revision.

¹³ UNHCR (United Nations High Commissioner for Refugees), 2017, Global Trends: Forced Displacement in 2017. https://www.unhcr.org/globaltrends2017/.

^{14 &}lt;a href="https://reliefweb.int/sites/reliefweb.int/files/resources/CRED_Disaster_Mortality.pdf">https://reliefweb.int/sites/reliefweb.int/files/resources/CRED_Disaster_Mortality.pdf.



CHAPTER 3: HUMAN RIGHTS AND LEAVING NO ONE **BEHIND AS FOUNDATIONS OF SUSTAINABLE DEVELOPMENT**

The UN Charter commits to "equal rights", "better standards of life" and the "economic and social advancement of all peoples". The UN system is duty-bound to support the vision UN Member States established in the Charter and have elaborated through numerous commitments to human rights since 1945.

In the 2030 Agenda, UN Member States outlined a vision of "a world of universal respect for human rights and human dignity, the rule of law, justice, equality and non-discrimination; of respect for race, ethnicity and cultural diversity...",15 pledging to "leave no one behind" and to "reach the furthest behind first". Whereas development agendas of the past in many ways overlooked the disparities that lay behind averages and other composite development benchmarks, the 2030 Agenda recognizes that rising inequalities and pervasive discrimination are not natural or inevitable. Rather, they are the result of decades of policy and social dynamics that have undercut equality and impeded efforts to build better lives for all.

The Agenda defines high and rising inequalities as a common threat to the sustainability of all efforts to achieve peace and security, human rights and development globally. Human rights violations, discrimination, exclusion and unequal power distributions can be fundamental drivers of conflict and violence.

True development cannot be achieved or sustained unless it reaches everybody. In putting equality and non-discrimination at the centre of its efforts, the 2030 Agenda includes goals and targets that cover a wide range of issues effectively mirroring the human rights framework, not only on economic and social rights but also on civil, political and cultural rights, and the right to development. People and their inherent

15 United Nations General Assembly resolution 70/1, Transforming our world: the 2030 Agenda for Sustainable Development, para. 8.

dignity are at the heart of sustainable development efforts, which should empower all people to become agents and active participants in them.

Two SDGs are dedicated entirely to equality and nondiscrimination, Goal 5 on gender equality and Goal 10 on reducing inequality within and among countries, and promoting the full inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religious, economic or other status. Goal 16 focuses on addressing injustice and inequality in terms of access to services, strengthening inclusive institutions, the representation of marginalized groups and promoting the rule of law. Overall, "inclusive" is the third most used word in the SDGs.

What does this mean in implementing the 2030 Agenda? Beyond the paradigm shift lies a clear operational shift that requires changing the way we work, from identifying priorities to engaging counterparts to implementing activities to measuring and reporting on achievements.

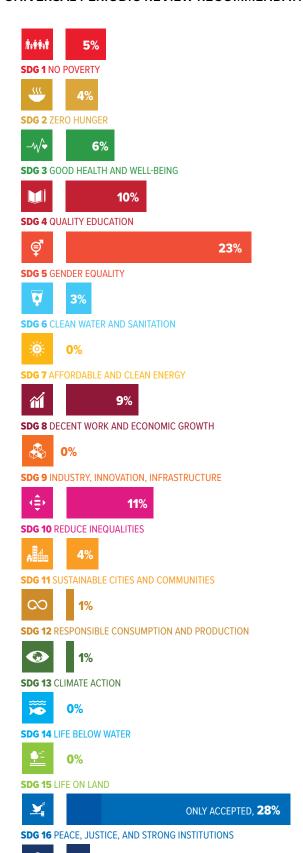
The United Nations has three key assets to operationalize the ambitious vision of the Agenda: its role as a universal multilateral organization; its convening power; and the groundwork already carried out by UN treaty bodies, Human Rights Council experts and the Universal Periodic Review in identifying those who are being left behind, specific rights at stake, obstacles to overcome,16 and efforts needed to achieve both formal and substantive equality.¹⁷

THE SDGs AND INTERNATIONAL HUMAN RIGHTS

UN human rights mechanisms¹⁸ are a readily accessible resource for authoritative, credible, validated data on national priorities and performance. UN country teams increasingly integrate recommendations from these mechanisms into their work, supporting follow-up by governments and others. There is a close correlation between issues covered by Universal Periodic Review recommendations (Figure 1) and SDG goals and targets.19

- 16 Structural barriers: unequal distribution of power, resources and opportunities: discriminatory laws; and social norms and stereotypes that perpetuate inequalities and disparities.
- "Eliminating formal discrimination requires ensuring that a State's constitution, laws and policy documents do not discriminate on prohibited grounds. But merely addressing formal discrimination will not ensure substantive equality. Eliminating discrimination in practice requires measures to prevent, diminish and eliminate the conditions and attitudes which cause or perpetuate substantive or de facto discrimination," Economic and Social Council, E/C.12/ GC/20, States Non-Discrimination in Economic, Social and Cultural Rights, art. 2, para. 2, 10 June 2009.
- 18 The human rights framework includes: (i) nine core treaties with committees receiving country reports and monitoring implementation of specific human rights and the rights of specific groups; (ii) more than 50 Human Rights Council special procedures providing expert advice on thematic or country-specific issues; and (iii) the Universal Periodic Review process, which looks at the human rights records of every UN Member State every 4.5 years.
- 19 Danish Institute for Human Rights. http://upr.humanrights.dk/goals.

FIGURE 1 UNIVERSAL PERIODIC REVIEW RECOMMENDATIONS



Countries undertake considerable efforts to implement the recommendations received from human rights mechanisms. For example, a study by UNFPA on follow-up to Universal Periodic Review recommendations on sexual and reproductive health and rights found that 90% of counties had taken action on a majority (>50%) of the recommendations on the subject it had accepted. The study concluded that implementation can prompt different governmental, state and non-governmental actors to collaborate around key concerns.20

The central, transformative promise of the 2030 Agenda to leave no one behind entails reaching vulnerable populations who so far have failed to benefit from development efforts and whose rights remain unfulfilled. This encompasses combatting discrimination and rising inequalities within and among countries as well as their root causes. Unjust, avoidable or extreme inequalities in outcome and opportunities should be identified, and addressed through legal, policy, institutional and other measures to promote equality and uphold human rights. As well, the active and meaningful participation of all stakeholders, particularly the most marginalized, in review and follow-up processes for ensuring accountability, recourse and remedies to all is vital.

Economic growth alone cannot overcome legal, policy and institutional barriers, uphold human rights or eradicate poverty unless it addresses income inequalities affecting those who live in areas beyond the reach of existing infrastructure, social services, financial services and job creation. Mitigating various shocks requires bolstering the resilience of all communities, but particularly those who are most vulnerable and isolated, geographically and otherwise.

There must also be deliberate efforts to redress "horizontal" inequalities among groups characterized by gender, class, race, ethnicity, age and religious affiliation. These are common to both developed and developing countries. Horizontal inequalities can be destabilizing and create fertile ground for violence, especially when intersecting and accumulating across social, economic, political and other domains, and where there are human rights abuses or weak state capacity.²¹ The next chapter touches on one of the most challenging forms of inequalities, gender disparity.

The United Nations has an important role to play in upholding internationally agreed norms. It must continue to build on and establish strong partnerships with civil society and national human rights institutions, use its convening role to create space for free, informed and meaningful participation without fear of reprisal, and support and protect human rights defenders.

- 20 UNFPA (United Nations Population Fund), 2019, From Commitment to Action on Sexual anhhd Reproductive Health and Rights. https://www.unfpa.org/publications/ commitment-action-sexual-and-reproductive-health-and-rights-0.
- 21 United Nations and World Bank, 2018, Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict.



It can encourage inclusive and representative decisionmaking, including in line with SDG 16, through systematic outreach to intended beneficiaries and all relevant stakeholders. Youth aged 15 to 24 are of particular importance, given that they account for one out of every six people worldwide.²² The specific challenges they face and their unique capacities for innovation make their active engagement central to achieving the SDGs.

MONITORING PROGRESS AND ACCOUNTABILITY

Leaving no one behind depends in part on disaggregating data to identify who is being excluded or discriminated against, and how and why. Data should also indicate who is experiencing multiple and potentially intersecting forms of discrimination and inequalities that may compound the barriers to progress. Such efforts can help make visible those who are being left behind, and how they are being considered or overlooked in national plans to inform more inclusive policies that equitably accelerate progress for the furthest behind as inherent to achieving the SDGs.

The improved collection of data and statistics requires national statistical commissions and national human rights institutions to work together to identify groups left behind or most at risk of gaps in civil, cultural, economic, political and social rights. People's active participation in civic processes provides opportunities to voice their concerns.

For UN Member States, engaging with international human rights mechanisms offers a unique opportunity for selfassessment, including through data collection and analysis, and legislative and policy review. Many countries have also established national mechanisms for human rights reporting and follow-up. These offer significant potential for strengthening coherence, efficiency and accountability across international obligations and commitments. Linked to the SDGs, as appropriate, such mechanisms could play a crucial role in alleviating the reporting burden of States, and ensuring joint implementation of SDG commitments and human rights obligations.

Including recommendations by national and international human rights mechanisms in SDG strategies and reporting could further promote accountability and delivery on commitments under the 2030 Agenda.

In general, accountable governance systems will remain of critical importance. Beyond establishing or strengthening national human rights systems, this may call for providing judicial and non-judicial remedies to individuals and groups; fostering partnerships to address existing structural barriers; taking deliberate measures to reverse unequal distributions of power, resources and opportunities; and challenging

22 United Nations Department of Economic and Social Affairs, Population Division, 2017, World Population Prospects: The 2017 Revision.

discriminatory laws, social norms and stereotypes that perpetuate inequalities and disparities.



CHAPTER 4: DEEP DIVE: GENDER EQUALITY AND WOMEN'S EMPOWERMENT

The previous chapter discussed human rights and the structural dimensions of discrimination and vulnerability. This chapter takes a close look at one of the most important ingredients in creating a more equitable and just world for all, namely, gender equality, and the rights and empowerment of women and girls.

The 2030 Agenda reaffirmed that gender equality is a sine qua non for sustainable development and an indispensable outcome of it. Yet gender-based discrimination remains the most prevalent form of discrimination, creating barriers to over half of the world's population. Deep-seated discriminatory norms and harmful gender stereotypes, prejudices and practices prevent the full realization of women's rights and potential.

Discrimination against women is still enshrined in the law in many countries, particularly in family, nationality, health and inheritance laws. Unmarried women and adolescents are in many instances excluded from access to sexual and reproductive health services, information and education due to legal as well as economic, social and cultural barriers. Women remain underrepresented in decision-making in public and private arenas. They bear an unfair burden of unpaid care and domestic work, and in the workforce, they are overrepresented in poor-quality informal employment and make less than men in almost all countries. According to the International Labour Organization, women earn on average 77 per cent of what men do for work of equal value. At the current rate of progress, pay equity between women and men will not be achieved until 2086.23

²³ ILO (International Labour Organization), "Progress on gender equality at work remains inadequate." https://www.ilo.org/global/about-the-ilo/newsroom/ news/WCMS_348035/lang--en/indvhhex.htm.

Gender inequalities are worsened by intersecting forms of discrimination related to income, wealth and other inequalities across the economic, political, social and environmental spheres. Some populations confront additional barriers due to factors such as age, ethnicity, disability, health or migrant status. Those facing especially high levels of preventable maternal mortality, for example, include adolescent girls, indigenous and rural women, women belonging to minority groups, and stateless and displaced women.

GENDER EQUALITY AND THE INDIVISIBILITY OF THE SDGs

The gender dimensions of sustainable development are clearly reflected in SDG 5, which stipulates ending all forms of discrimination against all women and girls everywhere; eliminating all forms of violence against women and girls; eliminating harmful practices, such as child marriage and female genital mutilation; recognizing unpaid care and domestic work; ensuring women's full and effective participation in political, economic and public life; achieving universal access to sexual and reproductive health and reproductive rights; and combating structural inequalities in access to resources and asset ownership.

Gender equality considerations are also mainstreamed throughout the SDGs and the 2030 Agenda as a whole. For example, targets under Goal 1 on poverty call for sound policy frameworks based on gender-sensitive development strategies; targets under Goal 8 on decent work stipulate equal pay for equal work of equal value between men and women; and targets under Goal 11 on sustainable cities and communities require the provision of universal access to safe, inclusive and accessible, green and public spaces for women and children, as well as for older persons and persons with disabilities.

Faster progress across all of the SDGs will largely depend on the thorough integration of gender dimensions across public policies. For example, policies aimed at increasing women's participation in decision-making can facilitate the allocation of public resources to investments in human development priorities, including education, health, nutrition, decent work and social protection. Women's access to and control over land and productive resources is key for achieving food security and sustainable livelihoods. Women's knowledge and agency are central to resilience to climate change, water management, and sanitation and energy services, among many other issues.

BUILDING ON HUMAN RIGHTS NORMS AND STANDARDS

The Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) is a central instrument for the realization of women's human rights and the achievement of the 2030 Agenda. Described as the international bill of

rights for women, the Convention defines discrimination against women and sets an agenda for national action to end it, along with giving formal recognition to the influence of culture and tradition on restricting women's enjoyment of their fundamental rights. It stresses that equality must be achieved in both opportunity and outcome. Most UN Member States have signed and ratified CEDAW, although some with reservations to its provisions. States parties report on implementation progress to the CEDAW Committee.

Other human rights instruments and mandates not specifically focused on women's rights can also make important contributions. For example, recommendations made under the Universal Periodic Review could help trigger cooperation between countries to promote gender equality and women's empowerment. The report of a country visit by the Special Rapporteur on the Rights of Indigenous Peoples could provide insights on the specific challenges indigenous women face, such as how to reduce high maternal mortality rates in indigenous communities (see figure 1.1).

MAKING COMMITMENTS A REALITY IN WOMEN'S LIVES

A gender-responsive path towards the SDGs starts with accelerating action to fulfil existing and new commitments to gender equality and women's human rights. It must aim at removing lasting, structural forms of discrimination, and shifting exclusionary social norms. To leave no one behind, it should recognize and respond to intersecting forms of discrimination.

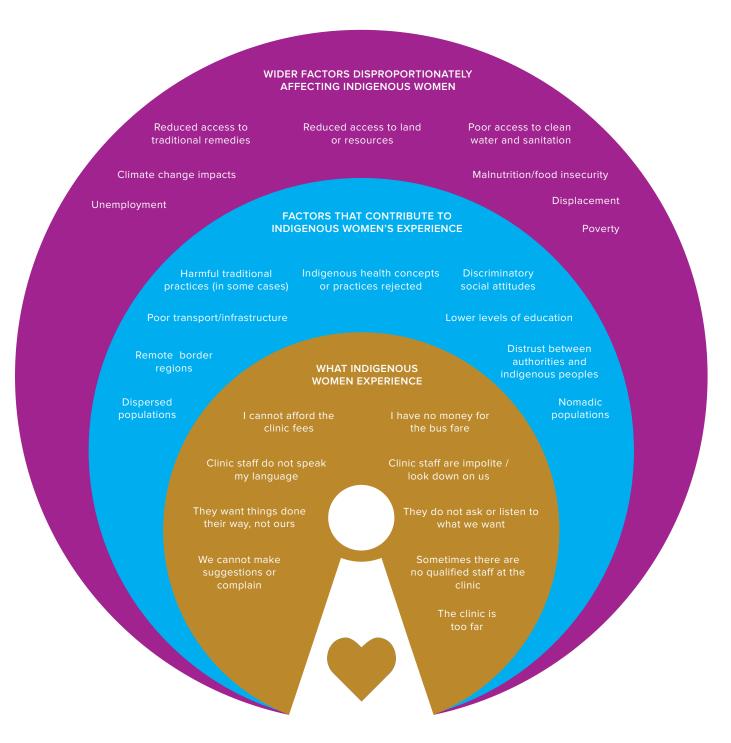
Defining the gaps can draw on multiple sources, such as official CEDAW reports as well as "shadow" reports often developed by civil society, follow-up on the Beijing Declaration and Platform for Action, SDG-related reporting, and consultation with stakeholders in government, academia and civil society.

As an essential starting point, with UN support, some countries have conducted comprehensive systematic reviews of legal systems to "equalize" the law. This process identifies all remaining barriers to women's empowerment and human rights in both law and legal practice. It can look at alignment with CEDAW as well as any constitutional commitments to gender equality. Such a review can then become a starting point for advocacy for removing remaining discriminatory provisions and adopting progressive measures to advance gender equality. One key issue relates to ending violence against women and girls; there should be provisions against all forms of it along with measures for redress. Other areas of focus might include family law, and laws related to inheritance and access to economic assets.

All branches and sectors of government must ensure that gender equality considerations are central in all aspects of planning, policymaking and budgeting, taking integrated approaches that reflect the many issues that feed into progress on gender equality, or the lack thereof. Gender equality—as a driver and an outcome—needs to feature

FIGURE 1.1 WHY DO INDIGENOUS WOMEN HAVE WORSE MATERNAL HEALTH OUTCOMES?

WIDER CAUSAL (SP.) OR CONTRIBUTING FACTORS



Source: UNFPA (United Nations Population Fund), UNICEF (United Nations Children's Fund) and UN Women, 2018, "Fact Sheet: Indigenous Women's Maternal Health and Maternal Mortality."

prominently, for example, in all efforts related to poverty, hunger, health, education, water and sanitation, employment, climate change, environmental degradation, urbanization, conflict and peace, and financing for development.

Governments also need to design and implement effective mechanisms to sustain momentum on gender equality and women's empowerment and rights, and oversee and monitor policies and programmes so they make measurable progress.

Financing for gender equality has traditionally lagged behind. Women and girls typically receive short shrift in national and local budgets, for example, such as when funding choices favour services more likely to be used by men. Gender-responsive budgeting is a tool to look at how all funds are raised and spent, as a step towards closing gaps that perpetuate inequalities.

All implementation efforts will benefit from the experience and leadership of women's rights and youth advocates, including in national parliaments, trade unions, cooperatives and community associations. Strong coordination with civil society organizations is essential, especially women's advocacy and human rights groups, given their role in promoting reform, influencing policies, monitoring and upholding accountability. Renewed and strengthened support and substantially increased funding will be critical to further empower women's groups, especially where the functioning of civil society organizations has been curtailed.

With women still behind in leadership roles in most countries, in both the public and private spheres, temporary special measures can be a strategy to accelerate progress. Such measures are both a proven practice and a provision of CEDAW. They need to be designed around the goal of equal outcomes, avoiding, for instance, the chance that women candidates appear on party lists only in unelectable seats. Coupling special measures with initiatives to build women's confidence and skills as leaders helps them become effective in new roles.

Under the SDGs, there is growing emphasis in many countries and globally on improving the generation and use of data and statistics. An essential element towards making every woman and girl count includes disaggregating existing data by gender as well as developing new data to reflect, for instance, the contribution of the unpaid care economy.

PROMOTING ROBUST, PARTICIPATORY, TRANSPARENT ACCOUNTABILITY MECHANISMS

The Commission on the Status of Women, a functional commission of the UN Economic and Social Council, is the principal global intergovernmental body exclusively dedicated to the promotion of gender equality and the empowerment of women. Preparation for its annual meetings in New York, which are organized around agreed themes, provides an opportunity for all stakeholders at the national level to jointly assess progress towards gender

equality and women's empowerment in the context of 2030 Agenda implementation.

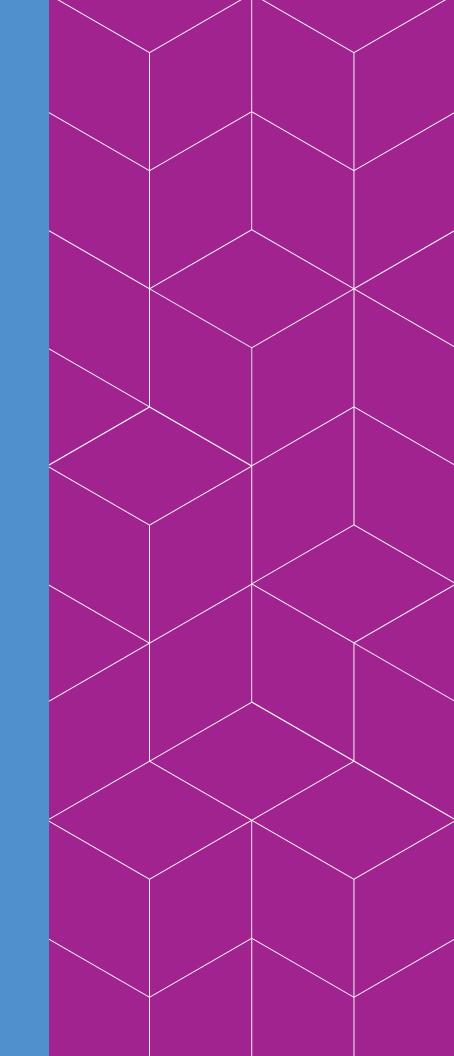
The Commission adopts resolutions on various issues as well as a set of agreed conclusions. Agreed conclusions contain an analysis of the priority theme and a set of concrete recommendations for governments, intergovernmental bodies and other institutions, civil society actors and other relevant stakeholders, to be implemented at the international, national, regional and local levels.

Other sources of accountability on the national level, including vis-à-vis 2030 Agenda and SDG review processes, might include women's machineries within the government and national human rights mechanisms. Since women's machineries are not always well-resourced or well-positioned with the government, advocating for their leadership and central role will be a priority in some countries.

To assess whether sustainable development policies and programmes contribute to substantive equality for women, three fundamental questions can be asked about the extent to which they:

- Enhance women's capabilities and realization of the full range of their human rights;
- Recognize, reduce and redistribute the unpaid care work of women and girls; and
- Allow for women's full and equal participation on issues that impact their lives as well as the future of their households, communities, nations and the planet.

PART 2: SDG
INTEGRATION:
TRANSFORMATIVE
SOLUTIONS
TO COMPLEX
PROBLEMS





CHAPTER 1: WHY INTEGRATION?

The 2030 Agenda for Sustainable Development is ambitious in its scope and conceptualization of the economic, social and environmental dimensions of sustainable development as indivisible. The connections across the three are critical to leverage multiplier effects and mitigate trade-offs. In other words, integration takes centre stage.

The challenges countries face, which can limit or even reverse development gains, are inherently complex, from historically rooted inequalities to the legacies of pre-democratic social and governance structures, endemic poverty and risks of economic crisis. The last encompasses trade tensions, market instability, uneven growth and increasing debt, among other issues. Such challenges are interconnected: The impacts of economic crises, for example, produce crises within political systems, in both developed and developing countries. This in turn limits countries' capacities to prepare for, prevent and respond to a multitude of other crises, increasing vulnerability to their impacts.

Integration builds from a systems approach. While the idea can seem daunting, as a principle of the 2030 Agenda, it has tremendous potential to transform development. It is intrinsic to the structure of the 17 interlinked and interdependent SDGs and their 169 associated targets.24

The SDG framework requires looking at development priorities not only from multiple perspectives, but also considering effects among sectors and collaborating across disciplines to find solutions. This poses several challenges. For the most part, the UN system and governments, despite progress, tend to work sector by sector. This is reflected in financing and budgeting, which reduces incentives for collaboration. There is also a lack of clarity around what integration looks like in practice.

This module unpacks the practice of integration, exploring how applying this approach can have the greatest potential impact in supporting countries to implement the 2030 Agenda.

FROM THE MDGS TO THE SDGs: **BREAKING THE SILOS**

In contrast to the 2030 Agenda, the Millennium Development Goals (MDGs) were often pursued in silos. Links and trade-offs across the goals were not emphasized. The 2030 Agenda reinforces the social system commitments of the unfinished MDGs, reflected in the vision of a decent life through income, education, health, food and gender equality, the focus of the first six SDGs.

The 2030 Agenda can also be understood as an integrated development agenda, with a series of commitments to human rights, peace and security, and the environment. There are critical references to prevention and risk management, and to forging links across humanitarian action, development and peacebuilding. No goal is focused only on an economic, environmental or social dimension; each contains elements of all three. The 2030 Agenda is also temporally integrated, connecting the short, medium and long terms, towards sustaining cycles of consistent and mutually reinforcing action over time and across generations.

A SYSTEMS PERSPECTIVE: INTEGRATION AND ACCELERATION

Systems are made up of parts that dynamically influence each other, producing effects beyond the sum of the individual parts. A defining property of systems is complexity. Complex challenges are often defined as highly interconnected, nonlinear in cause and effect, multicausal and constantly changing. Seeing the SDGs as a complex system makes it necessary to identify which elements are most catalytic, with the targets and indicators of the goals serving as a common framework.

To achieve positive changes within a system, it is also necessary to identify how important elements interact.²⁵ Certain pathways may result in more significant progress than others. In particular, setting in motion positively reinforcing cycles of action will provide faster and more sustainable system-wide results. These faster pathways and the interventions that catalyse progress within them can be termed "accelerators". This concept offers the possibility to help countries make the transformations needed to achieve the SDGs in a relatively short period of time.

Applying systems thinking to SDG implementation requires tangible changes in how policy is designed, how sectors collaborate with each other, and how people think about

²⁴ N. Weitz et al., 2018, "Towards systemic and contextual priority setting for implementing the 2030 Agenda," Sustainability Science 13(2): 531-548.

²⁵ D. Green, 2016, "Why systems thinking changes everything for activists and reformers." https://oxfamblogs.org/fp2p/ why-systems-thinking-changes-everything-for-activists-and-reformers/.



partnerships. It depends on more iterative and adaptive planning methods based on learning and experimentation; a focus on multistakeholder approaches and co-creation; a strong emphasis on the specific tailoring required to adapt good practices to context-specific interventions; and increased exchange of expertise across the UN system and governments.²⁶

PREVENTING CONFLICT AND BUILDING RESILIENCE

Integrated approaches are a top priority for the United Nations in conflict prevention, which requires strong linkages across peace and security, sustainable development and human rights. Violent conflict is one of the biggest obstacles to reaching the SDGs. The World Bank estimates that by 2030, between 50 and 80 per cent of the world's poor will reside in fragile and conflict-affected countries, contrary to the promise of leaving no one behind.²⁷ Conflicts are increasingly linked

26 Oxfam, 2015, "Systems Thinking: An Introduction for Oxfam Programme Staff."

to global challenges such as climate change, natural disasters and transnational crime.

Preventing fragility, conflict and violence is central to reducing poverty and achieving shared prosperity; economic growth and poverty alleviation alone may not be sufficient to sustain peace. Prevention requires integrated approaches that depart from traditional economic and social policies when risks are escalating or high.

Beyond the significant returns to human well-being, integrating prevention in all arenas of sustainable development is cost effective. The United Nations and World Bank flagship report *Pathways for Peace* estimates that preventing violent conflicts by addressing the interconnected challenges that cause fragility would save up to \$70 billion per year.²⁸ The potential multiplier effects would alleviate mass migration, contribute to the prevention of violent extremism, reduce poverty and facilitate easier access to essential services.

²⁷ The G7+ group of fragile and conflict-affected states realized the imperative of a tailored development approach when they adopted the New Deal with Peace- and State-building Goals in 2011. The 19 Member States of the G7+ were lagging furthest behind on meeting the MDGs and understood that if they did not focus on peace- and state-building they would never meet their development priorities.

²⁸ United Nations and World Bank, 2018, Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict.

Prevention is a responsibility of all UN entities and development actors. Under a systems approach, sustained, inclusive and targeted prevention should be anchored in national development strategies; align peace, security and development efforts; and apply a people-centred approach.

Requiring an integrated, systems approach across the SDGs, resilience is an important means to prevent, mitigate and prepare for risks to development and the realization of the 2030 Agenda. It is a common thread across development, human rights, and peace and security efforts, and is part of effective conflict prevention.

Resilience is defined as the ability of individuals, households, communities, cities, institutions, systems and societies to prevent, resist, absorb, adapt, respond and recover positively, efficiently and effectively when faced with a wide range of risks. At the same time, they should be able to maintain an acceptable level of functioning, without compromising long-term prospects for sustainable development, peace and security, human rights and well-being.

While global policy frameworks articulate the importance of resilience in achieving sustainable development in various sectors and contexts, these are largely implemented in institutional silos, focusing on specific types and drivers of risks, such as violent conflict, natural and manmade hazards, epidemics or displacement, among others. The connections among risks and their compounding effects are often not considered. Fragmentation across the international system, including the United Nations, further impedes progress.

Following the World Humanitarian Summit in 2016,²⁹ all humanitarian, development and peacebuilding actors agreed to work towards collective outcomes.30 The "New Way of Working" is a systemwide attempt to support these, outlining means to combine data, analysis and information to improve coordination, financing and leadership.

Investments in resilience can yield benefits across many of the SDGs. Focusing attention and resources particularly where risks intersect can be a cost-effective way to simultaneously spur progress towards multiple goals.



³⁰ A collective outcome is a quantifiable and measurable result that development, humanitarian and other partners want to achieve, usually over three to five years. See: The New Way of Working. https://www.unocha.org/sites/ unocha/files/NWOW%20Booklet%20low%20res.002_0.pdf.



CHAPTER 2: SDG INTEGRATION: PRACTICAL **IMPLICATIONS**

The UN system and the United Nations Development Programme (UNDP) in its role as an integrator³¹ are rising to the challenge of providing integrated support for SDG implementation. A strong focus thus far has been on developing and providing planning tools that are both quantitative and qualitative.

Economic modelling, for example, enables governments to build various hypothetical policy scenarios, mapping impacts of different investment choices on different sectors and populations, and the knock-on effects of these changes over time. Accessible data and graphs, maps and demographic charts help visualize, contrast and compare the possible impacts of different combinations of policy choices in clear and understandable formats.

In the first four years of the 2030 Agenda, several key enablers of SDG integration emerged with the potential to accelerate progress. These relate to policy solutions, data and analytics, financing and innovation, all basic elements of an integrated national development strategy that will be explored in more depth in Modules 3 and 4.

BUILDING INTEGRATED POLICY SOLUTIONS

Integrated policy solutions provide a flexible, open network architecture under which partners come together in a process of co-creation and joint implementation. Important supports come from tools and processes that identify gaps and opportunities to mobilize additional sources of finance and efficiently use existing resources (public, private, domestic and international) to achieve the SDGs.

³¹ United Nations General Assembly resolution 72/279, Repositioning of the United Nations development system in the context of the quadrennial comprehensive policy review of operational activities for development of the United Nations system, adopted on 31 May 2018.

Integrated planning frameworks at national, regional and local levels are important prerequisites. Key topics are the adjustment of development planning to the 2030 Agenda, the strengthening of governance structures for sustainable development and multistakeholder participation.³²

An **integrated budgeting framework** is critical to translate development priorities into bankable projects. Planning and budgeting should be carried out in an inclusive and transparent way subject to periodic reviews. With structures and baselines in place, countries can identify and prioritize integrated clusters of investments that accelerate progress across a development system, while remaining adaptable to local contexts and priorities.

An integrated financing strategy is required to fund such investments effectively. It should consider innovative and alternative sources of financing, from developing domestic capital markets to tapping international debt markets to mobilizing private investments and financing instruments. This requires looking beyond traditional official development assistance models to effective domestic financial governance and resource mobilization, such as through fiscal policy and improved revenue administration. As public debt becomes an increasingly important source of revenue, debt sustainability, transparency and management capacities become more important, along with rules for foreign trade and direct investment.

Monitoring development strategies already exerts significant pressures on overstretched and underresourced national statistical offices and systems. Many countries require substantially strengthened and expanded data infrastructure to produce timely, quality, reliable and disaggregated data. Improving data collection and analysis should draw on significant opportunities in the new digital economy, and be geared towards informing policies that are relevant, context-specific, targeted and can accelerate progress on the SDGs.

Leadership from the highest levels of States and institutions is critical for any transformative agenda. The 2030 Agenda also depends on bottom-up leadership, from empowered local communities and diverse networks of local development partners, to the greater agency of the least developed countries through mechanisms such as South-South cooperation. Since adapting development structures and approaches for integration requires systemic accountability, investments in horizontal, vertical and cross-sectoral coordination and partnerships will require the simultaneous strengthening of national oversight institutions, human rights bodies and legal protections.

THE MAPS EXPERIMENT

For the UN system, Mainstreaming, Acceleration and Policy Support (MAPS)³³ has been one of the earliest attempts to facilitate coherent, integrated support to countries in pursuing the SDGs. The approach has been deployed across development settings and provided insights into how to connect the dimensions of sustainable development, strengthen the humanitarian-development-peace nexus, and advance risk-informed development.

Despite being still a work in progress, MAPS has generated momentum and partnerships with a wide range of stakeholders. Engagements today incorporate a number of UN entities as well as other international organizations, leading to more concrete and longer-term integrated support packages. Remaining challenges include consistently identifying development accelerators, and dedicating resources and technical capacity to support policy and programmatic implementation. With a new generation of UN Sustainable Development Cooperation Frameworks to support countries in their 2030 Agenda ambitions, the MAPS approach represents an important foundation for UN country teams to support structural transformation.

UNDP has played a leadership role in MAPS, given its broad development mandate, and continues to support the approach through its integrator role in close collaboration with UN country team partners. Through MAPS, UNDP has found four elements expediting SDG progress. First, integrated data and analytics provide insights into root causes, support identification of accelerators and priority interventions with the highest multiplier effects, and allow a detailed discussion on trade-offs. Second, teaming up with policymakers on systemic approaches to development priorities and measures to act on them backs "whole of government" and "whole of society" involvement. Third, learning and innovation is key, supporting partners to pioneer and test new ideas and ways of thinking about critical development challenges. Finally, to underpin an integrated approach to the SDGs, financing needs to bring together and align both public and private contributions to sustainable development.

³² Inter-agency Task Force on Financing for Development, 2019, Financing for Sustainable Development Report 2019.

³³ The MAPS approach has been adopted by the UN Sustainable Development Group to guide SDG implementation support to countries.



CHAPTER 3: UNLOCKING TRANSFORMATION THROUGH THE SDGs

The 2030 Agenda requires looking at economic progress and social well-being in a way that includes safeguards for future generations. An integrated approach to the SDGs calls on countries to understand trade-offs implicit in economic growth choices, factoring in impacts over the short and longer term.

Navigating towards sustainability and inclusion depends on focusing on both the pace and quality of growth in policies, programmes and investments. By growing wealth and investing in human, natural and produced capital, countries have greater means to create and distribute the benefits of prosperity, while enhancing sustainability and long-term economic performance.

WHAT ECONOMIC TRANSFORMATION MEANS FOR THE 2030 AGENDA

The 2030 Agenda highlights the critical dimensions of economic transformation, including the following.

- The centrality of jobs and the economy calls for fostering economy-wide, cross-sectoral transformation by addressing all dimensions of sustainability, and promoting sustained, inclusive and sustainable economic growth with full and productive employment and decent work for all.
- A focus on public wealth across economic, ecological, governance and social spheres depends on developing, maintaining and investing in physical and ecological infrastructure, constitutions, laws (e.g., property rights and environmental legislation) and corporate governance standards, among other aspects.
- Investment in healthy ecosystems treats these as public assets with a central role in securing long-term well-being and economic opportunity, and improved social outcomes. Progress depends in part on recognizing, measuring and responding to the economic significance of ecosystem services as a large fraction of the "GDP of the poor" in rural areas across the developing world.

- Innovation for sustainability requires recognizing the economic, social and environmental opportunities in all forms of innovation—social, institutional, financial and technological. Incentivizing and investing in an innovation-based inclusive green economy will lead to producing with less and remanufacturing more; reusing, recycling and restoring; and evolving towards a truly "circular" economy, an economy of permanence.
- Human resource development depends on investing in human capabilities so people can make choices and live their lives in dignity. Missing capabilities misalign the economy, environment and society, and lead to unsustainable development.
- Building institutions requires investing in effective legislation and governance institutions at the local, regional and national levels, and ensuring transfers of knowledge and finance across these levels. Clear fiscal incentives can foster buy-in to green reform at different levels of government. Another element entails encouraging collaboration among ministries.
- Aligning the long and short term can build on broadening the focus of policy reforms, incentives, subsidies and market regulations from short-term stability to long-term resilience to address the real horizons of most sustainability challenges. This process should include aligning financial markets and the real economy to serve the long-term interests of humanity, an international and national challenge.
- "Micro-policy" reforms recognize that private sector choices today largely determine resource use and economic direction, but regulations influence firms to make choices. Effective "micro-policy" reforms in corporate taxation, financial reporting, advertising standards, limits to leverage, and other key areas keep the private sector profitable while generating gains, not losses, in public wealth.

Making integrated policy choices in these areas can chart a course towards inclusive, diversified, job-intensive economic growth that is not concentrated in a few enclave sectors or driven mostly by informal activity, or focused only on a few high value added activities that create relatively little employment. Instead, it could propel the kind of growth needed for the 2030 Agenda. This would offer widespread opportunities for generating decent work and incomes for all, including marginalized and neglected vulnerable groups. It would entail valuing properly and fully the many non-monetized activities in the modern economy, including unpaid care work and the provision of essential ecosystem services.

BUILDING ON THE UNFINISHED WORK OF THE MDGs

As countries move towards sustainable growth, they can leverage MDG-era achievements in social progress to build a social foundation. Key elements comprise **resilience**, **social protection and equity**.

Sustainable development strategies should help build individual resilience to reduce vulnerability and preserve gains, including in diminishing all forms of poverty. The instruments of social protection—health insurance,





unemployment benefits, old-age and social pensions, targeted cash transfers and others—can protect livelihoods and incomes from shocks and economic downturns, illnesses or impairments. Many countries have little or no social protection in place, however, despite clear evidence that it is affordable even in most low-income countries.³⁴

Social protection floors and instruments such as targeted cash transfers and specific consumer subsidies can help cushion some of the impacts of the inequitable distribution of income. These can be coupled with redistributive taxation and targeted social expenditures ensuring universal access to quality essential health care and education. Countries need to assess carefully the need and scope for such policies of redistribution and support to incomes, bearing in mind the positive impact they can have on overall growth, resilience and poverty reduction.

CAPACITIES, RESOURCES AND PARTNERSHIPS

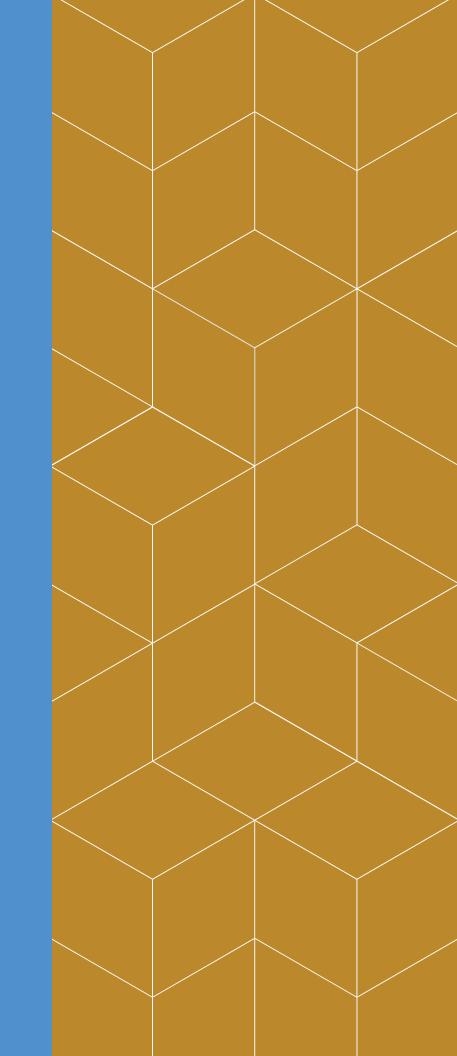
Given its whole-of-government, whole-of-society breadth, the 2030 Agenda requires institutional, planning and structural integration. This must extend across nations, sectors and civil society, and vertically from local to national governance, and out to the international system.

The ambition for national structural transformation is captured in Goal 16, while Goal 17 captures the requirement for transforming international cooperation, emphasizing the roles of developed countries and partnerships among all UN Member States. A subset of enabling targets within the other 16 goals are listed by letter rather than number. Goal 17 also reinforces the 2030 Agenda as a connecting and synthesizing framework for other global agreements and processes, most notably the Paris Agreement on climate change within the UN Framework Convention on Climate Change.

Meaningful transformation will require financing strategies that can fuel a range of specific investments in physical infrastructure and intellectual know how as well as the skills and health of people everywhere. Another critical element will be mobilizing multistakeholder engagement. Businesses and academia have important roles as leaders, partners and innovators. Civil society is central to holding all stakeholders accountable for progress, and adding an important dimension to democratic representation. New public institutions will need to help secure public values, sustain a strategic and long-term focus out to 2030 and beyond, and bring together multiple stakeholders. While diverse actors will play different roles varying by context, on balance, their efforts can be coherent and effective if bound together under the common vision of the 2030 Agenda.

³⁴ ILO (International Labour Organization), 2017, "Social protection is affordable even in most low-income countries." https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_613784/lang--en/index.htm

PART 3:
SUPPORTING
NATIONAL
GOVERNMENTS
TO ACHIEVE
SUSTAINABLE
DEVELOPMENT





CHAPTER 1: INTEGRATED **PLANNING**

With integrated development at its heart, the 2030 Agenda for Sustainable Development calls for fundamental changes in the way policymaking takes place. For a country to find its own paths to sustainable development, national planning and budgeting need a broad lens to grasp synergies as well as deficits and fragilities within and between sectors, from health, poverty and education, to security, the environment, governance and economic development.

Identifying entry points for effective engagement with countries requires adaptability across national contexts, policies and priorities. As noted in the Agenda: "The SDGs and targets are integrated and indivisible, global in nature and universally applicable, taking into account different national realities, capacities and levels of development and respecting national policies and priorities. Targets are defined as aspirational and global, with each government setting its own national targets guided by the global level of ambition but taking into account national circumstances. Each government will also decide how these aspirational and global targets should be incorporated in national planning processes, policies and strategies." 35

THE PLANNING CYCLE

Most governments operate on a policy, programme and project development, and implementation cycle of three to five years, although some countries simply allot funds to ministries with little regard for programmes. Typically, the national treasury adopts a medium-term expenditure framework for multi-year planning, creating an additional entry point for SDG engagement.

Experiences from the MDG era provide some useful lessons, such as the need to establish clearly defined targets, address bottlenecks, and practise efficient

35 United Nations General Assembly resolution 70/1, Transforming our world: the 2030 Agenda for Sustainable Development, para. 55.

intersectoral and interterritorial coordination.36 Making the SDGs relevant at the country level therefore requires alignment with existing national visions as well as national, local and sectoral development plans. An underpinning analysis of interlinkages across SDG targets, not just goals, should systematically connect the social, economic and environmental dimensions of sustainable development.37 A prioritization exercise can help countries determine what to carry forward from current development plans while reflecting on consistency with the principles of the 2030 Agenda, notably in terms of leaving no one behind.

Government planning has to take into account different cycles, sectors, government levels (national, intermediate and local) and actors. Moreover, it has to align with the budget and mechanisms for monitoring and evaluation. Planning should be conceived as a national system where instruments, institutions, actors and mechanisms work together in different stages of formulation, implementation, monitoring and evaluation. A collective assessment of the national planning system can define strengths and areas for further development in five dimensions: institutions, design, implementation, global and regional commitments, and results.38

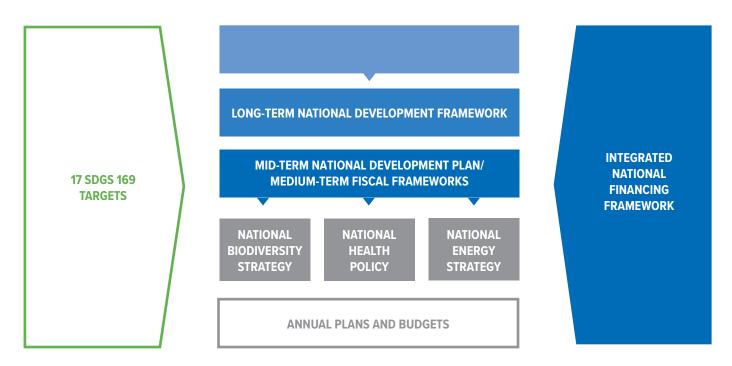
Towards SDG alignment, different entry points can be considered depending on the phase of the planning cycle:

- If the planning cycle is starting, there is an opportunity to adequately reflect the SDG framework and 2030 Agenda principles from the outset.
- If the planning cycle is ongoing, a midterm review might open scope for alignment.

Seven basic elements are particularly important in integrating the 2030 Agenda and the SDGs into every level of national planning:39

- A review of existing strategies, plans and coordination systems.⁴⁰
- Mechanisms to facilitate consultations with different sectors (within the government, including the legislature and judiciary), levels (national and subnational) and stakeholders (including civil society, youth organizations, the private sector, academia and the media).
- A mechanism for measurement of SDG indicators, based on the national statistical system, that provides a baseline and measurement of progress across SDG targets, adapted to local realities and priorities.
- 36 UNDP (United Nations Development Programme), 2016, Transitioning from the MDGs to the SDGs. https://www.undp.org/content/undp/en/home/ librarypage/sustainable-development-goals/transitioning-from-themdgs-to-the-SDGs.html.
- 37 UNDP, 2017, "Rapid Integrated Assessment (RIA) Tool to facilitate mainstreaming of SDGs into national and local plans." https://www.undp.org/content/ $\underline{undp/en/home/librarypage/sustainable-development-goals/rapid-inte-deve$ grated-assessment---mainstreaming-SDGs-into-national-a.html.
- 38 ECLAC (Economic Commission for Latin America and the Caribbean), 2018, Planbarometer: Improving the quality of planning.
- 39 UNDP (United Nations Development Programme), 2016, "Getting Ready to Implement the 2030 Agenda."
- 40 There are methodologies available to guide this work, for instance, UNDP's Rapid Integrated Assessment approach.

FIGURE 1.2 PREPARING SDG-BASED DEVELOPMENT PLANS



- Identification and prioritization of clusters of investments to accelerate inclusive sustainable development, informed by disaggregated data and analytics, with an accompanying integrated policy framework.
- Estimates of the resources required, considering the full costs and benefits for human and ecological systems, and an integrated financing strategy.
- A national development strategy that draws on and reflects the 2030 Agenda.
- A monitoring and evaluation framework tailored to the country context.

KEY COMPONENTS OF AN EFFECTIVE PLANNING PROCESS⁴¹

Planning processes that cut across sectors and levels of government are more likely to drive SDG-aligned action with clear leadership from the highest levels, both the executive and legislative branches. They will set the national priorities and decision-making around trade-offs that will largely define the pace of change.

Overall coordination of line ministries at the central level can be carried out by the Ministry of Planning, the Ministry of Finance or the Office of the President or Prime Minister. This institution must communicate with all stakeholders often and

41 Extracted from UNDP (United Nations Development Programme), 2016, "Getting Ready to Implement the 2030 Agenda." regularly, keeping them abreast of the latest developments and addressing emerging issues of concern.

Development actors (a broad range of UN, non-governmental and business entities) play essential roles in helping governments formulate and implement ambitious and specific plans, especially in reflecting on how to define integrated actions and unlock the requisite volumes of financing.

Since implementation will provide constant learning, coordinating bodies should establish **robust mechanisms for regular and objective progress reviews**. Such reviews should include clear timelines and SMART (specific, measurable, attainable, realistic, timely) indicators to measure progress.

INTEGRATED PLANNING IN COMPLEX CONTEXTS⁴²

Where there are high levels of fragility and uncertainty, integrated planning involves the additional alignment of development frameworks with peacebuilding, post-disaster reconstruction and humanitarian priorities. ⁴³ Identification of priorities for accelerating SDG progress requires consideration of each of these dimensions. The process should specify how priorities were identified, who was involved, what institutional

⁴² United Nations Development Group, 2017, Mainstreaming the 2030 Agenda for Sustainable Development, Reference Guide to UN Country Teams.

⁴³ UNDP (United Nations Development Programme), 2016, SDG Ready: UNDP Offer on SDG Implementation in Fragile Situations. http://www.undp.org/content/undp/en/home/librarypage/sustainable-development-goals/undp-offer-on-sdg-implementation-in-fragile-states.html.

arrangements were in place, how resources were mobilized and what accountability systems were in effect.

The capture of development agendas and priorities by political or economic elites is especially common in complex situations. Such cases require measures to ensure inclusivity, uphold agreed principles and apply evidence-based criteria for prioritization. Prioritization must identify investments for areas and populations left or pushed furthest behind, as well as for those where the country has made considerable progress but needs a "last mile" push.

SDG BUDGETING AND FINANCING44

Public budgets are simultaneously economic, legal and political tools. As such, they are the most powerful instruments available to governments to set and communicate their policies, plans and priorities, and how they will be implemented. Better designed budgeting brings policy implementation and planning outcomes closer to the government's intent.

Once the SDGs become part of a country's policy framework, implementation still depends on integration in its budgetary framework, with SDG targets reflected in budget allocations and reports. This can help ensure SDG efforts are more comprehensive, structured and measurable. Connecting budgets and the SDGs⁴⁵ can build on the existing basic elements of institutional budget architecture: national planning, programmatic structures based in budgetary programmes, and a performance evaluation system.

It is critical to link budgets to overall resource needs for the SDGs, while also making fair and reasonable estimates of the proportion of national income available for public investments, and the magnitudes of funds available from tax receipts, borrowing and international flows. Consideration can also be given to the cost of inaction and implications for achievement of the SDGs.

Several tools support the effective use of resources:

- The Medium-Term Expenditure Framework introduces greater certainty in budgets; it guides a three-year rolling budget that is reviewed annually.
- Results-based budgeting builds on predefined objectives and expected results. These shape resource requirements derived from and linked to outputs. Performance in achieving results is measured by objective performance indicators.46
- Participatory budgeting involves people directly in the budgeting process.47

 Budget mainstreaming promotes the integration of specific issue areas, such as the environment⁴⁸ or gender,⁴⁹ into budgets.



CHAPTER 2: **MACROECONOMIC PROGRESS AND THE SDGs**

A dynamic and inclusive global economy is central to achieving the 2030 Agenda. To secure the foundations for stable and sustainable economic growth, policymakers must work to contain short-term risks, while seeking new economic models to advance a longer-term development strategy encompassing economic, social and environmental goals.

Global economic growth is currently uneven and often failing to reach the people who need it most. The United Nation's World Economic Situation and Prospects 2019 indicates that per capita income levels essentially stagnated or declined in 47 developing and transition economies in 2018. Most of these countries have been falling behind for several decades.

This poses an enormous challenge as countries strive to reduce poverty, develop essential infrastructure, create jobs and support economic diversification. If this trend continues, prospects for eradicating poverty and hunger, creating decent jobs for all and ensuring access to affordable and clean energy will be increasingly out of reach. Weak economic performance is also linked to insufficient investment in quality education, health services, social protection, programmes for marginalized groups, and mitigation and adaptation to climate change, all essential to advancing the 2030 Agenda.

- 44 UNDP (United Nations Development Programme), 2018, "Budgeting for Agenda-2030: Opting for the right model."
- 45 "Investing For Sustainable Development: How Does Mexico Invest in the SDGs?" https://www.transparenciapresupuestaria.gob.mx/work/models/ $\underline{PTP/Presupuesto/Documentos_anteriores/mexico_sdg.pdf.}$
- 46 European Parliament Think Tank, Performance budgeting: A means to improve EU spending. http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_IDA(2018)608724.
- 47 United Nations Development Group, 2015, "Mainstreaming Guidance Note."
- UNDP (United Nations Development Programme), "Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development." https://www.undp.org/content/undp/en/home/ $\underline{librarypage/poverty\text{-}reduction/mainstreaming\text{-}environment\text{-}and\text{-}cli\text{-}}$ mate-for-poverty-reduction-and-.html.
- 49 UN Women, "Gender Responsive Budgeting." https://unwomen.org.au/ our-work/focus-areas/what-is-gender-responsive-budgeting/.

This chapter presents an overview of some core economic parameters to consider.

LEVEL OF INCOME

One of the key metrics used to measure the health of an economy is its level of income, most commonly assessed as **gross domestic product (GDP) per capita**. GDP measures the monetary value of the final goods and services produced in a country in a given period of time; GDP per capita is relative to the size of the population.

The GDP of an economy can be measured and expressed in a number of different ways. What economists refer to as "real" GDP measures the volume of output of an economy, such as the number of cars and number of bushels of wheat produced, valued at a *constant* price (such as the price of these items in 2010). "Nominal" GDP, on the other hand, sums up goods at their *current* price at each point in time. When assessing changes in the level of income over time, economists generally prefer to use the growth rate of "real" GDP, which indicates whether output has increased or decreased over time, rather than "nominal" GDP growth, which cannot distinguish between an increase in output and an increase in the price of the output over time.

A related concept is **gross national income** (GNI), which adjusts the level of GDP for the net income from overseas investments and remittances. GNI may be lower than GDP if, for example, a large number of foreign firms send a fraction of profits back to their country of origin. On the other hand, GNI may be higher than GDP if many nationals work abroad and send remittances to families in their home country. The standard measure underpinning the World Bank's classification of countries by income group is GNI per capita.

Governments tend to focus on boosting GDP and improving the efficiency of production to increase the size of their economies. The larger the economy, the more goods and services are available for consumption, the thinking goes. But the problem is that GDP is a poor way to keep count of wealth. This is partly because GDP is a measure of income flows, and not of wealth or assets.

GDP also fails to account for what a nation loses as its economy grows. Economic growth and more efficient production often go hand in hand with a rise in, for example, air and water pollution, including climate-changing carbon emissions.

Economies may appear to be growing when measured using GDP, but the state of the biosphere today (fresh water, ocean fisheries, the atmosphere as a carbon sink) strongly suggests unsustainable pressures. The rate of biological extinctions is 100 to 1,000 times the average, background rate of the past several million years.

Many countries are not on a path to sustainable development, despite growing GDP, because they are depleting their stocks of natural, human or physical capital at rates that will leave certain populations as well as future generations worse off. Better measures of economic progress and social well-being assess a nation's ability to distribute its wealth inclusively and safeguard it for future generations.

DISTRIBUTION OF INCOME

Despite substantial progress over the last two decades, more than 700 million people remain below the extreme poverty line globally. More than half are in Africa.⁵⁰ Eradicating poverty by 2030 will require both sharp accelerations in economic growth and steep reductions in income inequality.

Thus, another important part of assessing an economy is the way income is distributed across the population, which determines the level of income inequality. A healthy economy maintains relatively narrow and stable gaps of income and wealth between the rich and the poor, so that no one is left very far behind. Wide and widening income inequalities are signs of an unhealthy economy, which is a major barrier to achieving the 2030 Agenda.

A number of metrics can assess inequality in a country. One of the most common is the Gini coefficient. It takes a value of 0 if income is distributed exactly equally across all members of the society. The value increases as the level of income inequality rises. A trend of diminishing inequality requires that the income of the less affluent (e.g., the bottom 40 per cent of the population) increases at a higher rate than the average.

The interplay between the level of income and the distribution of income jointly determines the incidence of poverty. Even in a country where the average level of income is high relative to the extreme poverty threshold of \$1.90 per day, extreme poverty rates may still be elevated if income is very unequally distributed across individuals.

A fair distribution of income requires an economic structure and labour market policies that provide an adequate supply of quality jobs; a sound social protection system; a progressive fiscal structure; and a policy framework limiting inequalities in opportunity by providing universal access to education, health care and jobs.

Labour market indicators, such as the unemployment rate, give additional information about the health of an economy and its capacity to deliver jobs. They can indicate the duration of unemployment, the share of the population without work for a year or more, and the rate of participation in the workforce, including gender differences.

⁵⁰ World Bank Group, 2018, "Poverty & Shared Prosperity 2018: Piecing Together the Poverty Puzzle."

A healthy *world* economy is one with narrowing income gaps *within* countries as well as *between* them. This requires a faster rate of GDP per capita growth and a quicker rise in living standards in developing countries compared to more advanced ones.

STABILITY OF INCOME

In a healthy economy, the incomes of individuals are not just adequate but also stable and predictable over time. Stability of income relies on a sound macroeconomic policy framework; low and stable inflation; a healthy, well-capitalized and transparent banking system; an adequate social protection system; and the internal and external balance of the economy, managed within sustainable levels of debt.

All economies, even those that manage to achieve relative economic health, are periodically exposed to macroeconomic downturns and crises. Macroeconomic policy tools can be used to reduce the impact of a shock, and stabilize income levels and inflation. Policy instruments include taxes, government spending and borrowing, exchange rate determinants, and monetary and credit rules.

An effective countercyclical policy framework requires measures to support economic growth during a downturn, for example, through additional public spending or lower interest rates. It also calls for measures to restrain economic growth during good times, to prevent overheating and build the policy buffers needed to counter the next downturn and support longer-term development objectives.

Macroeconomic policy tools have important implications for how income is distributed across individuals and generations, and in delivering a balanced economy. A balanced economy has a well-diversified production structure, low and stable levels of unemployment and inflation, sustainable levels of borrowing and debt in both the public and private sector, and a stable external balance where the inflow of income from exports and other external sources is broadly in line with the outflow of income to purchase imports and cover other external liabilities.

Imbalances can lead to an excessive build-up of debt. In a healthy economy, firms borrow to invest in new factories and machinery, households borrow to buy a house or a car and to spread the costs of consumption over time, and governments borrow to invest in infrastructure, support development and stabilize the economy during a downturn. Low and manageable levels of indebtedness, facilitated by a stable financial system, are a normal and healthy part of economic life. But extended periods of imbalance can cause individuals or governments to take on excessive levels of debt that may force them into default. Governments may have to enact policies to control debt dynamics such as cuts in in public services that are detrimental to human well-being.

Many resource-rich countries struggle to tap into their development potential in large part due to their exposure to internal and external imbalances. Many of the developing economies that have consistently fallen behind in recent years depend heavily on commodities, both in terms of export revenue and financing fiscal expenditure, which leaves them highly sensitive to commodity prices that rise and fall unpredictably on the global market. The combination of high volatility in export and fiscal revenues often translates into large swings in economic activity, and lower rates of growth over the longer term.

In the absence of fiscal institutions that can adapt to these conditions—for example, structural balance rules—a decline in commodity prices can drive exchange rate pressures, inflation and foreign exchange shortages. It can lead to a sharp rise in the fiscal deficit, forcing cuts in investment and social spending that exacerbate the downturn.

Natural resource wealth has the potential to create vast development opportunities when matched with effective management and far-sighted policies. Returns from commodities can provide vital revenue to widen access to education and health care, invest in critical infrastructure, provide crucial social protection services and promote economic diversification. Achieving this requires a comprehensive approach to commodity management embedded within a broad sustainable development strategy. It should include strengthening institutions, increasing transparency, developing countercyclical policies, and making targeted investments in human capital.

EXTERNALITIES OF ECONOMIC ACTIVITY

A healthy economy is one that can sustain society in the future as well as today, and where the benefits of economic activities by one set of individuals are not borne as a cost by other individuals or future generations. An economic externality refers to a cost or benefit to a third party of some economic decision, such as production or consumption, that is not specified as a cost or benefit in a contract. The third party has no control over that cost or benefit. Externalities may impact individuals on a small scale—such as a factory that pollutes the drinking water of a small village—or affect society as a whole, such as by accelerating climate change.

The rise in living standards over the last century has relied heavily on the availability of natural capital and resources, in the form of soils, the climate, biodiversity, clean air and water, metals, hydrocarbons like coal and oil, fish stocks, and so on. These have been, for the most part, abundant and free, apart from the costs of extraction. Many of these resources, such as unpolluted air, biodiversity (including coral reefs, and many land and marine species), forests (due to deforestation and desertification) and clean water are becoming scarce. Human beings depend on these resources for health, agricultural production, livelihoods, etc. The depletion of natural capital

is a macroeconomic phenomenon that can devastate an economy, even leading to hunger or famine if it is not properly managed.

Over the last six years, more than half of extreme weather events have been attributed to climate change from greenhouse gas emissions. While the bulk of emissions have come from wealthier countries, the human cost of disasters falls overwhelmingly on low-income and lower-middle-income countries. Many small island developing States in the Caribbean and Indian and Pacific oceans are particularly exposed to climate risks through flooding, increasing aridity, coastal erosion and depletion of freshwater. This clearly demonstrates the global externalities of activities in larger economies.

Moving forward, environmentally sustainable growth will require fundamental shifts in production and consumption. To avoid substantial changes to current human and natural systems, global greenhouse gas emissions must start to decline well before 2030. While some progress has been made in reducing emissions intensity, the transition towards environmentally sustainable production and consumption is not happening fast enough. Levels of emissions continue to rise, accelerating climate change. A fundamental and more rapid shift in the way the world powers economic growth is urgently needed to avert further serious damage.

Economic decision-making must fully integrate the negative climate risks associated with emissions, which would reduce demand for carbon-intensive services and fossil fuel-based technology. Such a fundamental transformation requires coordinated policy action on many fronts, the acceleration of technological innovation and significant behavioural changes. These could be facilitated by green fiscal instruments, such as environmental taxes and incentives for green investments.



CHAPTER 3: LOCALIZING THE SDGs

SDG localization refers to the recognition and empowerment of vital local actors (particularly local governments, populations, businesses, small and medium enterprises, and community-based organizations) in developing, implementing and reviewing SDG-related measures in cities and communities.

While the SDGs are global, achievement will largely depend on making them a reality in communities, cities and regions. The way cities and communities are built and governed, for example, has a significant impact on reductions of greenhouse gas emissions. Local governance constraints, mandates, capacities and resources vary greatly, yet local and regional governments often have significant influence on key policy areas, such as transport and land use. Local businesses, community-based organizations and research institutions also have vital knowledge, resources and networks that can be mobilized behind locally appropriate solutions.

SDG localization is an opportunity to explore and acknowledge local linkages among different commitments, including the Sendai Framework for Disaster Risk Reduction, the 2030 Agenda, the Paris Agreement on climate change, the New Urban Agenda, and other relevant global, regional and national agendas and agreements.

ENABLING FACTORS FOR LOCALIZATION

The extent to which national legal and political frameworks are conducive to SDG localization differs across countries. In many cases, national and international support for local and regional governments remains necessary to strengthen their role in SDG implementation.

The prevailing policy and institutional framework shapes the context in which different levels of government interact. In some countries, national governments may set legal requirements for local and regional governments to take action in a certain policy area. They may also define specific goals and provide financial support through



intergovernmental transfers or other resources. In other countries, local and regional governments have more leeway to autonomously shape SDG strategies. Local governments may also be able to raise revenues to finance implementation.

While the role of local governments thus depends on a country's political economy and institutional inheritance, each level of government can contribute to the effective localization of the SDGs, in line with its mandate and responsibilities. Beyond strengthening the abilities of subnational and local institutions, some countries may need to adapt existing decentralization processes so that local governments are able to fully assume their responsibilities related to the goals.

Institutional mechanisms can foster dialogue, knowledge exchange and joint action by different stakeholders. For example, vertical coordination and cooperation across different levels of government can enable local and regional governments to provide feedback on the effectiveness of national laws and policies. Horizontal mechanisms can strengthen coherence across local and regional government plans and policies, as well as across ministries and national agencies.

Examples of approaches that facilitate coordination and alignment across the government and encourage stakeholder inclusion comprise:

- Supporting local SDG action plans. For example, in Cabo Verde, municipalities are assisted in developing local sustainable development plans that reflect their own priorities and are aligned with the National Plan for Sustainable Development. Shaping the plans involves multiple stakeholders and a strongly participatory approach. Elected officials work with stakeholders to prioritize strategic projects and elaborate implementation strategies.
- Fostering multi-stakeholder dialogue. For example, Chile's National Urban Development Council brings together a range of stakeholders to advise the national Government on implementing the national urban development policy.

EVIDENCE FOR CHANGE: INCLUSIVE LOCAL SDG DATA

The production and availability of subnational and local data are essential for achieving the 2030 Agenda, which calls for disaggregating information "by income, gender, age, race, ethnicity, migratory status, disability, **geographic location** and other characteristics relevant in the national context" (SDG target 17.18). A well-functioning national statistical system, involving subnational data producers and users, supports the efficient use of national resources and facilitates information-sharing between different levels of government.

The participation of local and regional governments and local actors in a national SDG monitoring system can influence its effectiveness and ability to provide an accurate picture of progress on SDG implementation. At the same time, local governments need sufficient capacity to collect, analyse and

use data to make evidence-based policy decisions for their own jurisdictions.

Localizing data for the SDGs entails first developing a set of localized SDG indicators, specific to each territory, while ensuring a minimum level of comparability across territories. The indicators can then be used to monitor and assess local or regional plans. Other essential aspects are ensuring that local information is consistent with and used in national monitoring and reporting; and making local achievements and issues visible in national SDG progress reports.

Citizen-generated data, big data and other non-official sources of data can play an important role in complementing.

Citizen-generated data, big data and other non-official sources of data can play an important role in complementing official data where there are gaps, strengthening nuance and improving inclusiveness. For example:

- The "Know Your City" campaign by Slum Dwellers International and its partners supports slum dwellers in profiling and mapping their settlements, which are often excluded from official data collection efforts due to their informal status. Without an evidence base on existing infrastructure, access to services, quality of housing or other key information in informal settlements, it is challenging to plan improvements. The data generated by the campaign can thus be a valuable input for efforts to improve conditions.
- In Colombia, a multistakeholder effort led by the Cómo Vamos City Network has brought together local governments, academia, civil society and other partners to develop indicators and an online data tool that tracks progress on SDG implementation in more than 35 municipalities. The data complements official data at the national and regional level, and enables local comparisons of progress.

STRENGTHENING LOCAL PARTNERSHIPS AND PARTICIPATION

For local and subnational plans to accurately reflect local needs, people and communities must be actively engaged. Multistakeholder participation is not only about letting the population know about the existence of the SDGs. It is also about empowering them to meaningfully participate in the achievement of the goals in their community, and own and scale up the solutions they devise.

Partnerships with various actors—such as businesses, small and medium enterprises, and community-based organizations—can help leverage their specific skills, knowledge and resources for localization. Examples of partnerships and participatory models include:

- Participatory budgeting through which local residents are involved in setting spending priorities for their community. For example, in the Indian state of Kerala, citizens provide inputs on funding for projects in their area.
- Partnering with businesses, such as in developing low-emission buildings, launching bike-sharing schemes, implementing charging points for electric vehicles and other infrastructure projects.
- Partnering with civil society and academia, for instance, in defining and monitoring local indicators.

SCALING UP LOCAL FINANCE

Financing options for SDG localization include local government revenues (e.g., from charges and fees, municipal bonds and local taxes); intergovernmental transfers; grants, subsidies and loans; and international development finance.

Despite this broad range of possible sources of finance, in practice, cities and local governments often face bottlenecks in funding SDG-related priorities. Key challenges include:

- A lack of direct access to global, regional and national development finance facilities and funds;
- A lack of predictability and stability in fiscal transfers from national governments; and
- A lack of local government creditworthiness and capacity, and skills to effectively manage budgets, effectively constraining the ability to access loans or issue bonds.

The national context defines the different types of financing available to local governments. Examples of different approaches include:

- Establishing subnational government windows in national, regional and global funds. For example, South Africa's national Green Fund includes the Funding Window for Green Cities and Towns. Municipalities, municipal entities, and small and medium enterprises can access funding for projects in areas such as sustainable transport, sustainable waste management and renewable energy.
- Strengthening local government capacities to obtain a credit rating, raise borrowing capacity and develop their own bonds. Examples of cities that have issued **municipal bonds** include Johannesburg, which in 2014 issued its first green bond, and Mexico City, which issued a green bond in 2016.
- Supporting cities in pooling together bonds for major events, such as to respond to urban-oriented disasters.
- Fostering collaboration between local governments and businesses to increase private sector investment in local SDG initiatives.

KEY CHALLENGES AND OPPORTUNITIES

Effectively localizing the SDGs faces many challenges. Even in countries where awareness may be high among local and regional governments, efforts may still be needed to help them understand how the SDGs relate to their own priorities and can define concrete actions on the ground. If local and regional government responsibilities are not complemented with fiscal decentralization or the transfer of appropriate resources, the result will be an unfunded mandate. Further, elite capture and a disconnect between policy and practice are typically accentuated at local levels.

At the same time, opportunities abound, making an integrated localization strategy vital to progress. It can extend the reach of development interventions to population groups at risk of being left behind by geographic and related factors, and respond more effectively to the ways that stresses, crises and

disasters are felt on the local level. By deepening country ownership in the 2030 Agenda, it can strengthen all aspects of implementation.

The United Nations is working on a system-wide strategy, Local2030, to improve its support for SDG localization, including through increased inter-agency collaboration to deliver more coherent and targeted support, expanded finance and sector-specific tools and resources.



CHAPTER 4: SDG DATA, INDICATORS AND **STATISTICS**

The key objectives of the 2030 Agenda are articulated in the SDGs and their targets. But the means to measure progress were not all in place when the Agenda was adopted. The Inter-Agency and Expert Group on SDG Indicators subsequently led the development of the Global SDG Indicator Framework, under the aegis of the UN Statistical Commission.51

The 2030 Agenda enshrines the principle of monitoring development results, and elevates data and statistics as a development priority. It calls for follow-up and review processes to be "rigorous and based on evidence, informed by countryled evaluations and data which is high-quality, accessible, timely, reliable and disaggregated by income, sex, age, race, ethnicity, migration status, disability and geographic location and other characteristics relevant in national contexts."52

SDG target 16.10 aims to guarantee public access to information. SDG target 17.18 advocates a significant increase in "the availability of high-quality, timely and reliable data

- 51 The group is composed of the national statistical offices of 27 UN Member States. It approves proposals for indicators, oversees implementation of the Global SDG Indicator Framework, and reports annually to the UN Statistical Commission. It receives secretariat support from the United Nations Department of Economic and Social Affairs, Statistical Division.
- 52 United Nations General Assembly resolution 70/1, Transforming our world: the 2030 Agenda for Sustainable Development, para. 74(g).

disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts." Target 17.19 stipulates new means of measurement of sustainable development progress beyond GDP.

The scale of data required for the 2030 Agenda is unprecedented. Much work lies ahead to develop quality, accurate, open, timely, and sufficiently disaggregated data and indicators to inform development policies and programming, monitor progress, and strengthen accountability and transparency at all levels. To meet demand, countries need to strengthen capacities to collect, integrate, analyse, communicate and use data from multiple sources.

In particular, accurate, representative, inclusive, disaggregated and local data are imperative to identifying those left behind, targeting policy interventions, and assessing their impacts on populations vulnerable to various stresses, deprivations, exclusions and shocks.53

Technology and innovation make it possible to bring together data to fulfil the promise of leaving no one behind. Transformative digital technology is yielding new sources of data and information; new approaches to data collection, management, processing and dissemination; and new partnerships with and among civil society, youth organizations, the private sector and academia. Ground-breaking technological progress in recent years includes a massive increase and commodification of computing capabilities and nearly universal and ubiquitous connectivity, resulting in an exponential increase in data production and the modernization of national data infrastructures.

In 2013, the UN Secretary-General's High-level Panel of Eminent Persons on the Post-2015 Development Agenda called for more evidence-based development policy-making and implementation bolstered by enhanced capacity for statistical production, better availability of quality data and statistics, and strengthened accountability of development stakeholders—a "data revolution for sustainable development". Achieving this requires integrating new and traditional data sources as well as increasing the usefulness of data through greater transparency and openness, while respecting privacy and human rights.⁵⁴

A mismatch remains, however, between what is feasible from the point of view of technology and the current statistical capacities of many countries. Where statistical systems are underfunded, establishing the necessary infrastructure and developing technical skills (training, capacity-building) for the effective dissemination and use of SDG data and statistics is a challenge. Harnessing the promise of the data revolution for

53 OHCHR (Office of the High Commissioner for Human Rights), "A Human Rights-based Approach to Data - Leaving No One Behind in the 2030 Development Agenda." https://www.ohchr.org/HRBAD.

54 Secretary-General's Independent Expert Advisory Group on the Data Revolution for Sustainable Development, "A World that Counts."

sustainable development requires strong political commitment and increased resources to support global and national efforts to strengthen data and statistical systems, and enable data producers to use the tools and technology now available.

The report of the Secretary-General's Independent Expert Advisory Group on the Data Revolution for Sustainable Development recommended developing systems for global data sharing based on common infrastructures to help solve capacity problems, produce efficiencies and encourage collaboration. It also recommended creating a network of data innovation networks for leveraging and sharing data and data research to facilitate the use of new technologies and new data sources. Subsequently, the Cape Town Global Action Plan for Sustainable Development Data,⁵⁵ launched at the first UN World Data Forum in 2017,56 called on the data community to "develop and promote innovative strategies to ensure proper dissemination and use of data for sustainable development".57

Today, more than ever, the statistical community needs to come together to build the modern statistical, technological and institutional infrastructures required to integrate, share and use local, national, regional and global sources of data and knowledge to inform national policies for sustainable development as well as global political discussion.

THE GLOBAL SDG INDICATOR FRAMEWORK

The Global SDG Indicator Framework includes 232 unique global indicators covering all 17 goals. The indicators are categorized in a three-tier system:

- Tier 1: an established methodology exists, and data are widely
- Tier 2: an established methodology exists, but data are not readily available
- Tier 3: an internationally agreed methodology has yet to be developed

The Inter-Agency and Expert Group continuously reviews the framework for minor refinements and assessment of progress in filling gaps, especially in terms of the development of Tier 3 indicators. In-depth reviews in 2020 and 2025 will take stock of lessons from implementation and evaluate the indicators. They will look at issues such as indicators that are not sufficiently measurable, specific or relevant to their SDG targets; or for which methodological development or data collection have met significant

- 55 https://unstats.un.org/SDGs/hlg/Cape-Town-Global-Action-Plan/.
- 56 The UN Statistical Commission's High-level Group for Partnership, Coordination and Capacity Building for Statistics for the 2030 Agenda convenes the UN World Data Forum every two years. It is a platform for mobilizing stakeholders around data, enabling partnership opportunities between various data communities and stakeholders, and engaging with policymakers on the importance of strengthening data and statistical capacities. See: https://unstats.un.org/SDGs/hlg/.
- 57 Cape Town Global Action Plan for Sustainable Development Data, Objective

difficulties; or for which new tools and/or methodologies have become available.

The UN Statistics Division maintains the Global SDG Indicator Database,⁵⁸ coordinates the production of the annual SDG progress report,⁵⁹ and liaises with international statistical agencies. In addition, each global SDG indicator is supported by one or several "custodian agencies" responsible for the following tasks, as relevant: develop internationally agreed standards and methodologies for their indicators and support implementation at the national level; assist countries with data collection; help ensure comparability of country data; compute regional and global aggregates; support the data flow from the national level into the global SDG indicator database; and strengthen national statistical capacities and reporting mechanisms.

Regional mechanisms such as the UN regional economic commissions support the development of national and regional SDG indicator frameworks, statistical capacity-building, regional integration through the harmonization of statistics, peer learning and sharing of experiences. Some regional or geopolitical groupings, such as, for instance, the small island developing States, have developed a more specific set of SDG indicators suitable to their particular context.

NATIONAL IMPLEMENTATION

The national production of official statistics is regulated by national legislation and undertaken through various government institutions. Together, these form the national statistical system, which is normally coordinated by a national statistical office. National statistical activities and measures for strengthening national statistical systems are typically organized under a multi-year strategic plan.60

Official statistics and national data sources are the basis for global SDG indicator reporting. National statistical offices have the primary responsibility to coordinate the production, compilation, validation and reporting of data for SDG indicators for both national reporting and for reporting to custodian agencies that compile international data series based on their respective mandate and area of work.

National indicators might differ from the ones included in the global SDG indicator framework. Most countries have chosen to adapt the global indicators to their national circumstances, with national lists containing a mix of national and global indicators. In some cases, national platforms present national, regional and global indicators side by side in order to address different data reporting needs.

The majority of data for the SDGs come from censuses, surveys, administrative processes and registries. A nonexhaustive list of survey instruments includes population and housing censuses, agricultural censuses, civil registration and vital statistics, administrative data from line ministries, the Multiple Indicator Cluster Survey, 61 the Demographic and Health Survey, 62 the Living Standard Measurement Survey, 63 and other surveys undertaken by national statistical offices based on internationally agreed guidelines and standards, such as labour force⁶⁴ and agricultural surveys⁶⁵.

DATA GAPS AND CAPACITY NEEDS

Significant efforts are required for Tier 3 SDG indicators, for which an internationally agreed methodology is still under development, and Tier 2 indicators, given low data availability and requirements for data disaggregation. Support is required from the local to global levels to address data gaps in important policy areas such as climate change, the environment, governance, peace and security, youth development, ageing, disability and gender. Other imperatives include strengthening national administrative data systems and the production of subnational data.

"Data ecosystems" is a holistic, end-to-end approach to statistical capacity-building. It encapsulates the notion that the full value of data for development can only be achieved if the entire data value chain is strengthened, from impact and needs assessment to data collection, processing, accessibility, dissemination and use.

The Cape Town Global Action Plan for Sustainable Development Data presents a framework for strengthening statistical capacities. Several key strategic priorities for coordination and strategic leadership around data include resource mobilization as well as coordination and modernization of national statistical systems. Building country capacities for strategic dissemination and use of data⁶⁶ requires concerted efforts and investments in innovative approaches, and multistakeholder partnerships on a renewed depth and scale. The Action Plan provides a roadmap for prioritizing investments in data, which is critical since statistical development remains significantly underfunded.⁶⁷

⁵⁸ https://unstats.un.org/SDGs/.

⁵⁹ United Nations, 2018, Sustainable Development Goals Report 2018. https:// unstats.un.org/SDGs/report/2018/.

^{61 &}lt;a href="http://mics.unicef.org/">http://mics.unicef.org/.

⁶² https://dhsprogram.com/.

⁶³ http://surveys.worldbank.org/lsms.

⁶⁴ https://ilo.org/ilostat.

⁶⁵ http://www.fao.org/economic/ess/countrystat/en/.

⁶⁶ Survey of statistical capacity needs for the SDGs, https://paris21.org/ capacity-development-40/cd40-survey.

⁶⁷ In many developing countries, data production depends on international development assistance. Yet only \$632 million of this assistance, 0.33 per cent of the total, is allocated to statistical development per year (2016 data). Meeting the data needs of the SDGs would require an estimated additional \$700 million per year, doubling the amount of assistance allocated to statistical development from 0.33 per cent to 0.7 per cent. PARIS21, Partners Report on Support to Statistics. https://paris21.org/press.



OPPORTUNITIES FROM THE DATA REVOLUTION

Developing and implementing data interoperability principles and best practices, promoting the integration of geospatial and statistical information, and developing data visualization and dissemination tools to make data easily accessible to policy and decision makers at all levels are all key to addressing the data needs of the 2030 Agenda. The integration of statistical and geospatial information from a wide range of data sources, and the implementation of interoperable platforms for data dissemination, analysis and visualization can provide policymakers with new information and insights for effective action.

The integration of new data sources, such as satellite imagery, social media, mobile telephony and citizen-generated data, as well as the use of innovative techniques such as big data analysis and new technologies such as artificial intelligence, can help address some data gaps and analytical challenges.⁶⁸ Similarly, academia and think-tanks can help in developing new analytical frameworks and tools required to harness the

complexity of the sustainable development agenda.

68 UN Big Data for Official Statistics. https://unstats.un.org/bigdata/.

Innovative partnerships can leverage the respective strengths and complementarities of various stakeholders. The private sector and civil society typically have greater capacity to innovate and exploit opportunities afforded by new technologies and data innovations.69

Platforms to facilitate the integration of data sources and promote interoperability include the Federated Information System for the Sustainable Development Goals (FIS4SDGs), an initiative led by the UN Statistics Division in partnership with Esri. It leverages web technologies and services to improve the integration, accessibility and usability of official statistics, geospatial information and other sources of data, including from outside the official statistical system, to support SDG policy at the local, national, regional and global levels. Its ${\bf federated}$ architecture supports an interoperable data ecosystem whereby independent global and national SDG data hubs share authoritative SDG data and information on a common platform. This enables broad access among users while ensuring the

69 UNDP/UN Global Pulse, Guide to Data Innovation for Development. https:// $\underline{www.undp.org/content/undp/en/home/librarypage/development-im-}$ pact/a-guide-to-data-innovation-for-development---from-idea-to-proof-. html.

traceability and accountability of originating data sources.70 While the data revolution is already having an enormous impact, it has not benefited everyone equally. The digital divide within and between countries is still a significant factor. As societies grow increasingly digital, a growing "data divide" could leave behind populations who cannot afford to be online, and whose experiences and conditions are not captured in digital realms.⁷¹

PRINCIPLES FOR DATA PRODUCTION AND USE

The SDGs have raised global attention to the centrality of data and confirmed a "user-centric" model for collaborating in collection and dissemination. In this context, open data principles and practices provide an opportunity to foster an integrated approach by connecting data communities and ecosystems under the central coordinating role of national statistical offices.

By incorporating open data principles and practices in national development plans as well as strategies and laws related to statistics, it is increasingly possible to engage all relevant stakeholders to ensure that users' needs are addressed, and partnerships are established with different data producers.⁷² Data are not neutral. Their production and use reflect explicit and implicit biases. As such, data can be used both for public good and ill. As the world becomes increasingly connected and dependent on technology and data, the inherent risks of data become clearer. The scale of potential and actual misuses has already been unprecedented, with costly and sometimes even fatal consequences. As artificial intelligence progresses rapidly, biases from machine learning and big data become harder to detect and potentially more severe in their outcomes.

A basic principle for data production and use can be summarized in the maxim "with great data comes great responsibility". The UN system and the entire development community must uphold the highest standards of data protection, privacy and security. These are codified in the Fundamental Principles of Official Statistics,⁷³ the UN Principles on Data Protection and Privacy,⁷⁴ and the UN Sustainable Development Group guidance on data privacy, ethics and protection⁷⁵. The UN Statistical Commission has established a Working Group on Open Data to provide guidance to national statistical offices on issues such delivering

- 70 http://unstats-undesa.opendata.arcgis.com.
- 71 Global Partnership for Sustainable Development Data. http://www. data4SDGs.org.
- 72 The United Nations Statistical Commission is actively promoting open data in official statistics, including through the development of guidance and best practices to implement open data principles in alignment with the Fundamental Principles of Official Statistics, and the inclusion of open data issues in work programmes on big data and quality frameworks for official statistics
- 73 United Nations General Assembly Resolution 68/261, Fundamental Principles of Official Statistics, 3 March 2014. https://undocs.org/A/RES/68/261.
- 74 https://www.unsceb.org/privacy-principles.
- 75 United Nations Development Group, 2017, "Data Privacy, Ethics and Protection: Guidance Note on Big Data for Achievement of the 2030 Agenda." https://undg.org/document/data-privacy-ethics-and-protection-guidance-note-on-big-data-for-achievement-of-the-2030-agenda/.

official statistics and open data at the local level to benefit policymakers and citizens, ensuring a user-centric approach, and developing data interoperability.76

A useful set of tools compiled by UN Global Pulse can assess risks, harms and benefits of data in development and humanitarian contexts.77 The Office of the High Commissioner for Human Rights (OHCHR) has offered guidance on a human rights-based approach to data.78



CHAPTER 5: EQUIPPING PUBLIC INSTITUTIONS FOR SDG IMPLEMENTATION

The 2030 Agenda recognizes that governments have the primary responsibility for implementation, follow-up and review at the national, regional and global levels. As an integrated framework, the SDGs call for holistic whole-ofgovernment and whole-of-society approaches, including through increased collaboration between central and local governments as discussed in Chapter 3.

Achieving the SDGs and addressing the deep inequalities that exist in many countries will depend on integrated policies and investments in a wide range of public and private goods and services. These include inclusive economic growth, employment and decent work, social protection, education and skills, health, food and nutrition, housing, infrastructure, energy, water and sanitation, the environment and climate change, to name only a few.

At the same time, institutions need to be designed and equipped to deliver on multidimensional SDG implementation strategies.

- 76 Reports and background documents on the work on open data are available at: https://unstats.un.org/unsd/statcom/50th-session/documents/.
- 77 https://www.unglobalpulse.org/privacy/tools.
- 78 OHCHR (Office of the High Commissioner on Human Rights), 2018, A Human Rights-Based Approach to Data. https://www.ohchr.org/Documents/ Issues/HRIndicators/GuidanceNoteonApproachtoData.pdf.

SDG 16 AND THE CENTRALITY OF EFFECTIVE PUBLIC INSTITUTIONS

The complexity of the 2030 Agenda imposes great demands on government institutions to provide integrated responses to development challenges. The capacity to build effective, accountable and inclusive institutions at all levels will define these efforts and is a sustainable development commitmentin its own right, as reflected in Goal 16 and its specific targets.

Institutions at the centre of government—such as planning ministries, finance ministries, sectoral ministries and supreme audit institutions—as well as local authorities have critical roles to play. Essential contributions, including many that improve the lives of the poorest people, come from institutions related to the rule of law, peace and security, an independent judiciary and the proper administration of justice.

National parliaments have a central part through their enactment of legislation, adoption of budgets and oversight of commitments made by Member States. They establish policy directions, shape and enforce laws to help realize the SDGs, oversee the executive branch of government and represent people's interests.

Countries in fragile or crisis-affected settings, with about 2 billion people, merit a special approach, given their often weak public sector capacities coupled with acute poverty and vulnerability. Public institutions may be fractured by years of fragility and violence. They are often the arena where access to power is negotiated between "winners" and "losers" after an election cycle or in the aftermath of a crisis.

During the transition from conflict, there may be windows of opportunity for certain reforms, but a lack of political will may stall others. Balancing these two dynamics remains challenging. Targeted investments in core government capacities at national and local levels can offer solutions to restore peace, security, justice and prosperity.

TRANSFORMING PUBLIC INSTITUTIONS

Public institutions are effective drivers of SDG implementation when they are responsive, inclusive and accountable in serving all citizens in a fair and transparent manner. In most countries, however, public institutions currently face major capacity and resource constraints. The public sector may have difficulty attracting critical skills for a myriad of reasons, such as outdated civil service norms and structures that hinder recruitment and skills development, or conditions of employment that make it hard to compete with the private sector. Many governments, especially in middle- and low-income countries, struggle with insufficient revenues to increase public sector wages. Other issues arise from widespread corruption that diverts funds, undermines people's trust in public authority and deprives the most vulnerable of essential services.

Against this backdrop, supporting more effective public institutions and enhanced administrative capacities is a key way for the international community to assist countries in delivering on the SDGs. Pragmatic, ongoing improvements should be guided by the principles of responsiveness, accountability and inclusion. A variety of commonly used strategies have been endorsed over the years in various United Nations forums, resolutions and treaties, ⁷⁹ as elaborated in the following sections.

RESPONSIVE INSTITUTIONS

A capable and motivated public service cadre should have sufficient expertise, resources and tools to perform its functions effectively. At the policy level, civil servants interpret and translate the political agenda into actionable policy. At the technical level, they implement development programmes, monitor progress, undertake evaluations and reporting, and provide feedback that informs policy decisions.

A new set of capacities is needed to implement the 2030 Agenda, including foresightedness to anticipate problems, flexibility to quickly adapt and address unanticipated circumstances as well as resilience to mitigate risks. Public servants must be encouraged to develop adequate skills to work across different government departments and with other state institutions at all levels of government. They must be able to raise public awareness and involve civil society and other stakeholders.

Schools of public administration and institutes of public management can develop the capacities of public servants to implement the SDGs. Efforts like the global initiative on "Transformational leadership and equipping public servants with the capacities to implement the SDGs", 80 which is drawing on different experiences from around the world to design a governance curriculum for the SDGs, help prepare public servants for the tasks ahead.

Public financial management systems that prioritize SDG implementation can drive political will and fuel institutional capacity. SDG delivery is usually impacted by two interlinked factors: demand-side drivers (limited physical access to public services and affordability) and supply-side barriers (delayed budgets for critical expenses by ministries, lack of flexibility in government spending, etc). Some of these issues are rooted in public financial management systems.

A common cause of worry in managing public expenditure is the risk of irregular expenditure due to inefficiencies, negligence, wasteful use, poor procurement practices, corruption and fraud. There are no single formulas or

⁷⁹ https://publicadministration.un.org/en/Intergovernmental-Support/ CEPA/Principles-of-Effective-Governance.

⁸⁰ Facilitated by the United Nations Department of Economic and Social Affairs in collaboration with the United Nations Institute for Training and Research (UNITAR) and schools of public administration.

"Growth and poverty alleviation are crucial but alone will not suffice to sustain peace. Preventing violence requires inclusive solutions."

United Nations and World Bank, 2018, Pathways for Peace:

solutions to address such challenges, but reforms can include transparency and accountability through citizen and civil society engagement, stronger internal controls, transparent and publicly available financial reporting, external audits and parliamentary oversight. These can be developed by ministries of finance and sectoral ministries with active participation from all stakeholders.

Overall, public financial management systems need to be geared to justify enhanced budget allocations for the SDGs. This may entail multisectoral collaboration, and switching from traditional line item budgeting to programme-based budgeting to increase accountability for results.

Information and communication technologies and innovations in planning, coordinating and monitoring service delivery are increasingly engaging citizens in decision-making and participatory governance mechanisms that build trust in the State. A culture of innovation in the public sector and a concern for the poorest and most vulnerable will enable public administration to better respond to people's needs in steering sustainable development policies, strategies and programmes. All means of communication, including digital and traditional media, are essential channels for broadening awareness of the SDGs, including among vulnerable groups. Frontier technologies are transforming traditional governance models, yet can pose security and trust-related issues. Cybersecurity and protecting human rights, data safety and privacy are key concerns. Data protection and taxation of online purchases in a global business environment also call for attention, including concerted efforts among countries, as such issues often cross boundaries. It is also imperative to establish national policies and laws to ensure that artificial intelligence is used ethically.

ACCOUNTABILITY FOR RESULTS

Transparency and oversight through results-based public sector management and service delivery enables citizens and civil society to hold governments to account for achieving sustainable development. Given the increasing complexity of the context in which governments operate, including the governance challenges encapsulated in the SDGs, budget accountability must go beyond control and oversight to become a tool for managing strategic objectives.

To ensure accountability and enable public scrutiny, institutions at all levels have to be open and candid in the execution of their functions, and promote access to information, with limited exceptions as provided by law. Strengthening public sector integrity and professionalism is one element; a demonstrated commitment to prevent and fight corruption is another.

Capacity development for national and local government officials, including mayors and local administrators, may be required, including on new technologies for SDG implementation. North-South, South-South and triangular cooperation can advance knowledge-sharing and innovation.

INCLUSIVE INSTITUTIONS

Leaving no one behind in access to service delivery

means all human beings can fulfil their potential in dignity and equality. Ensuring that the poorest and most vulnerable groups are included in decision-making is a core component of SDG 16. Progress in ending poverty largely depends on understanding the conditions and needs of the most vulnerable groups, which in turn requires adequate mechanisms for people to have a say in the scope of policies and services.

Participatory decision-making mechanisms are fundamental for building ownership of the 2030 Agenda among all stakeholders and achieving national aspirations. Such mechanisms require leadership, commitment and appropriate measures to engage people. Multistakeholder engagement should lead to changes in policymaking. Effective decentralization efforts that can bring development decisions closer to people affected by them are also essential to ensure that local authorities can deliver on the SDGs.



CHAPTER 6: SDG FOLLOW-UP AND REVIEW

The 2030 Agenda outlines principles for monitoring and reporting on progress at all levels, with a strong emphasis on ambition, inclusion and national ownership. Specifically, follow-up and review mechanisms must:

- Be voluntary, country-led and nationally-owned;
- Respect the integrated and interrelated nature of the goals and targets, and the three dimensions of sustainable development;
- Be inclusive of all SDG targets, including the targets related to means of implementation;
- Be universal and applicable to all countries, and involve all relevant stakeholders;
- Be participatory, inclusive and transparent;
- Be people-centred, gender-sensitive and based on human rights, with a particular focus on the poorest, most vulnerable and those furthest behind;
- Be rigorous, evidence-based, informed by country-led data that is high-quality, accessible, timely, reliable and disaggregated by income, sex, age, race, ethnicity, migration status, disability and geographic location and other characteristics relevant in national contexts; and
- Build on existing platforms and processes.

The structure for reviewing progress on the 2030 Agenda comprises several layers, from the national to global levels. Globally, the process aims to provide political leadership, connect SDG follow-up with other review processes of various international programmes of action, share experiences, and promote coherence among countries, organizations and issues.

THE HIGH-LEVEL POLITICAL FORUM

The High-level Political Forum on Sustainable Development or HLPF has become the main global UN platform for sustainable development. It constitutes the apex of the follow-up and review architecture. It is mandated to promote better accountability and focus efforts towards action on the ground, review implementation of the SDGs by all UN Member States across the three pillars of sustainable development, and respond to new and emerging development trends.

The HLPF convenes every year under the auspices of the Economic and Social Council as the United Nations' central platform for reflection, debate and innovative thinking on sustainable development. Countries present Voluntary National Reviews of their SDG progress as detailed later in this chapter. Each year, the HLPF discusses a specific theme and takes a deep dive into a subset of the SDGs, with all goals reviewed in this manner over a four-year cycle (SDG 17 on means of implementation is discussed at every session).

Every four years, there is a high-level review, when the HLPF meets at the level of Heads of State and Government in the General Assembly. This process helps ensure that sustainable development remains at the top of the international political agenda. Heads of State and Government adopt declarations to provide high-level policy guidance and generate momentum around action and results. The high-level review may suggest modifications to the HLPF in future years.

The HLPF considers several reports to inform its deliberations: A **Global Sustainable Development Report** is prepared every four years (coinciding with the high-level summits) by an independent panel of scientists appointed by the UN Secretary-General and supported by a UN task team.⁸¹ The report aims to strengthen the science-policy interface and provide cross-cutting and evidence-driven analysis of sustainable development policies and their implementation.

Each year, the Secretary-General presents an annual **SDG Progress Report**, drawing on data produced by national statistical systems for global SDG indicators.

Thematic reviews can take place at all levels to shed light on specific implementation challenges, such as institutional, technology and financing gaps that are common across countries. Such reviews can also consider sectors, such as health, education, agriculture or infrastructure design, and cross-sectoral concerns, such as climate change and environmental degradation. They come from many sources: development agencies, UN functional commissions, intergovernmental governing bodies such as the World Health Assembly, global partnerships such as Education for All and scientific panels.

REGIONAL FORUMS

The regional follow-up and review of the SDGs encompasses peer learning, the sharing of best practices, and discussion on regional public goods, shared targets and a range of cross-border issues. The last comprise trade, market integration, taxcooperation, financing, regional connectivity, disaster risk reduction and climate change mitigation, among others. The

81 This is composed of the UN Secretariat, the United Nations Educational, Social and Cultural Organization (UNESCO), the United Nations Environment Programme (UNEP), UNDP, the United Nations Conference on Trade and Development (UNCTAD) and the World Bank.



UN regional commissions organize annual regional sustainable development forums.

VOLUNTARY NATIONAL REVIEWS

Voluntary National Reviews have become an important mechanism for countries to take stock of their progress in implementing the SDGs, including through analyses of challenges and policy effectiveness. UN Member States have embraced the process, producing 162 Voluntary National Reviews from 2016 to 2019.

There are many elements of a good country-led preparatory process for a review, such as inclusive national policy dialogue, a focus on cooperation and collaboration among government agencies and ministries, coordination by the national statistical office, an emphasis on identifying opportunities for capacity development, and efforts to facilitate comparability across and within countries.

A key element is participation, with the reviews providing an important opportunity for all stakeholder groups to engage with the Government around a key mechanism for transparency and accountability. Participatory processes can entail national and subnational multistakeholder consultations and reviews, civil society involvement, and engagement with marginalized and vulnerable sections of the population. Young people around the world are calling for a greater voice in the reviews.

Preparations should be led by the country, with the UN country team helping the government in this role, including by convening various government institutions as well as civil society organizations and business actors. Parliaments and supreme audit institutions can also be engaged. If the UN country team provides a consultant to help support the

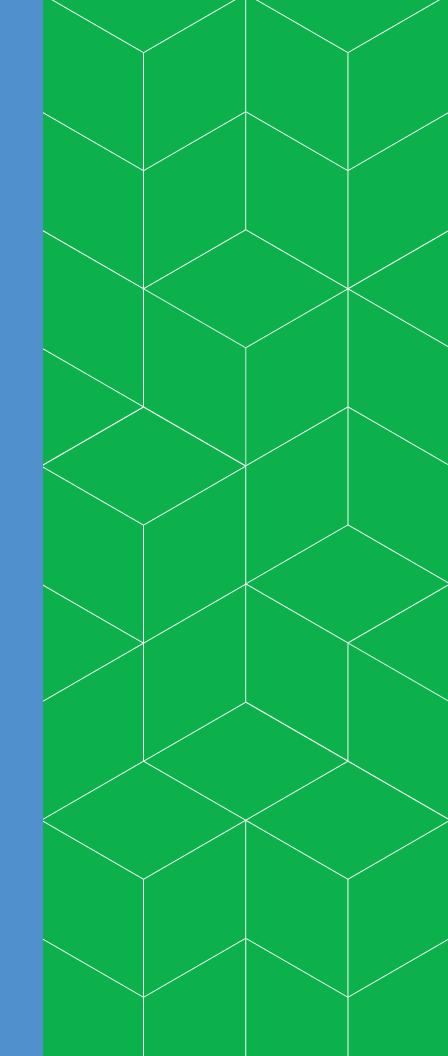
process, s/he should facilitate it but not be given the task of writing the report that summarizes the findings.

The Secretary-General has produced, at the request of UN Member States, common reporting guidelines.82 These encourage countries to review and analyse their enabling environment for implementing the 2030 Agenda, including national ownership, incorporation of the SDGs in national development policies and institutions, policy integration of the three dimensions of sustainable development, information on the status of all goals and targets as well as challenges to implementation, thematic analysis related to the focus of the HLPF, and budgeting and means of implementation. The United Nations Department of Economic and Social Affairs provides additional detailed advice to UN country teams and countries on preparing for presentations at the HLPF.83

In years when a government is not conducting a Voluntary National Review, it is still expected to regularly assess SDG implementation. In some countries, this is done through reporting to Parliament. Some supreme audit institutions also track SDG implementation. Countries can also produce in-depth progress reports to guide implementation and policymaking, referred to as national SDG reports. Guidelines for preparing such reports have been prepared by the United Nations.84

- 82 "Voluntary common reporting guides for voluntary national reviews at the high-level political forum for sustainable development." https:// sustainabledevelopment.un.org/content/documents/17346Updated_ Voluntary_Guidelines.pdf.
- 83 This takes place through a series of expert group and regional meetings. https://sustainabledevelopment.un.org/hlpf/2019.
- 84 United Nations Development Group, 2017, "Guidelines to Support Country Reporting on the Sustainable Development Goals." https://undg.org/ document/guidelines-to-support-country-reporting-on-the-sustainable-development-goals/.

PART 4: FINANCING THE SDGs





CHAPTER 1: SURVEYING CURRENT FINANCING LANDSCAPES

The high aspirations of the 2030 Agenda for Sustainable Development depend on leveraging all sources of finance. Within increasingly complex financing landscapes, different kinds of public and private financing, from domestic and international sources, have important roles to play in achieving sustainable development.

The characteristics of different financial flows—whether they are motivated by profit or social progress, the time horizon for investment and the parameters for risk—entail different strengths and weaknesses in terms of financing the 2030 Agenda. Some investments directly impact particular SDG outcomes; others may generate powerful indirect impacts. Understanding these contributions and their differences is essential to successfully mobilizing the scale and mix of investments needed to achieve the SDGs.

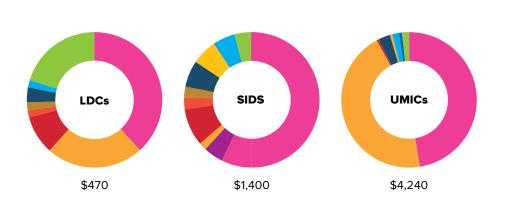
Recognition of these complexities and the emergence of a new, more holistic approach to financing led to the 2015 Addis Ababa Action Agenda, agreed at the Third International Conference on Financing for Development. The Addis Agenda presents a framework bringing together a variety of public and private sources of finance85 to implement the 2030 Agenda. It also introduced key concepts such as an integrated national financing framework. The UN Secretary-General's strategy for financing the 2030 Agenda, a three-year roadmap released in late 2018, has given fresh impetus to taking a holistic public and private approach.

Traditional approaches to development have emphasized international aid to help countries achieve development objectives. It is now well recognized, as reflected in the 2030 Agenda and the Addis Abba Action Agenda, that all sources of financing need to be harnessed. In the least developed countries and other vulnerable settings, international aid still provides an essential contribution. But in other contexts, governments' own budgets now play a much bigger role, requiring much closer budgetary alignment with their visions for sustainable development. This means that countries face issues such as increasing public resources, improving the ways they are invested, stimulating new forms of private investment, leveraging greater impact from private flows and deploying new instruments to broker private participation in public investments.

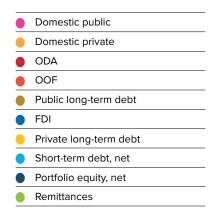
Figure 1, which uses examples from Asia and the Pacific, highlights the variety of financing situations. Among the least developed countries, domestic public and private resources both account for roughly a third of total financing, though levels of financing overall are low. Private finance is scarce in small island developing States, where public resources are dominant and international public finance remains important. Among the

85 The chapters of the Addis Ababa Action Agenda focus on domestic public resources, domestic and international private business and finance, international development cooperation, international trade as an engine for development, debt and debt sustainability, systemic issues, and science, technology, innovation and capacity-building.

FIGURE 1.3 THE MIX OF RESOURCES VARIES WIDELY AMONG COUNTRIES IN ASIA AND THE PACIFIC



TOTAL RESOURCES PER PERSON



Source: UNDP (United Nations Development Programme), 2016, Achieving the SDGs in the era of the Addis Ababa Action Agenda. UMIC = upper middle-income countries.

upper-middle income countries, however, the vast majority of resources are domestically sourced.

In relation to **public finance**, the priority for many countries around the world is mobilizing new revenues that can fuel growth in public spending and investment. In Liberia, for example, total annual public revenues are equivalent to less than \$90 per person, which constrains space to deliver public services and fund new investments. The Government is undertaking reforms to boost revenue collection and expand fiscal space for investing in its national development plan. ⁸⁶ In other countries, boosting the efficiency of spending is a key priority. Mozambique and the Philippines, for instance, are implementing long-term measures to strengthen public financial management and tie the budget more closely to the national development plan. ⁸⁷

Regarding **private finance**, the priority for some countries is stimulating commercial investments from a very low base. In Timor-Leste, where the private sector (beyond extractives) is small, more diversified private sector investment is essential for ongoing sustainable development progress as natural resources are depleted.⁸⁸ In other countries, such as Thailand, the emphasis is on encouraging growth in higher value added private sector activities while managing any negative impacts of the privatesector, particularly on social and environmental outcomes.⁸⁹

A growing number of countries are developing integrated approaches to financing, including national frameworks. In Sierra Leone, the Government has strengthened its national development plan by incorporating and connecting a range of reforms across public and private finance.⁹¹

INTERNATIONAL DEVELOPMENT COOPERATION AND GLOBAL ECONOMIC GOVERNANCE

While the major impetus behind the SDGs will come at the national level, development cooperation still has an important role to play. Even as official development assistance accounts for a decreasing proportion of total financing, it remains a key source in many of the countries that face the greatest challenges. In these and other contexts, it can play a catalytic role (see Chapter 3).

Global economic fluctuations, such as in interest rates, commodity prices and investment trends, as well as changing political attitudes around issues like trade, exert significant influence on development cooperation and the capacity of countries to mobilize domestic resources. Many of these factors operate, to a large extent, beyond the control of domestic actors. Yet it is important to understand these dynamics and their implications for SDG financing at the national level, as this can help countries exploit opportunities and mitigate risks.

INTEGRATED NATIONAL FINANCING FRAMEWORKS

Countries can take a more holistic, coherent approach to financing by establishing **integrated national financing frameworks** that support national sustainable development strategies (Figure 2). Such frameworks bring together different policy elements and financing mechanisms, and act as a bridge between long-term aspirations for sustainable development and investments to realize them. They build alignment across public and private finance, and provide a space for addressing synergies and trade-offs among different flows.

Integrated frameworks incorporate public finance, both in terms of revenue and spending, alongside policies to promote commercial investment. They factor in collaboration with development partners, engagement with the diaspora and interaction with a range of other financing sources. In addition to articulating the roles that different types of financing can play in delivering the SDGs, frameworks prioritize the most impactful reforms and changes.⁹⁰



CHAPTER 2: DOMESTIC PUBLIC FINANCE

Domestic public finance is the primary resource for a country's development objectives. In many contexts, including many of the countries that have furthest to go on the SDGs, it is also the largest potential resource available.

⁸⁶ Liberia Development Finance Assessment, 2019 (forthcoming).

⁸⁷ UNDP, 2019, "Integrated financing solutions."

⁸⁸ Timor-Leste Development Finance Assessment, 2019 (forthcoming).

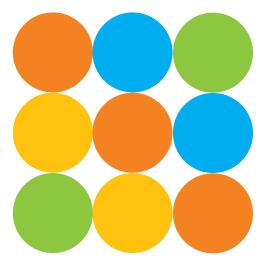
⁸⁹ Thailand Development Finance Assessment, 2018. http://www.asia-pacific.undp.org/content/dam/rbap/docs/dg/dev-effectiveness/RBAP-DG-2018-Development-Finance-Assessment-Snapshot-Thailand.pdf.

⁹⁰ UNDP (United Nations Development Programme), 2016, Achieving the Sustainable Development Goals in the Era of the Addis Ababa Action Agenda.

⁹¹ Government of Sierra Leone and UNDP (United Nations Development Programme), 2019 (forthcoming), Sierra Leone Development Finance Assessment.

FIGURE 2 INTEGRATED NATIONAL FINANCING FRAMEWORK92

NATIONAL DEVELOPMENT GOALS

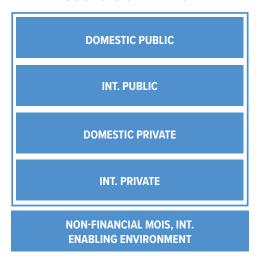


SUSTAINABLE DEVELOPMENT STRATEGY

FINANCING STRATEGY



SOURCES OF FINANCE



⁹² Inter-agency task force on financing for development, 2019, Financing for Sustainable Development Report.

Domestic public finance encompasses the resources, spending and investment of a number of public actors with an important bearing on SDG implementation. The national budget is a key tool for apportioning resources (budgeting for the SDGs is explored in more depth in Module 3). Raising revenues is also important, as different models of tax and non-tax revenue can significantly impact inequality, the environment and the behaviour of non-state actors.

Beyond the central government, quasi-public institutions such as state-owned enterprises and domestic development banks have key parts in delivering investments and services. Influential international factors include those related to illicit finance and gaps in taxation.

DOMESTIC REVENUE MOBILIZATION

Public spending funds services, public goods and infrastructure essential for the 2030 Agenda. Domestic revenue mobilization refers to the tax and non-tax revenue that governments collect and raise. Alongside public borrowing and any grants received, it is the key source of public finance.

Revenues raised by different countries vary widely and are lowest in those facing the most significant development challenges. In the least developed countries, governments raise less than \$170 per person a year on average, less than 50 cents a day. Among lower-middle-income countries, the revenue raised is higher, equivalent to \$410 per person, though still low in absolute terms. In upper middle-income countries, revenue reaches \$1,620 per person. By contrast, in countries of the Organisation for Economic Co-operation and Development (OECD), it is almost \$10,000 on average.93

To give these figures some context, the average cost of primary health care globally may be in the region of \$100 per person.94 In education, the cost is expected to reach \$400 per pupil for primary education and \$500 to \$700 per pupil for secondary education by 2030.95 And these are just two of the many aspects of the 2030 Agenda in which public spending will be vital.

In this light, governments around the world are prioritizing domestic revenue mobilization. Many have set explicit targets to raise revenues, often in relation to GDP, and by taking steps such as measures to boost voluntary compliance among taxpayers. Mongolia, for example, has harnessed the potential of mobile technology to establish a tax lottery that has significantly improved voluntary compliance with goods and sales taxes, and increased fiscal receipts. Other countries are using taxpayer education

⁹³ World Bank

⁹⁴ Chatham House, 2014, Fiscal space for domestic funding of health and other social services. This study estimated a cost of \$86 per person in 2012 prices, which would be roughly equivalent to \$100 in current prices. The figure is an average; actual costs would differ between countries.

⁹⁵ UNESCO (United Nations Educational, Scientific and Cultural Organization), 2015, Reaching education targets in low and lower middle income countries.

to cultivate commitment to the social value of taxation. In Colombia, taxpayer awareness campaigns have promoted social acceptance of taxes, and the Ministry of Public Finance has launched an online system to simplify tax filings.⁹⁶

Governments also use tax policy to alter behaviour in a way that influences production and consumption, and thereby to progress towards specific development aims. The Philippines, for example, established a "sin tax" to reduce consumption of alcohol and tobacco, with 85 per cent of receipts earmarked for spending on health care, while the remaining 15 per cent goes towards programmes to help farmers find alternative livelihoods. Viet Nam taxes fossil fuel pollution and other environmental "bads", such as plastic bags, to incentivize more environmentally sustainable behaviour. And while many governments use tax breaks to attract investors, some have adapted tax breaks to offer additional benefits for investments that are more socially inclusive or environmentally sustainable.

Bringing these strands together, a number of governments are developing medium-term revenue strategies outlining how they will raise revenues to deliver public services and investment, and how tax policy can promote sustainable development outcomes. They may also take into account capacity development at the national and subnational levels, a critical component of establishing and effectively collecting revenues to fund public investment. The Tax Inspectors Without Borders initiative supports capacities to conduct taxpayer audits; it helped 26 governments collect over \$328 million in additional revenue from 2017 to 2018.97

STATE-OWNED ENTERPRISES AND DOMESTIC DEVELOPMENT BANKS

Beyond central and local governments, other public sector actors with prominent roles in financing the SDGs include state-owned enterprises. These enterprises are wholly or partially owned by the government but operate largely outside the annual budget. They are often important players in energy (SDG 7), utilities such as water and sanitation (SDG 6) and transportation (SDGs 9 and 11). In resource-rich countries, they may have key roles in extractives.

State-owned financial institutions can be important in developing financial markets. Domestic development banks in particular have a mandate to promote economic and social development by addressing gaps in the credit provided by private financial institutions. They are usually fully owned by the state⁹⁸ and offer loans, guarantees, equity, venture capital and other instruments to support private sector investment.

96 OECD (Organisation for Economic Co-operation and Development), 2014, Building tax culture, compliance and citizenship. They can fill gaps in the availability of long-term financing from private institutions, backing investments in infrastructure, as well as innovation and emerging industries that require a longer-term time horizon to reach profitability.

Many development banks have a mandate for promoting inclusivity in access to finance, either geographically or socially. This is particularly important in relation to small and medium enterprises, which account for up to 60 per cent of total employment, and create four out of five new positions in emerging economies.⁹⁹ With an estimated 40 per cent of formal small and medium enterprises having unmet financing needs, 87 per cent of development banks have identified these firms as a primary target for their activities.¹⁰⁰ Development banks are also important players in sectors such as agriculture and housing.¹⁰¹

Development banks can enhance the economic environment in which investment in the SDGs can occur. In many countries, they play an important countercyclical role, providing additional financing when private financial institutions contract during times of crisis or economic downturn.

Almost by definition, the lending and investment portfolios of national development banks feature a higher risk profile. Balancing this with the requirement for financial sustainability is a key challenge. As well, many development banks face challenges in monitoring impact since they largely use the same financial performance indicators as private financial institutions. This contrasts with the economic and social development mandates at their core, and may lower their impact and effectiveness as a source of financing for the SDGs.

INTERNATIONAL TAX ISSUES

The Addis Agenda calls for taxation "where economic activity occurs and value is created", although this is difficult to enforce in the era of globalization. Multinational companies commonly resort to mispricing in the cost of transfers between subsidiaries in different locations to avoid taxes, all too often moving profits around the world according to local tax rates. "Tax havens", which offer low corporate tax rates and limited transparency in reporting, add to the problem, resulting in significant losses in tax revenue for countries in which economic activity actually takes place. Although estimates of the scale of this problem vary, given obstacles in obtaining accurate data, it is considered to be substantial. 102

⁹⁷ Tax Inspectors Without Borders, 2017-18 Annual Report.

⁹⁸ A 2017 World Bank survey of 62 national development banks worldwide found 85 per cent were fully publicly owned. World Bank, 2017, Survey of national development banks.

⁹⁹ World Bank. https://www.worldbank.org/en/topic/smefinance.

¹⁰⁰ World Bank, 2017, Survey of national development banks.

¹⁰¹ Focus areas of development banks with a specific mandate.

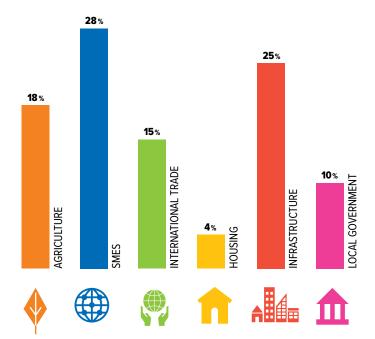
¹⁰² S. Beer, R. A. de Mooij and L. Liu, 2018, "International Corporate Tax Avoidance: A Review of the Channels, Magnitudes, and Blind Spots," IMF Working Paper, 23 July. https://www.imf.org/en/Publications/WP/lssues/2018/07/23/International-Corporate-Tax-Avoidance-A-Review-of-the-Channels-Effect-Size-and-Blind-Spots-45999.

The international community is taking a number of steps to address these issues, notably the OECD/Group of 20 Base Erosion and Profit Shifting initiative. It seeks to establish an international framework to combat tax avoidance by multinational enterprises. Country-by-country reporting for multinational corporations provides tax administrations with the ability to better understand where economic activity actually occurs; the first exchange of reporting happened in 2018. 103

The Global Forum on Tax Transparency and Exchange of Information for Tax Purposes conducts assessments of country compliance with global transparency and information standards.

Illicit financial flows, such as the illegal cross-border evasion of taxes, further reduce the ability of countries to raise domestic revenues. Although definitions vary, three components of illicit finance are generally agreed: transnational crime, corruption and tax-related.104

FIGURE 2.1 FOCUS AREAS OF DEVELOPMENT BANKS WITH A SPECIFIC MANDATE



Source: Calculated from the World Bank, 2017, Survey of national development banks. The data show the proportion of development banks with a specific mandate (as opposed to a broad developmental mandate) in each area of focus.



CHAPTER 3: INTERNATIONAL **DEVELOPMENT** COOPERATION

Development partners have put strong emphasis on effectiveness through the Global Partnership for Effective Development Cooperation, agreed in 2011 by more than 160 countries and 50 organizations¹⁰⁵ as part of the Busan Partnership Agreement¹⁰⁶.

The partnership embraces four principles:

- Country ownership: Partnerships for development should be led by countries themselves, implementing tailored, countryspecific solutions.
- A focus on results: Development efforts must be targeted to achieving lasting impacts on sustainable development and capacity development in developing countries.
- Inclusive development partnerships: Openness, trust and mutual learning are essential for building effective collaboration between development actors with different
- Transparency and accountability: There must be mutual accountability between development partners, beneficiaries and wider stakeholders.

Implementing these principles has progressed in areas such as alignment to national development strategies and on-budget reporting of development cooperation. In other areas, such as predictability and use of national systems for delivery and monitoring, much remains to be done.¹⁰⁷

¹⁰³ Inter-agency Task Force on Financing for Development, Financing for sustainable development report, 2019 (forthcoming). 104 Ibid.

¹⁰⁵ OECD (Organisation for Economic Co-operation and Development), http:// www.oecd.org/dac/effectiveness/busanadherents.htm.

¹⁰⁶ OECD (Organisation for Economic Co-operation and Development), http:// www.oecd.org/dac/effectiveness/49650173.pdf.

¹⁰⁷ Global Partnership for Effective Development Co-operation, 2016, Making development co-operation more effective: 2016 progress report.

DEVELOPMENT COOPERATION AND EFFECTIVENESS

International development cooperation encompasses spending by a wide variety of actors, under diverse instruments and modalities, including Official Development Assistance (ODA) and South-South cooperation. It supports important and catalytic investments across all areas of the 2030 Agenda.

ODA comprises concessional financing "administered with the promotion of the economic development and welfare of developing countries as its main objective". 108 Historically, "traditional" donors—bilateral and multilateral members of the OECD Development Assistance Committee (OECD-DAC) provided ODA. This group has been expanding, however, with 20 non-DAC countries as well as a growing number of private organizations reporting their assistance. 109

In 2017. ODA disbursements amounted to over US\$160 billion. While this constitutes a rise of 40 per cent compared to a decade ago, ODA levels have plateaued somewhat in recent years.¹¹⁰ Although many OECD-DAC members have committed to the agreed ODA target of 0.7 per cent of gross national

income,¹¹¹ only five donors met this target in 2017. Realizing the commitment in full would mean mobilizing as much as an additional \$1.5 trillion in assistance by 2030, which would go a long way towards financing the SDGs.112

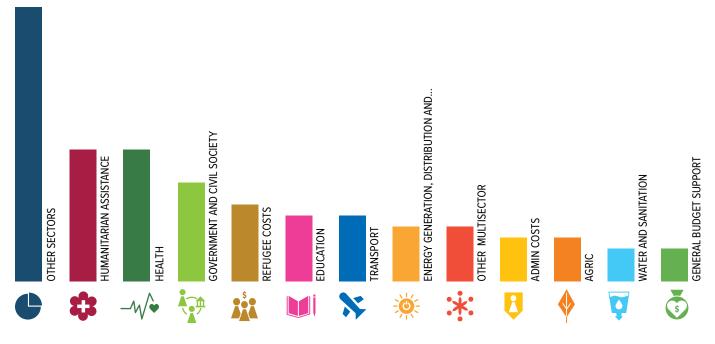
The majority of ODA originates in the budgets of development partners and is spent or delivered in recipient countries. Around 16 per cent of ODA was not transferred in 2017, for reasons such as to meet refugee costs within donor countries.¹¹³

South-South cooperation provided by emerging economies complements ODA and has been growing rapidly in recent years. It often emphasizes knowledge transfer and solidarity, though countries such as China, the Gulf States and others have rapidly scaled up the financial transfers they offer. The total volume of South-South cooperation is difficult to gauge given varying definitions and approaches, and the lack of any agreed reporting mechanism. But its rising significance is beyond doubt in light of major programmes of investment such as China's Belt and Road Initiative.

South-South cooperation tends to focus on specific economic sectors and infrastructure, while ODA as a whole is spread across a wider range of sectors, often social sectors and crisis

- 108 OECD, "ODA—definition and coverage." http://www.oecd.org/dac/stats/ official development assistance definition and coverage. htm
- 109 Assistance from non-DAC countries can be classified as ODA while figures reported by private actors are classified as private development assistance.
- 110 Figures for 2008-2017 are calculated from the OECD-DAC database. Figures are net disbursements of ODA.
- 111 http://www.oecd.org/dac/stats/the07odagnitarget-ahistory.htm.
- 112 Development Initiatives, 2018, Investments to end poverty. Figures are calculated from 2017 to 2030.
- 113 Development Initiatives, 2018, Final ODA data for 2017 persistent trends raise concerns.

FIGURE 3 HEALTH AND EMERGENCY RESPONSE ABSORB THE LARGEST SHARES OF ODA



Source: OECD-DAC creditor reporting system. Figures are for 2017.

response (Figure 3). Health is the largest single sector for ODA spending, followed by humanitarian assistance. Other social sectors such as education feature prominently, while productive sectors such as agriculture and industry account for smaller proportions (4 per cent and 1 per cent, respectively).

Just under \$50 billion of ODA, a third of the total, went to the least developed countries in 2017.¹¹⁴ This constitutes an increase from previous years, though it has grown less rapidly than total ODA. Most development partners still fall short of the commitment, reiterated in both the 2030 Agenda and the Addis Agenda, to provide the equivalent of 0.15 to 0.20 per cent of gross national income in ODA to the least developed countries.

ODA spent on humanitarian responses aims to save lives, alleviate suffering and maintain and protect human dignity during and in the aftermath of emergencies. It is governed by the principles of neutrality and impartiality, which distinguishes it from other development aid, which can be subject to some conditionality. While humanitarian aid is traditionally seen as short term (although in practice it often is not), other ODA sectors (sometimes referred to as "development assistance"), such as governance, economic growth, social services, education, health, and water and sanitation, are typically seen as long term and poverty-reducing. Greater coordination and integration of the humanitarian, development and peacebuilding sectors, under common outcomes, is increasingly important and the focus of the "New Way of Working" initiated at the World Humanitarian Summit in 2016.

While all ODA must meet certain concessionality criteria, it encompasses a wide array of instruments with varying degrees of concessionality. Loans are growing at a faster rate than grants and now account for a quarter of ODA, increasing the importance of monitoring and supporting the sustainability of national debt.

INTERNATIONAL DEVELOPMENT FINANCE INSTITUTIONS

International development finance institutions are a key source of international capital, particularly for countries with limited access to alternative international finance. Examples include multilateral development institutions (e.g., the World Bank Group, and regional and subregional development banks) as well as bilateral institutions that operate alongside national development agencies.

Typical areas of support comprise sustainable economic development and greater regional cooperation. Some institutions have particular areas of focus, for example, infrastructure, or sectors such as agriculture. They may practise particular types of financing, such as Islamic finance.

Larger institutions offer both concessional and non-concessional windows. Eligibility for concessional financing depends on a country's per capita income and ability to access international financial markets. Transport and energy feature in the top three sectors for both types of financing, although non-concessional financing is more concentrated in these sectors. Sectors such as agriculture, education and health feature much more prominently within concessional financing. Banking and financial services account for a larger proportion of non-concessional financing.

Alongside financial assistance, these institutions provide support across a wide range of policy, capacity and regulatory requirements. For example, investing in the expansion of a power grid will touch on areas such as property rights and environmental management. Beyond simply providing finance for construction, development finance institutions may help design measures to manage these wider issues. This provides them with a particularly important comparative advantage in emerging economies, which may have access to other sources of international capital but still need technical guidance.

FINANCING GLOBAL PUBLIC GOODS

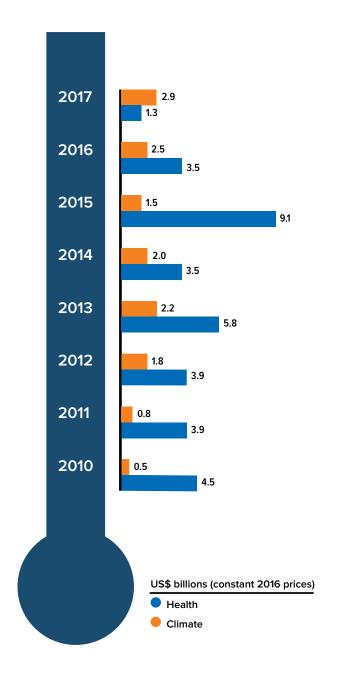
Global public goods are critical for all of humanity and the 2030 Agenda. These are goods, such as the ozone layer, that are not private or national, but require policy choices to ensure they are protected. The public and international nature of investments in these goods makes international public finance a key source of financing.

Global funds play a particularly important role in financing global public goods, especially related to climate change and health (Figure 4). Health-related funds, for instance, have boosted immunizations and disease eradication. In recent years, growth in finance to address climate change has stemmed from the rollout of funds such as the Green Climate Fund and the scaling up of the Global Environmental Facility. Many countries still require support to develop projects that can successfully access these funds, however.

¹¹⁵ SDG Academy, Foundation primer: how to achieve the SDGs.

¹¹⁶ G. Mendoza and K. Conceição. 2003. Providing Global Public Goods: Managing Globalization. Oxford University Press.

FIGURE 4
COMMITMENTS FROM HEALTH AND
CLIMATE- FOCUSED GLOBAL FUNDS



Source: OECD-DAC creditor reporting system. Note that figures are commitments made in each year rather than disbursements. This chart tracks spending reported to the OECD by GAVI, The Global Fund to Fight AIDS, Tuberculosis and Malaria, and the World Health Organization (health-focused funds) as well as the Adaptation Fund, Climate Investment Funds, the Global Environment Facility, the Global Green Growth Initiative and the Green Climate Fund.



CHAPTER 4: PRIVATE FINANCE FOR THE SDGs

The core role of private finance in sustainable development is one of the key paradigm shifts from the largely public finance-centric era of the Millennium Development Goals. Businesses, foundations, NGOs, diasporas and other actors all make important direct and indirect contributions to sustainable development.

It is useful to distinguish the entities *leading* an investment from those that are the *source* of its financing. When the lead investor is the government or a public agency, investments are typically regarded as "public". When the investor is a private company, investments become "private". When the main source of financing is a public budget, perhaps augmented by aid flows from abroad, one speaks of "public financing". When the financing is from private sources such as loans or bond sales, this is "private financing". In practice, projects and programmes increasingly involve a mix of public, private and social investors, and public and private sources of financing.

PROMOTING PRIVATE SECTOR DEVELOPMENT

The private sector is a fundamental driver of many aspects of sustainable development. Its investment and innovation propel economic growth as well as job creation, reducing poverty and contributing to other forms of social progress. Its operations also strongly affect the environment, including through patterns of resource use.

The SDGs constitute a huge opportunity for the private sector to contribute to sustainable development, and to profit from new markets and investments in areas such as food and agriculture, energy and health care. At the same time, current models of growth led by the private sector have contributed to rising inequality, unsustainable production patterns and illicit financial flows. Future progress will largely depend on aligning private sector practices with the aims of the 2030 Agenda.

EXPANDING ACCESS TO FINANCE

Stimulating sustainable growth in the domestic private sector, particularly among small and medium enterprises, can catalyse numerous aspects of the 2030 Agenda. A key challenge particularly for smaller firms is the lack of access to finance business investments, especially in low-income countries. 117

Governments and financial market actors can take a range of actions to reduce the costs and perceived risks of lending to private firms, especially small and medium enterprises. Options depend on the context, but might include addressing regulatory hurdles to lending to small and medium enterprises, promoting coordination and interoperability among financial intermediaries, and establishing guarantee schemes that directly reduce the risks of lending to smaller firms. Many countries are taking steps to strengthen mechanisms and capacities for sharing information on credit-worthiness, and broadening the types of assets that can be used as collateral against borrowing.

Digital and mobile technology can increase efficiency in financial services and information-sharing that helps to overcome some key barriers to access. Africa is well-known for its growth in electronic payments, and in 2018 saw a significant rise in mobile banking, particularly in South Africa, where several new mobile banks were launched. Mobile technology can open access to credit as well as a growing range of financial services that support small and medium enterprises.

INCENTIVES TO ACCELERATE INVESTMENT

Many countries offer incentives designed to attract investors. Incentives are typically fiscal (e.g., tax breaks or tax holidays) or financial (e.g., a cash subsidy). They have been used historically to promote economic development, often in strategically important industries or economically deprived regions. They are also deployed to keep up with competition from other countries.

When used effectively, incentives can be a powerful tool to promote private sector investments. There is now a growing movement to apply incentives designed to promote more sustainable, inclusive investment, and even reward investments aligned to the SDGs. There is also a push for greater use of "sustainability incentives". 118 These schemes reward outcomes as opposed to output-based proxies for them. This may mean, for example, rewarding firms for creating jobs within economically deprived communities, rather than those that simply invest in economically deprived regions.¹¹⁹

While effective incentives offer potential for stimulating more private sector investment aligned with sustainable development, there are associated risks. Incentives can imply a significant cost to public finances, either through foregone revenue or a transfer of resources. Fiscal incentives in particular are often under-scrutinized.¹²⁰

One step a growing number of countries are taking is publishing tax expenditure within the national budget. A number of regional blocs are taking steps to reduce harmful intraregional competition on tax incentives, which can otherwise produce a "race to the bottom".

REPORTING ON PRIVATE SECTOR OUTCOMES

Businesses have been establishing systems to monitor and share information on the medium- to long-term environmental, social and governance impacts of their operations. Increasingly, investors demand this information, and there has been a wider embrace of the "do no harm" principle.¹²¹ These trends represent significant potential for companies to contribute to the SDGs and for supporting and engaging with more nuanced, targeted government policy responses.

PUBLIC-PRIVATE DIALOGUE

Public-private dialogue promotes collaboration between governments and the private sector. Platforms that facilitate systematic dialogue help to foster trust and mutual accountability, and develop a shared understanding of opportunities, challenges and constraints. They can give nonstate actors a voice in designing and reviewing policies so they are more responsive to real needs and therefore more effective.

PRIVATE PARTICIPATION IN PUBLIC **INVESTMENTS AND SERVICES**

Mobilizing private participation in investments in public infrastructure and services is an area of growth and innovation in SDG financing. Increasingly diverse instruments bring together profit-seeking private capital to meet public financing gaps, especially for infrastructure. Social and development impact bonds are among the tools deployed for financing social sectors.

PUBLIC-PRIVATE PARTNERSHIPS

Public-private partnerships (PPPs) are a contracting mechanism between public and private actors. They aim to develop and/or manage a public asset or service, with the private actor bearing a share of the risk and management

¹¹⁷ World Bank Enterprise Surveys.

¹¹⁸ UNCTAD (United Nations Conference on Trade and Development), 2015, Investment policy framework for sustainable development.

¹¹⁹ UNDP (United Nations Development Programme), 2019, Integrated financing solutions.

¹²⁰ International Monetary Fund, 2017, Shedding Light on Hidden Government Spending: Tax Expenditures. https://blog-pfm.imf.org/pfmblog/2017/12/ shedding-light-on-hidden-government-spending-tax-expenditures.html.

¹²¹ UNDP (United Nations Development Programme), 2019, Integrated financing solutions.

responsibility.¹²² Different forms range from management and operating contracts, to agreements that apportion the design, building and operating phases of a project between partners and joint ventures. PPPs have been used widely in India, for example. During its 11th Five Year Plan (2007-2012), private finance mobilized through PPPs accounted for over a third of total infrastructure investment. This helped boost infrastructure investment from 5 to 7 percent of GDP.

PPPs also come with significant management requirements on the part of the government, requiring specific capacity and skills. Where risks are not effectively shared between public and private actors, or when it is difficult to predict future demand during the contracting phase (for example, if there is a lack of accurate data on historic trends), PPPs can become ineffective or costly to the public sector.

BLENDED FINANCE

Blended finance is the strategic use of concessional financing (usually from international sources) to catalyse private sector investment. The concessional element acts to de-risk an investment to crowd-in private finance, and to create demonstration effects that promote future commercial investment. The volume of private finance mobilized by blended finance involving ODA grew from \$15 billion in 2012 to almost \$27 billion in 2015. Instruments used in blending include guarantees, syndicated loans, local currency loans, shares and equity purchases, and credit lines.

BONDS

While PPPs aim to mobilize private capital and participation in strategic projects, bonds provide a mechanism for raising debt to fund investments. An increasing number of actors are issuing bonds, including a growing number issuing thematic or issuespecific bonds aligned to specific aspects of the 2030 Agenda.

Green bonds are one of the fastest growing instruments. The volume of outstanding climate bonds has almost tripled since 2013, rising from a little over \$400 billion to \$1.2 trillion in 2018. These are funding investments in SDG-essential sectors such as transport, energy, and water and sanitation.¹²⁵

DIASPORA FINANCES

More countries are tapping into financing from diaspora communities through bonds and future flow securitization. Diaspora bonds are similar to other bonds, except that they attempt to leverage a "patriotic discount", typically with lower interest rates and longer maturities, from the diaspora. Some countries, such as Greece and India, have also issued them at times of national crisis when there is limited access to other sources of international finance.

Future flow securitization does not engage the diaspora directly, but leverages an expected, fairly predictable flow of future remittances in hard currency as security against borrowing. The mechanism offers potential for development banks and other financial intermediaries to gain access to lower cost, longer term lending to fund SDG investments.

IMPACT BONDS

Outcome-based contracting is another mechanism for mobilizing private finance behind public investments and services that relate directly to the 2030 Agenda, including in education, health, housing, etc.¹²⁶ Impact bonds entail a contract between the government (or development partner) and a private actor centred on delivery of a pre-agreed set of outcomes. The private actor takes responsibility for delivering the interventions required to accomplish the outcomes, on the understanding it won't be paid until these have been achieved and verified.

IMPACT INVESTMENT

Impact investment is another small but rapidly growing area of investment that explicitly balances financial objectives with wider social and environmental concerns. It typically includes a mechanism to measure and report on the intended social and environmental outcomes of a project. While projects may not directly involve the public sector as a partner, they often entail providing investments or services of a public good nature.

Impact investing grew rapidly to an estimated \$228 billion in assets under management in 2018.¹²⁸ The largest proportion (19 per cent of assets under management) is in financial services, followed by other sectors with strong direct and indirect links to specific SDGs, including energy (14 per cent), microfinance (9 per cent), housing (8 per cent), and food and agriculture (6 per cent).

In 2017, more than half of impact investors reported that some or all of their impact performance was monitored against the SDGs, while a small proportion are consciously creating products that target SDG progress.¹²⁹

¹²² World Bank, PPP knowledge lab. https://pppknowledgelab.org/.

¹²³ OECD (Organisation for Economic Co-operation and Development), 2017, "Amounts mobilised from the private sector by official development finance interventions."

¹²⁴ Ibid

¹²⁵ Climate Bonds Initiative, 2018, Bonds and climate change: the state of the market.

¹²⁶ Instiglio database of impact bonds worldwide. https://www.instiglio.org/en/sibs-worldwide/.

¹²⁷ UNDP (United Nations Development Programme), Financing solutions for sustainable development platform: impact investment. http://www.sdfinance.undp.org/content/sdfinance/en/home/solutions/impact-investment.html.

¹²⁸ GIIN (Global Impact Investing Network), 2018, Annual impact investor survey.

¹²⁹ GIIN (Global Impact Investing Network), Financing the SDGs: impact investing in action.



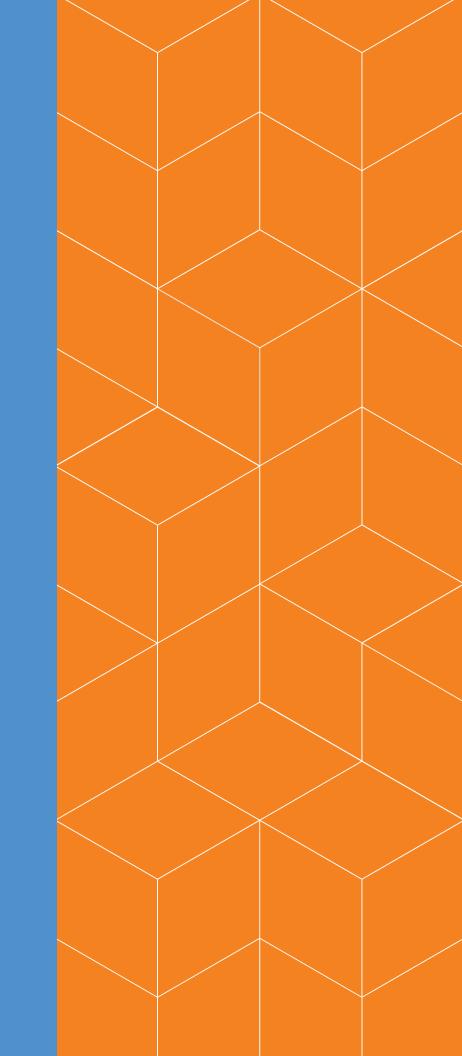
SDG CONTRIBUTIONS FROM OTHER **PRIVATE ACTORS**

Beyond commercial contributions, the range of other private actors active in SDG financing include philanthropic and non-governmental organizations. Philanthropy is growing in scale, with international flows reaching \$9.1 billion in 2015, and certain sectors such as health and education attracting significant investment.130

The diaspora makes important contributions to national development in their home countries, while remittances to low- and lower-middle-income countries surpassed \$500 billion in 2017.

130 Development Initiatives, 2018, Investments to end poverty.

PART 5: COLLABORATION FOR THE 2030 AGENDA





CHAPTER 1: BREAKING SILOS, TAKING COLLABORATIVE ACTION

Addressing the complexity and achieving the ambition of the 2030 Agenda for Sustainable Development will require a whole-of-society approach, i.e., joined-up action linking expertise, actions and resources across all issues and sectors of society. The 2030 Agenda sends a clear message in this respect, starting with its Preamble: "All countries and all stakeholders, acting in collaborative partnership, will implement this plan...to free the human race from the tyranny of poverty and want and to heal and secure our planet." In addition, SDG 17 seeks specifically to strengthen the global partnership for sustainable development, complemented by multistakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources.

This emphasis on partnerships is not accidental. Rather, it was a deliberate departure from the era of the Millennium Development Goals. Not having received intergovernmental agreement, the goals lacked ownership among UN Member States (and also among many development actors). The UN Secretary-General emphasized as early as 2011 that the post-2015 development framework would likely have the strongest impact "if it emerges from an inclusive, open and transparent consultation process." Indeed, the SDGs were forged through a uniquely participatory process with broad global mobilization and engagement of governments as well as grass-roots, academic, civil society and other organizations. 132

What does an ecosystem for collaboration in implementing and monitoring the SDGs look like? Governments are key in setting the direction, and providing services and a fiscal framework for sustainable development. But it is also important for businesses to operate sustainably and

131 United Nations General Assembly resolution 70/1, Transforming our world: the 2030 Agenda for Sustainable Development. responsibly in line with the goals, both to avoid harm and accelerate progress towards development targets. Academia can provide new evidence and research to further expedite change. Parliaments should and the judiciary can, whenever necessary, provide essential oversight. Civil society organizations are important in localizing the goals, giving voice to the poorest and most marginalized people, providing services and acting as agents of accountability. Citizen participation is vital for the effectiveness and legitimacy of governance from the local to the global level.¹³³

UN Member States, through the General Assembly, have broad oversight of partnerships linked to the United Nations, including those intended to contribute to the advancement of the SDGs. (As mandated in the 2030 Agenda, the High-level Political Forum on Sustainable Development is the central platform for follow-up and review.) The definition of partnerships used by the General Assembly refers to voluntary and collaborative relationships between governments, intergovernmental organizations and major groups, "in which all participants agree to work together to achieve a common purpose or undertake a specific task, and, as mutually agreed, to share risks and responsibilities, resources and benefits." 134

Several core principles govern partnerships with the United Nations¹³⁵. They must:

- Respect the core values, purposes and principles of the United Nations
- Be consistent with national laws and development strategies for 2030 Agenda implementation
- Adhere to the highest measures of accountability, integrity and transparency
- Foster the elimination of all forms of discrimination
- Complement, rather than substitute for, official development assistance
- Aim to create a lasting impact on systemic issues and national development priorities for sustained, inclusive, and equitable economic growth and job creation
- Ensure that private sector actors operate responsibly.

A key resource for increasing engagement with a range of partners and learning from diverse modalities of development cooperation is the **Global Partnership for Effective Development Cooperation** (GPEDC). Building on

- 133 "Citizen_Participation_in_the_UN_Sustainable_Development_Goals_ Consultation_Process_Toward_Global_Democratic_Governance." https://www.researchgate.net/publication/310612317
- 134 United Nations General Assembly resolution 60/215. Major groups include nine sectors of society: women, children and youth; indigenous peoples; non-governmental organizations; local authorities; workers and trade unions; business and industry; and the scientific and technological community. This definition was expanded at the Rio+20 Conference to include: local communities, volunteer groups and foundations, migrants and families, as well as older persons and persons with disabilities. The Resolution on the High-level Political forum on Sustainable Development (67/290) included private philanthropic organizations, and educational and academic entities as relevant stakeholders for sustainable development.
- 135 F. Dodds, "Multi-stakeholder Partnerships: Making them work for the Post-2015 Development Agenda." https://www.un.org/en/ecosoc/newfunct/pdf15/2015partnerships_background_note.pdf.

¹³² UNDP (United Nations Development Programme), 2016, Building the Post-2015 Development Agenda: Open and Inclusive Consultations. https://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/out-come-evaluation-of-the-undp-project--building-the-post-2015-d.html.

decades of agreements on more inclusive and effective cooperation, the GPEDC is a platform bringing together all types of development actors—national and local governments, civil society, the private sector, trade unions, parliaments and philanthropy—to advance the achievement of the SDGs. It reflects the paradigm shift from "development aid" to "development effectiveness", in line with the Addis Ababa Action Agenda on Financing for Development, and resting on four key principles: national ownership over the development process, inclusivity, alignment with national government priorities, and transparency and mutual accountability. As such, the GPEDC is an essential support to the global follow-up and review of the implementation of the SDGs at the United Nations.

Partnerships around the SDGs can add value by bringing together complementary resources, sharing risk, raising standards, and scaling up interventions within countries and across regions. It is tempting to label every outreach effort to specific audiences as a "partnership". Building successful partnerships, however, requires a significant investment of time and resources. They should only be pursued when they can achieve more impact, more sustainability and more value. At the country level, this means that the focus should be on identifying stakeholders with common SDG-related interests, a clear understanding of the potential of each to contribute to common goal(s) and the net value to each partner. The last could encompass increases in funding, a reputational boost and/or increased capacity, among other benefits.¹³⁶

An example of a global partnership coordinated through the United Nations is the **Global Innovation Coalition for Change (GICC)**, a dynamic coalition of 22 partners committed to "building market awareness of the potential for innovations that meet the needs of women and innovations that are developed by women". ¹³⁷ By bringing together partners—including Facebook, General Electric and Sony—that commit to promoting gender equality and women's empowerment through innovation, technology and entrepreneurship, the United Nations amplifies its voice across several sectors. In this way, the GICC is not only a partnership model, but also an engagement strategy for communicating to an ecosystem of potential partners.

At the country level, different partnership options can help take forward SDG implementation and monitoring, including through knowledge-sharing, standard-setting, consultation, financing, implementation, joint problem-solving, etc. The following examples¹³⁸ illustrate some of the possibilities:

- 136 The Partnering Initiative, 2019, Maximising the Impact of Partnerships for the SDGs. https://sustainabledevelopment.un.org/content/documents/2564Partnerships_for_the_SDGs_Maximising_Value_Guidebook_Final.pdf.
- 137 http://www.unwomen.org/en/how-we-work/innovation-and-technology/un-women-global-innovation-coalition-for-change.
- 138 United Nations Department of Economic and Social Affairs, Divisional Task Team on Partnerships, 2019, "Partnerships for the Implementation of the 2030 Agenda for Sustainable Development."

- Smart Peer-to-Peer Solar Grids for Rural Electrification and Empowerment is a Bangladesh-based partnership between a social enterprise, SOLShare, and a major supplier of renewable energy, Grameen Shakti. Grameen Shakti brings access to a massive existing customer base and network of solar homes. SOLshare offers cutting-edge technology that connects solar home systems in peer-to-peer networks, and monetizes excess solar energy along the value chain in real time through mobile money. It has the potential to transform the supply of affordable energy to low-income households. This is an example of partners combining resources and engaging in a process of co-generation, mutual accountability and innovation.
- Scaling Up Nutrition (SUN) is a global, country-led, multisectoral movement to combat undernutrition through evidence-based interventions. Within countries, multisector (e.g., ministries of education, health, agriculture) as well as multi-stakeholder (businesses, civil society, the United Nations) actions are geared towards reducing chronic drivers of undernutrition. In this kind of partnership, multiple actors bring together unique but complementary resources to tackle complex challenges and transform systems.

The Partnerships for SDGs online platform is the central United Nations global registry of voluntary commitments and multistakeholder collaborations made in support of the 17 goals. The platform facilitates the sharing of knowledge and expertise, and provides periodic updates on progress. It currently features over 4,000 registered partnerships and voluntary commitments, and is open to all stakeholders, including Member States, civil society, local authorities, the private sector, the scientific and technological community, academia and others.¹³⁹

In identifying partners, it is important to ensure broadbased engagement. Partnership with civil society is clearly instrumental to catalyse critical national and global debates, and bring citizens' voices into shaping global, national and local strategies. The proliferation of social media and technology provides an unprecedented opportunity for greater citizen engagement and global collective action, where citizens become direct influencers amplifying the call for achieving sustainable development.

A key resource for countries in increasing public ownership of the SDGs is the **UN SDG Action Campaign**, ¹⁴⁰ a special initiative of the Secretary-General mandated to support the United Nations and Member States on advocacy and public engagement around the SDGs. It offers several modalities for engaging people and stakeholder groups, including:

- MY World 2030, an adaptable platform that collects globally comparable and nationally adaptive citizen data to report back on SDG progress and people's own lives;
- World We Want 2030, a United Nations-civil society platform to enable all people to engage on key development issues;
- The <u>UN Virtual Reality Series</u> to show the human story behind development challenges;

¹³⁹ https://sustainabledevelopment.un.org/partnerships/.140 https://sdgactioncampaign.org/.

FIGURE 5 PARLIAMENTS AND THE SDGS



Source: https://www.together2030.org/wp-content/uploads/2019/04/Together-2030_Parliamentary-handbook_November2018.pdf

- New Media and Change Ambassadors #OwnYourVoice involving new media influencers to inspire SDG awareness and action with children and youth; and
- Data Playground, which combines citizen-generated data and storytelling to facilitate greater understanding.

Parliaments were closely involved in developing the 2030 Agenda through global and regional parliamentarian

associations. 141 Yet despite their essential roles in the domestication of the SDGs, they remain an often-overlooked partner for SDG implementation. Parliaments can lend political momentum, pass government budgets, ratify international

¹⁴¹ Globally, the Inter Parliamentary Union committed to the post-2015 process through the Quito Declaration. http://archive.ipu.org/conf-e/128/quito- comm.htm.

agreements, translate the SDGs into enforceable national laws that respond to country-specific development priorities, and monitor implementation. Partnerships with parliaments may require investing in building the capacity of legislators and parliamentary staff for engaging with the 2030 Agenda and the SDGs. Initial measures could entail oversight of SDG-aligned national plans/polices as well as reporting under the Voluntary National Reviews. Parliamentarians can also be encouraged to give voice to diverse constituencies and become SDG champions at all levels.

Partnerships with academia through SDG-related research and education can inform evidence-based policies for sustainable development. Several resources to help countries leverage academic potential include:

The Sustainable Development Solutions Network (SDSN), which supports practical problem-solving for SDG achievement through academic networks of more than 800 universities and think tanks. Countries can use the free online courses on sustainable development offered through its **SDG** Academy while its SDSN Youth network amplifies the tremendous energy and innovative capabilities of young people as part of generating broader buy-in to the SDGs.

- The UN Higher Education Sustainability Initiative provides a broad platform to learn how the higher education community is supporting SDG implementation and to encourage academia to integrate sustainable development into teaching, research and sustainability practices.¹⁴²
- The Principles for Responsible Management Education (PRME) is a UN Global Compact initiative to raise the profile of sustainability in business schools around the world, and to equip students with the understanding and ability to deliver positive societal impacts.

Media and entertainment partnerships can amplify SDGrelated messages exponentially. One tweet about climate change from a social media influencer can draw millions of pairs of eyes, for instance. Entry points for partnerships with film and television productions, as well as entertainers and social media influencers should be explored to shine a light on the most critical current issues.

COLLABORATION WITH THE PRIVATE SECTOR

The sustainable development agenda requires the involvement of businesses to help meet societies' most pressing problems, from delivering essential health services and products to women and children to creating more circular economic models to offering various types of insurance to those most likely to slip back into poverty due to exogenous shocks.

Thus, in contrast to a relatively muted role in the MDG era, the private sector is a critical partner in achieving the SDGs. The 2030 Agenda explicitly calls on "all businesses to apply their

creativity and innovation to solving sustainable development challenges". 143 It commits to partnering with a well-functioning, responsible business sector, while upholding labour, environmental and health standards, including in line with the Guiding Principles on Business and Human Rights. 144,145

Putting businesses and markets to work for sustainable development will require a critical transformation in business strategy and planning, moving beyond traditional models of corporate social responsibility commitments to aligning core business objectives and operations with sustainable development, as for example in the notion of a "triple bottom line".

Across the UN system, private sector partnerships are evolving towards deeper, more strategic collaborations that focus on innovation, scalability and impact, and that more effectively leverage private sector resources and expertise. 146 The UN Global Compact is a key resource to help bring companies together with the United Nations, civil society, governments and other stakeholders, in order to move the needle on corporate sustainability. It provides countries with capacities and good practices relating to the achievement of the SDGs. Adopting responsible business practices and committing to sustainability in operations is the first step for many companies as partners in sustainable development.

Businesses can seek to improve their contributions to public "goods", such as by aiming for gender parity at all levels of the workforce, and lowering the costs of products such as vaccines so that they reach the poorest communities. They also need to curtail public "bads", such as pollution or shortfalls in safety standards. In this regard, companies that partner with the United Nations should publicly commit to the Global Compact's Ten Principles¹⁴⁷ and underlying instruments. Such commitments emphasize expectations for responsible private sector engagement and for public reporting on progress related to sustainability.

Most governments will be unable to provide the requisite levels of financing to meet the SDGs on their own. 148 With private capital flows dwarfing public revenue streams in many countries, including from official development assistance, there is a need to leverage new funding to help complement public capacity,

¹⁴³ United Nations General Assembly resolution 70/1, Transforming our world: the 2030 Agenda for Sustainable Development, para, 67.

¹⁴⁴ Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie. A/HRC/17/31, annex.

¹⁴⁵ United Nations General Assembly resolution 70/1, Transforming our world: the 2030 Agenda for Sustainable Development.

¹⁴⁶ Report of the Secretary-General on enhanced cooperation between the United Nations and all relevant partners, in particular the private sector, A/72/310

¹⁴⁷ https://www.globalcompact.ca/about/ungc-10-principles/.

¹⁴⁸ The Business and Sustainable Development Commission estimated that an additional \$2.4 trillion of funding will be needed each year until 2030 to achieve the SDGs. Business and Sustainable Development Commission, 2017, Better Business, Better World Report. http://report.businesscommission. org/report.

¹⁴² https://sustainabledevelopment.un.org/sdinaction/hesi.

including through public-private partnerships and innovative financing. Partnerships with actors in financial markets can encourage the movement of funds into socially productive investments. A new frontier is the design of innovative initiatives to unlock SDG financing. For instance, UNDP in Indonesia has established an "Innovative Financing Lab" as a platform for collaboration among the Government, the private sector, investors and entrepreneurs, religious organizations, civil society, the United Nations and other interested partners. (For more details, see Module 4 on SDG financing.)

Private philanthropy must also play a crucial role in the achievement of the SDGs. Partnership with foundations should be pursued strategically. With technical expertise, strong grantee relationships, and links between governments, civil society and the private sector, philanthropy is uniquely positioned to play roles vital to the success of the SDGs. In addition to complementing SDG financing envelopes, foundations and individual philanthropists can take short-term risks that lead to innovations, while also making long-term commitments to resolving complex challenges. The SDG Philanthropy Platform works with foundations to align their work to the goals and collaborate with likeminded organizations to scale up impact.

MANAGING RISKS

All partnerships can pose risks, some more than others. With the rapid expansion of partnerships in line with the 2030 Agenda, these challenges have come into sharper relief, particularly for the United Nations, which still lacks a system-wide approach to gauging and managing such risks. Since this gap can undermine "the integrity and increase the vulnerability of the Organization," ¹⁵¹ the United Nations is addressing this issue through several work streams in 2019:

- Development of a system-wide partnership approach to help governments with SDG means of implementation
- Strengthening system-wide integrity, due diligence and risk management relating to partnerships with private sector and other non-state actors
- Improved governance of the UN Global Compact
- Enabling the UN Office for Partnerships to be the UN's "global gateway" for partnerships
- Strengthening the system-wide compact with international financial institutions on "high-impact actions" for SDG implementation
- Renewed UN support for South-South cooperation
- 149 L. McGill, 2015, "Foundations and the SDGs: Poised to Make a Difference?" https://philanthropynewsdigest.org/columns/alliance-pnd/ foundations-and-the-SDGs-poised-to-make-a-difference.
- 150 Rockefeller Philanthropy Advisors, UNDP (United Nations Development Programme) and the Foundation Center. "Engaging Philanthropy to Take Action on the SDGs." https://www.sdgphilanthropy.org/
- 151 Based on IISD (International Institution for Sustainable Development), "Not Just a Case for Business: SDG Partnerships with Accountability, Oversight and Profit." http://sdg.iisd.org/commentary/policy-briefs/not-just-a-case-for-business-sdg-partnerships-with-accountability-oversight-and-profit/.



CHAPTER 2: TRANSBOUNDARY AND CROSS-BORDER COLLABORATION FOR THE SDGs

In today's interdependent and hyperconnected world, goods, ideas and people move across borders with greater ease and speed than ever before. The integrated nature of the SDGs calls for cooperation in areas that relate to complex transboundary challenges: trade, investment and sustainable development; promotion of democracy and human rights; and peace and security between countries. Issues such as inequality, climate change and disaster risk reduction, energy security, ecosystem degradation, migration, and the contamination of oceans, seas and marine resources cannot be addressed effectively by national actions alone. Crossborder infrastructure can help reduce vulnerability, and bring economic and social benefits to marginalize populations, as can intraregional trade and economic cooperation agreements around transport, energy and ICT connectivity.

The 2030 Agenda calls for working across national boundaries, at the subregional and regional levels, and within and across different categories of countries. ¹⁵² Towards that end, **regional and subregional institutions and initiatives** are essential sources of expertise and assets. For instance, UN regional economic commissions help promote the 2030 Agenda through regional and sub-regional cooperation. The Economic Commission for Africa was a key partner of the African Union in devising Africa Agenda 2063, a framework for regional cooperation around inclusive growth and sustainable development. The Economic and Social Commission for Asia and the Pacific similarly helped develop a regional roadmap for implementing the 2030 Agenda. Countries should be able to draw on such resources to guide regional solutions and build

152 This section draws heavily on ESCAP (Economic and Social Commission for Asia and the Pacific), 2017, Regional Roadmap for Implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific. https://www.unescap.org/sites/default/files/publications/SDGs-Regional-Roadmap.pdf. capacity at regional and subregional levels as well as among national bodies.

Addressing transboundary challenges requires forums for political dialogue involving national governments and other actors committed to protecting global commons and values. Increasingly, regional collaboration is focused on addressing obstacles around SDG means of implementation—trade, financing for development, data, technology and innovation, partnerships and policy coherence. A key contribution entails sharing homegrown approaches within and across regions through South-South and triangular cooperation.

SOUTH-SOUTH AND TRIANGULAR COOPERATION

The 2030 Agenda recognizes the important role of South-South cooperation in achieving its goals and targets. Major related frameworks, including the Addis Ababa Action Agenda, the Paris Agreement on climate change, the Sendai Framework for Disaster Risk Reduction and the New Urban Agenda have also given new impetus to South-South and triangular cooperation.

Over the last decades, the significance of both forms of cooperation in accelerating human development has gained momentum. Estimates suggest that the financial weight of South-South development cooperation could be approximately \$26 billion in 2015. In 2016, the value of South-South trade amounted to approximately \$4.4 trillion, while foreign direct investment flows originating from and going to developing countries have grown faster than those from developed to developing countries.

South-South cooperation brings new impetus and an innovative character to cooperation among developing countries since it helps to mobilize alternative financial resources. It offers the ability to address the development challenges of countries in the South through an emphasis on similar development contexts, and operates on the basis of mutual interest and understanding, facilitating a horizontal relationship in which cooperation is built as a partnership between equals. It remains, however, complementary to, and not a substitute for, the responsibilities and capabilities of donor countries.

Triangular cooperation allows traditional donors and other partners to join South-South initiatives, and offers an alternative path to leveraging resources and involving those actors in technical capacity-building initiatives. It represents an opportunity to enhance South-South cooperation and can open new opportunities for cooperation, offering a mix of funding and knowledge that would not otherwise be available.

A new wave of multilateral institutions devoted to South-South cooperation relates particularly to financing. The Asian Infrastructure Investment Bank (AIIB) and the New Development Bank created by the BRICS (Brazil, Russia, India, China, South Africa) both have significant resources and agendas

that prioritize sustainability and inclusive growth. The AIIB is projected to provide loans of \$10 billion to \$15 billion annually over the next 15 years, focusing on infrastructure and other productive sectors in Asia.

The New Development Bank has the capacity to lend an average of \$3.4 billion by 2020 and almost \$9 billion by 2034. It aims to finance infrastructure and sustainable development projects initially in BRICS countries, but other low- and middle-income countries will be able to become members and apply for funding. The Development Bank of Latin America (CAF) now funds more infrastructure in Latin America than the World Bank and the Inter-American Development Bank combined.

Additional initiatives by China and India are especially noteworthy. China's Belt and Road Initiative aspires to promote infrastructure and interconnectivity in over 70 countries across Asia, Africa and Europe. It foresees substantial involvement of private capital to supplement China's \$40 billion Silk Road Fund and meet the estimated \$1 trillion annual demand for infrastructure across developing and emerging economies. India has announced a \$10 billion concessional line of credit to Africa over the next five years, as well as grant assistance of \$600 million that would include an India-Africa Development Fund of \$100 million, an India-Africa Health Fund of \$10 million, and 50,000 scholarships for African students over the same period.

In recent years, the development of formal rules and informal norms and the emergence of dedicated organizations has moved South-South cooperation increasingly into the mainstream of national policymaking. In March 2019, 193 UN Member States adopted the Buenos Aires Outcome Document of the Second High-level United Nations Conference on South-South Cooperation (BAPA+40), which calls for stepped-up collaboration between countries. It reiterates the importance of sharing knowledge and experience, training, capacity-building and technology transfer on mutually agreed terms, aimed at achieving sustainable development.

The United Nations Office for South-South Cooperation is the main focal point for promoting and facilitating South-South and triangular cooperation for development on a global scale and across the UN system. It offers a range of resources, including a compilation of good practices¹⁵³ and the "South-South Galaxy", a platform for sharing knowledge and brokering partnerships. South-South Global Thinkers: the Global Coalition of Think Tank Networks for SSC¹⁵⁴ links over 200 think tanks across the regions to better inform global policy dialogues on South-South cooperation as well as intergovernmental mechanisms supporting it.

¹⁵³ UNOSSCC (United Nations Office for South-South Cooperation, 2018, Good Practices in South-South and Triangular Cooperation for Sustainable Development. https://www.unsouthsouth.org/2018/09/12/good-practices-in-south-south-and-triangular-cooperation-for-sustain-able-development-vol-2-2018/.

 $^{{\}bf 154} \ \underline{https://www.ssc-globalthinkers.org/.}$





The United Nations Sustainable Development Group (UNSDG) unites the 40 UN funds, programmes, specialized agencies, departments and offices that play a role in development.

At the regional level, five Regional UNSDG Teams play a critical role in driving UNSDG priorities by supporting UN Country Teams with strategic priority setting, analysis and advice. At the country level, 131 UN Country Teams serving 162 countries and territories work together to increase the synergies and joint impact of the UN system.

The UN Development Coordination Office (UNDCO) is the secretariat of the UNSDG, bringing together the UN development system to promote change and innovation to deliver results together on sustainable development.

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