2015: THE MAKE OR BREAK YEAR FOR A SUSTAINABLE FUTURE

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2015 will be an important year for multilateralism and humankind. This year, when the United Nations (UN) celebrates its 70th anniversary, three important international events related to development will take place: (i) the International Conference on Financing for Development in Addis Ababa in July; (ii) the Special Summit on Sustainable Development at the United Nations in September; and, (iii) the 21st Conference of the Parties (COP 21) of the United Nations Framework Convention on Climate Change (UNFCCC) in Paris, in December. This is the first time such a complex and wide-ranging agenda will be negotiated in a single year, and is unlikely to happen again soon.

The importance, and uniqueness, of this year, which might allow humankind to adopt sustainable development, to restructure the financial system, and to tackle climate change, led the UN’s Secretary General (SG) to call 2015 “the time for global action”\(^{2}\). That action should be geared towards a transformation agenda, with the overarching objective of eradicating poverty by 2030.

The events happening this year are the pinnacle of a process started by the UN in the 1970s, with the Stockholm Conference on Human Environment, migrating into a focus on environment and development in the 1980s, with the Brundtland Commission (World Commission on Environment and Development). The Rio Conference in 1992, the UN Conference on Environment and Development in Johannesburg in 2002, and the Rio +20, in Rio in 2012, are later phases of process.

In the finance realm, the first international meeting bridging the finance and development was the International Conference on Financing for Development in 2002, in Monterrey. That meeting registered the largest participation of finance officials at a UN sponsored meeting and its final declaration, the Monterrey Consensus is still regarded as a watershed on financing negotiations. The Monterrey meeting was followed by the Doha Conference in 2008 to review the implementation of the Monterrey Consensus.

The Climate Change Conferences began with the adoption of the UNFCCC in 1992, right after the seminal Rio 92 Conference. The Convention entered into force in 1994, after receiving the minimum number of ratifications required. There have been 20 Conference of the Parts (COPs) so far, the last was held in Lima in late 2014. Of these, it is worth noting the COP 3 in Kyoto, when the Kyoto Protocol was agreed; the COP 13 in Bali, in 2007, when the Bali Action Plan was adopted; and the disappointing COP 15, in Copenhagen that jeopardized faith in multilateralism by not reaching a much-desired consensus. Ever since, the COPs have presented slow-moving gradual success, paving the way for a big agreement, which is expected to be adopted in Paris, in the COP21. This should be the inheritor to the Kyoto Protocol.

During the last Rio Conference, Rio +20, global leaders agreed on a new agenda to replace the Millennium Development Goals (MDGs). The Sustainable Development

1 Marcio Pontual, RIO+ Centre’s Programme Specialist.
2 The Road to Dignity by 2030: ending poverty, transforming all lives and protecting the planet. Synthesis Report of the Secretary General on the Post 2015 Agenda.
Goals should be effective from 2015 until 2030. Several political and technical meetings have taken place since June 2012 to craft this new oversight framework for global development. Activities, varying from technical meetings to high-level panels, including an Open Working Group (OWG), have informed the proposal for this new set of global development goals. In a parallel track, the UNFCCC has been working against the clock in order to reach an agreement in 2015, in Paris during the COP 21, which would set the stage for avoiding a dangerous change of more than 2 degrees Celsius in average global temperature. To complete the triad, global financial issues, particular those underpinning the success or failure of a Post 2015 Agenda, have been dealt with by a dedicated Intergovernmental Committee of Experts. This Committee has met several times leading up to the delivery in 2014, of a document containing a concrete set of proposals.

The challenges ahead are numerous. Amongst them, identify a position/agreement of principles that will satisfy all parties, and overcoming multiple differences - i.e. a truly universal agenda. As the UN’s Secretary General pointed out in his Synthesis Report on the Post 2015 Agenda, ‘The Road to Dignity by 2030: ending poverty, transforming all lives and protecting the planet’, it is necessary “to integrate economic, social and environmental dimensions across the new agenda” based, among others, on a renewed effective global partnership for sustainable development and a data revolution.

The keyword for the Post 2015 Agenda is transformation. It is imperative to change the way humankind interacts with the planet; to restructure current economic processes that have led to increasing and intensifying economic inequality; to modify the policymaking process and public administration habits that are inefficient, slow, expensive and corruption-prone.

The SG was also clear about the need for a transformation of the UN. In order to deal with the complexity of the Post 2015 agenda and to fulfill its mission, he explains that the UN will have to “be relevant, innovative, agile, inclusive, coordinated and results-oriented” both at its Headquarters and at the country office level. Achieving this will require shared goals, commitment from staff and leadership, and “highest standards of accountability, transparency and impact”. The UN must both provide the example and facilitate the process.

Parties and other stakeholders continue to express the necessity to build on, and go beyond, the MDGs, using the latter as a springboard into the future progress. The wish list for the new agenda, encompassing SDGs, financing, and climate change, involves being inspirational, ensuring full participation; being consistent with political commitments, including concrete goals with measurable and achievable targets; and at the same time avoiding the creation of additional burdens. A serious and deliberative approach to Means of Implementation (MoI) will be pivotal.

A data revolution will also be necessary. Such an intricate agenda calls for better and more disaggregated data as well as effective review and monitoring, if the information gap between developed and developing countries is to be closed. Such a revolution is new for many countries and as a result, the SG convened an Independent Expert Advisory Group on the Data Revolution for Sustainable Development to assist this process. Based on their feedback, including

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3 Data will need to be broader, deeper and more precise.
a call for new “data literacy”, the SG is proposing to raise the bar in policy making and public administration by creating a complete support process, (Program Action on Data) that will include, in its preparation, “a Global Partnership for Sustainable Development Data” and a “World Fora on Sustainable Development Data”.

An alternative to GDP has also been identified as necessary to improving how progress associated to Sustainable Development is measured. The challenge here is to contemplate “social progress, human well-being, justice, security, equality, and sustainability” all at the same time. This includes following the SG’s call for poverty to be seen as multi-dimensional, as the UN 2014 Human Development Report has outlined. Existing metrics currently fall short of such a comprehensive approach, largely effective in capturing the economic dimension but largely failing to adequately represent social and environmental aspects. They are yet some distance far from meeting the UN ideal of “turning reality into a life of dignity for all, leaving no one behind”.

**Sustainable Development Goals**

The building blocks for the SDG intergovernmental process are: the proposal of the OWG on Sustainable Development, the proposals from the Committee of Experts on Finance, and the SG’s synthesis report.

The OWG held 13 sessions between its creation in January 2013 and its last session in July 2014. Its outcome document was then released a couple weeks later. Despite some arguments about the content of the document (which, by containing 17 specific goals and 169 associated targets was considered too broad, or too ambitious) its *modus operandi*, with countries sharing seats, specific moments to hear representatives from industry, organized civil society, and other organizations, was considered a breakthrough in multilateral negotiations. The participants recognized that there is still room for improvement, but the OWG was seen to be a very important first step, and in line with the SG’s desired transformation of the UN and its organs.

The list of Sustainable Development Goals are:

1. End poverty in all its forms everywhere
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3. Ensure healthy lives and promote well-being for all at all ages
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5. Achieve gender equality and empower all women and girls
6. Ensure availability and sustainable management of water and sanitation for all
7. Ensure access to affordable, reliable, sustainable and modern energy for all
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

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4 Such a bold move is receiving some criticism, e.g. by Watkins (2015), that such structure would be so expensive and complex for some countries that money should be better spent otherwise (i.e. adopting a ‘bread and butter’ strategy that would yield more benefit per dollar spent, with less risk and increased chances of not working). For more details please visit: http://www.theguardian.com/business/economics-blog/2015/jan/20/development-summits-2015-goals-poverty-globalisation-climate.
10. Reduce inequality within and among countries

11. Make cities and human settlements inclusive, safe, resilient and sustainable

12. Ensure sustainable consumption and production patterns

13. Take urgent action to combat climate change and its impacts*

14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development

15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

There is an ongoing debate about the number of goals, particularly whether their number will hamper the implementation process. Some have defended 10-12 goals as a more manageable number. Nevertheless, there is a consensus on the importance of agreed targets being concrete, measurable, and adaptable. Moreover, these targets should not imply stepping down or being inconsistent with the ambition level of current commitments. Measurability should allow the assessment of information on gender, race, age, migratory status, etc. in each specific society. On top of that, targets should be inspirational, serving to mobilize actors.

In order to make the SDG decision-making process easier and more expeditious in 2015, the SG has proposed a set of six elements that, taken together, were crafted to facilitate the deliberations of member states. They are: People, Dignity, Prosperity, Justice, Partnership, Planet. (see Figure 1)

![Figure 1. (source: SG Synthesis report)](image)

More recently, a Stocktaking session took place in New York between January 19th - 21st, 2015. The objective was to further discuss the elements that will comprise the new agenda: the declaration; a set of SDGs and targets (and eventual indicators); MoI and a Global Partnership for Development; and Follow-up and Review implementation. This is the first of eight sessions (roughly one per month) that will take place to prepare the SDG outcome document that will be approved in September.

Financing for Development

Financing (or the lack of it) is one of the culprits for the lack of success on several multilateral initiatives. On top of the scarcity
of funds from many donors, there is also fear that resources will never reach their targeted beneficiaries due to embezzlement by civil servants and politicians or simply misspent/misallocated. It is no coincidence that the Synthesis report used a spot-on quote from Mahatma Gandhi: “Earth provides enough to satisfy every man’s need, but not every man’s greed”.

The complexity of the Post-2015 agenda will no doubt have to reflect both financial needs and means. As a result, a myriad of financing options will need to be optimized and coordinated in order to meet the demand, implying the alignment of the Monterrey-derived financing frameworks and the Rio processes.

The Committee on Experts organized the available options in five categories: domestic public, domestic private, international public, international private, and blended finance. They also identified the creation of new Institutions of South-South Cooperation, such as the BRICS bank, as potential new financing structures for sustainable development.

The figure below (Figure 2) pictures the flow of funds as per the Committee of Experts’ vision.

Flows of funds from international and national financing sources to sustainable development


* The size of boxes does not represent financing volumes/importance.

** There can be cases where international public finance also directly supports the implementation of international objectives.

*** Sovereign wealth funds handle public money, but are managed like private investors.

Figure 2. (source: SG Synthesis report)
Official Development Aid (ODA) will continue to play an important role in financing Sustainable Development. However, it will be necessary to modernize the flows of such finance. During the intergovernmental stocktaking meeting on Finance that took place from January 28-30th 2015, in New York, several countries re-emphasized the need for developed countries to fulfill their funding commitments to developing countries and also to increase the transparency and accountability of such ODA flows.

The SG points out that countries should not rely on foreign support alone. It is the responsibility of national governments to raise the necessary funds for core economic and social functions. Countries should also strive to adopt the necessary fiscal and macro-economic policies, as well as regulatory frameworks aligned with the SDGs. He urges countries to meet the 0.7% target and to adopt responsible and accountable investment practices for private finance.

One striking step that the Post-2015 agenda is willing to take is to tackle the international economic obstacles that the World Trade Organization has not managed to solve with the Doha Round. That means the inequities of the multilateral trading system (such as distorting subsidies, unfair market protections), that do not facilitate technology transfer and intellectual property rights (to enable access to medicines, adaptation measures, etc.), and that hinder long-term investments in developing countries.

The Synthesis Report also calls for the facilitation of access by Small and Medium Enterprises to funds and that resources be universally accessible (regardless of gender, race, age, etc.). It also urges international coordination of macroeconomics policies, comprehensive fiscal regulation, and pressingly addressing illicit flows. In relation to flows, a proposal that will facilitate the life of millions is the reduction on costs on remittance transfers. Many families in developing countries depend on such funds from relatives living abroad. Reducing transaction costs makes more money available and can make a big difference in the lives of several communities worldwide.

The way forward, therefore, seems clear. Building up developing finance while reducing finance in others areas e.g. military budgets that create few lasting public goods. In addition, investing in innovation, while phasing out unsustainable technologies, is also key. Countries must focus on cooperation and cost-sharing in the areas of Research, Development, Demonstration & Diffusion (RDD&D). In order to achieve this, the SG suggests the creation of an Online Global Platform on Cooperation, the establishment of a Technology Bank and Science, Technology, and Innovation Capacity Building for LDCs.

**Climate Change Negotiations**

There is a sense that, in organizing the events in the current order: (i) laying down the foundation for financing first, (ii) then defining the SDGs, and (iii) tackling Climate Change at the end of the year, will also yield a more linked and transformative approach. The negotiators made it clear that climate negotiations will not be disturbed by the SDG process but the climate negotiators will be able to take advantage of the financing, technology transfer, SDGs and all other decisions that will be taken prior to COP 21, in framing the new global agenda for the next period.

The CC talks, known up to recently as the most complex international negotiation to date, make clear the intricacies related to sustainable development. The detailed data and finance needs are there, as well as the importance of cooperation, joint policy making, and governance. The difficulty of
reaching an agreement is an indicator of the struggle of committing long-term to a future that is still uncertain.

Failure in reaching a consensus in 2009 in Copenhagen, as well as side-agreement developed by a few, both served to tarnish the general perception and effectiveness of the COPs. Since then, negotiators have worked hard, and literally overtime, to provide at least some piecemeal progress. In so doing, experts have deemed the COPs relatively successful in the path towards Paris, even when adopting decisions at the very last minute.

The CC talks are informed by annual meetings in Bonn, in the middle of the year, to prepare the road for the COP at the end of the year. Besides that, specialized committees meet to follow up the agreements from the previous COP and meet eventual demands.

Paris is a landmark event. 2015 is the deadline for producing an agreement that will enter into force by 2020, a date which many consider a tipping point for the concentration of Green House Gases (GHG) in the atmosphere. This is also the deadline for emission reduction commitments already assumed by some countries.

The problem with gradual process is that the low hanging fruits are picked first. This means that even more compromise will be necessary to achieve success in Paris, potentially diluting the path to avoid a dangerous tipping point. Lima 2014 did propose an outline text for Paris, but countries will need to present their contributions (pledges) during this year, in the lead up to the December Conference. The novelty of Lima is the addition of the Respective Capacities to the concept of Common but Differentiated Responsibilities (CBDR+RC). That means that developed countries will start reducing their emissions, as well as other countries, according to their national circumstances.5

More concisely, the problem ahead is that countries are not willing to give up on the wellbeing of their citizens, especially if there is no guarantee that other countries will do so as well. The situation is more complex for developing countries who have not yet reached comfortable standards of living, thus aspiring to more progress, which implies that more emissions will be necessary. On the other hand, there is the fear from developed countries that big emitters such as China, India and Brazil will not pull their weight, possibly offsetting any efforts that they might make. The CBDR+RC has been proposed to address this dilemma, though it should be mentioned that China and Brazil have made commitments to peak emissions dates and to reductions. Still, it is important to keep in mind that while the Post 2015 Agenda is dealing with a 15-year time horizon, the CC talks involve a much longer window. This represents a daunting task in terms of negotiating for future generations. Time-scales could make or break the overall objective.

Conclusions

The road until the end of 2015 will be full of obstacles. In the SDG arena, it will be especially important to define the final set of goals and the associated targets on-time and as clearly as possible. However, extremely important also are the MoI, as they will enable the goals and targets to be realized. Thorny issues tend to appear not when defining a destination, but when defining the path to get there, the distribution of responsibilities in reaching the destination and in determining what

5 For more detailed analysis and information please refer to: http://www.brookings.edu/research/opinions/2015/01/08-lat-in-america-cop20-edwards-roberts.
success looks like. It will also be important to clearly define the indicators and the monitoring process for all of the above reasons. The data revolution might be an important step towards this, but it would also be crucial to perform a cost-benefit analysis to assess the pros and cons.

Financing for development will play an important role in enabling both the ‘what’ and the ‘how’ of the Post 2015 Agenda. Nevertheless, the hurdles are bigger on that department since in economic negotiations progress tends to be very slow (see the Doha Round at the WTO), more technical and less passionate. In addition, this is a territory in which developed countries have more expertise than developing ones. Even more so, the Addis Ababa meeting in July does not provide much leeway for negotiators in shaping an appropriate mark for the SDGs.

While the Climate Change negotiators have more time to present their national pledges and prepare the COP21 outcome, their challenge is marred by small progress, big setbacks and fear of loss of sovereignty and economic impacts. Positive results in Financing and SDGs might, however, influence positively the climate negotiations and provide a particularly favorable end of year for all.

As the SG mentioned, there is a lot on the line in 2015: complex processes involving many topics, players, issues and, especially, long timeframes. This will not be a cheap or easy undertaking but the potential benefits arising from it will not only be important, but long lasting, with the capacity of offering a great Return On Investment (ROI). That is how the world leaders should face the situation this year: as an investment to transform our world beyond 2015.

### Calendar:

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References:


Finance for Development. Available at: https://sustainabledevelopment.un.org/intergovernmental/financecommittee accessed on February 2nd, 2015


