

# **Report of the twenty-second session (24–27 February 2020) of the Committee for Development Policy (document E/2020/33) – excerpt on “Accelerated action and transformative pathways: realizing the decade of action and delivery for sustainable development”**

## **Unedited draft**

### **Summary**

On the ECOSOC theme for 2020, the CDP stressed that trends in inequality and climate change are driving the 2030 Agenda backwards. Inequalities in income and multiple other dimensions of well-being are rising and the weak global response to climate change are pushing people behind. Inequality and climate change cannot be treated as issues on the margin of sustainable development policies. They are at the core of the systems of synergies and trade-offs that make up the SDGs. A transformation commensurate with the scale of the challenge presented by the SDGs, inequality and climate change requires coherent strategies which harness the action of public and private actors and civil society, creating opportunities for employment and investment. A condition for the success of these strategies is a strong, supportive multilateral system. ECOSOC should promote an inclusive process of reform of multilateral rules and institutions to ensure they support equitable and green development.

## **Chapter I Matters calling for action by the Economic and Social Council or brought to its attention**

### **A. Matters calling for action by the Council**

#### **Accelerated action and transformative pathways: realizing the decade of action and delivery for sustainable development**

1. The Committee recommends that to accelerate action on the SDGs and to ensure that countries are set on an equitable and sustainable development path to 2030 and beyond, the Council urgently put in motion an open, consultative process with the objective of reforming multilateral rules to make them conducive to a global transition towards equitable and sustainable development. The process should identify the rules that stand in the way of the SDGs and the global response to inequality and climate change, and establish roadmaps to address them, with the support of the network of ECOSOC subsidiary bodies and of the relevant international organizations. The Committee considers it critical for the process to count with ample stakeholder participation, for which the Open Working Group on the Sustainable Development Goals provides a model. Chapter II in this report proposes principles and priority issues for this process.

## Chapter II

### **Accelerated action and transformative pathways: realizing the decade of action and delivery for sustainable development**

#### **Inequality and climate change are driving the 2030 Agenda backwards**

2. With the decade of action and delivery for sustainable development already underway, it is urgent to recognize and act upon the fact that two challenges that are central to the achievement of the Sustainable Development Goals (SDGs) – inequality and climate change – are not being overcome and are instead being aggravated. Inequalities in income and multiple other dimensions of well-being – including in the security of employment and exposure to violence and crime – are rising. Furthermore, without adequate policy frameworks, the rapid advances in science, technology and innovation (STI) under way can push vulnerable people further behind rather than acting as instruments for sustainable development. At the same time, an abundant scientific evidence of the catastrophic potential of climate change contrasts sharply with the weak global response. Failure to address the mutually reinforcing problems of inequality and climate change is threatening to reverse the already insufficient advances on the 2030 Agenda, and in particular the pledge to leave no one behind.

3. Inequality breeds inequality and hampers implementation of the 2030 Agenda in many ways. As documented in the Global Sustainable Development Report 2019, rising inequalities inhibit economic growth and make it more fragile, aggravating social problems.<sup>1</sup> As expressed both in the Report and by the Committee for Development Policy in 2018 and 2019<sup>2</sup>, inequalities in development are perpetuated by inequalities in decision-making structures, making it more difficult to achieve progress in areas of both national and global concern. Moreover, exclusion and internal divisions have led to political instability and crises in national governance in many countries and to a clear setback on SDG 16, dedicated to the promotion of peaceful and inclusive societies for sustainable development, to the provision of access to justice for all, and to building effective, accountable institutions at all levels.

4. Shortcomings in the way climate change risk is assessed lead to significant underestimations of both its severity and its impact on inequality. Policy circles often overlook the fact that the risks inherent to climate change are not only contained in the higher frequency and intensity of catastrophic events, but in the long-term, cumulative impacts on food, fuel, water and public health. These risks are difficult to quantify but are as critical, if not more, particularly for the most vulnerable populations in both rural and urban areas.

5. Inequality and climate change cannot be treated as issues on the margin of sustainable development policies. They are at the core of the systems of synergies and trade-offs that make up the SDGs and failure to act on them will mean deviation from the path set by the 2030 Agenda.

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<sup>1</sup> Independent Group of Scientists appointed by the Secretary-General, Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development, (United Nations, New York, 2019).

<sup>2</sup> See CDP report 2018, chapter II and 2019, chapter II.

**While action by all stakeholders is needed at all levels, states have the responsibility to strategically deploy the full range of policy instruments to catalyse and redirect innovation and investments towards equitable and green development.**

6. The multidimensional nature of the 2030 Agenda and the SDGs requires the involvement of all stakeholders at all levels – local, national, international – with solutions that are context-appropriate, respond to the needs and rights of populations, particularly those furthest behind, and tap into the full diversity of existing knowledge and experience. It is, in fact, encouraging that local, national and regional governments, civil society, academia and other stakeholders have engaged with the SDG process and are developing innovative approaches and practices. International financial institutions and several central and national development banks have started to better reflect the SDGs as a whole in their strategies and policies. There is also an incipient yet significant move by some of the world’s business sector, including some of the largest multinational enterprises to reframe their strategies beyond the mission of maximizing shareholder value and short-term results. There is no shortage of calls for action, commitments and initiatives to advance the achievement of the SDGs.

7. However, isolated interventions will not work. A transformation commensurate with the scale of the challenge presented by inequality and climate change requires re-aligning and streamlining public policies and investment. It requires harnessing the development of productive capacities, including industry, infrastructure and STI, towards achieving the SDGs and an equitable and greener economy. It calls for more active policies to expand social services to all, which requires adequate tax revenues and other public sector resources to finance them. It also calls for coherent industrial and infrastructure policies that not only consider social and environmental factors but also make them central objectives. Political will and the strategic deployment of a full arsenal of policy instruments, including public investment and development finance, can turn the challenges of achieving the SDGs into positive opportunities for public and private investment and employment. Citizens, civil society groups and the business sector must be involved in defining the objectives and pathways to be taken and to ensure a just transition.

8. In the short to medium term, a coherent strategy for equitable and green development should include the prioritization of public investment that both creates decent and productive jobs on an equitable basis and addresses climate change; the development and deployment of inclusive technology focusing on the needs of the vulnerable and helping to mitigate concerns of a growing technological divide; carbon pricing schemes combined with appropriate complementary policy instruments to ensure equitable and effective results; public-private insurance schemes for renewable energy and climate-resilient infrastructure where necessary; and comprehensive assessments of the cumulative and multidimensional risks of climate change, particularly for the most vulnerable populations.

9. A condition for the success of strategies to address inequality and climate change and to meet the SDGs is a strong, supportive multilateral system.

**Meeting the SDGs and overcoming the challenges of inequality and climate change requires a new multilateralism**

10. The multilateral system is under threat at a time when it urgently needs reform and reinvigoration to promote the 2030 agenda. As the UN approaches its 75th anniversary, member states should renew their commitment to

multilateral rules and institutions and engage in reforming them to advance the SDGs and ensure a global transition towards equitable and sustainable development.

11. The CDP recommends that ECOSOC promote, with substantive support from its wide network of subsidiary bodies, the necessary and urgent transformation of the multilateral system, making it fit for the purpose of enabling countries to achieve the SDGs. The process should identify the rules that stand in the way of the SDGs and the global response to climate change and inequality and establish a roadmap to address them. The experience of the open-working group on Sustainable Development Goals that led to the 2030 Agenda provides a model for an open process that gives a voice to civil society, businesses and states at all levels of development.

12. In this context, and acknowledging that solutions for the challenges of multilateralism have been the object of research, debates and initiatives worldwide, the CDP agrees with five principles to guide the design of a new multilateralism, formulated through a series of recent consultations involving a group of stakeholders from the global policy, advocacy and research communities:<sup>3</sup>

(i) Global rules should be calibrated toward the overarching goals of social and economic stability, shared prosperity, and environmental sustainability, and protected against capture by the most powerful players;

(ii) States share common but differentiated responsibilities in a multilateral system built to advance global public goods and protect the global commons;

(iii) The right of states to policy space to pursue national development strategies should be enshrined in global rules;

(iv) Global regulations should be designed both to strengthen a dynamic international division of labour and to prevent destructive unilateral economic actions that prevent other nations from realizing common goals; and

(v) Global public institutions must be accountable to their full membership, open to a diversity of viewpoints, cognizant of new voices, and have balanced dispute resolution systems.

13. Issues that need to be urgently reformed are:

(i) Rules that limit the capacity of countries to implement progressive tax systems, mobilize fiscal resources, manage international capital flows and curb illicit financial flows.

(ii) Provisions in global, regional and bilateral trade and investment agreements that limit the ability of countries, particularly least developed and other developing countries, to adopt policies to develop their productive capacities and industries in a way that would enable them to move towards equitable and sustainable development.

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<sup>3</sup> The consultations that resulted in these principles, referred to as “The Geneva Principles”, were led by UNCTAD and the Global Development Policy Center (GDPC) at Boston University. The results are reflected in “A New Multilateralism for Shared Prosperity – Geneva Principles for a Global Green New Deal” (Kevin Gallagher, Richard Kozul-Wright) ([https://www.bu.edu/gdp/files/2019/04/A-New-Multilateralism-GDPC\\_UNCTAD.pdf](https://www.bu.edu/gdp/files/2019/04/A-New-Multilateralism-GDPC_UNCTAD.pdf)).

(iii) Intellectual property rights rules that limit access to or increase the cost of technology related to essential goods, including medicines and inputs for smallholder farmers.

(iv) The current fragmentation of environmental multilateralism, including the climate change architecture, which is incompatible with the interdependencies between global environmental problems. The environment should not be relegated to a secondary status in the multilateral system.

(v) Governance arrangements that don't guarantee adequate representation of developing countries in international institutions.