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2024, a pivotal year for international cooperation on sustainable development

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2024 promises to be a year of preparation for the key milestones expected in 2025. In a tense and dynamic geopolitical context, with an unprecedented electoral agenda on a global scale, opportunities must be seized, at both international and national levels. This blog post identifies and analyses the main issues at stake in a year of transition crucial to the advancement of sustainable development.

From 2024 to 2025, opportunities to be seized

2024 will mark the beginning of the implementation and deepening of the efforts agreed upon for sustainable development in recent years, whether they have emerged from the decisions of the Addis Ababa Conference on Financing for Development, the adoption of the 2030 Agenda for Sustainable Development or the Paris Climate Agreement in 2015 or, more recently, the Kunming-Montreal Agreement on Biodiversity (2022) and the International Treaty on the Conservation and Sustainable Use of High Seas Biodiversity (2023). This will be observed on many occasions, such as at the Summit of the Future convened by Antonio Guterres on the sidelines of the UN General Assembly to strengthen the multilateral system and accelerate implementation of the Sustainable Development Goals (SDGs), and at COP16 on biodiversity, the first COP to implement the Kunming-Montreal agreement, scheduled for late October in Colombia.

2024 is also a year of preparation for key milestones expected in 2025. This is the case for the "Addis +10" conference on financing sustainable development, to be held in Spain; as in 2015, it will be essential to trigger confidence and action, and will benefit from sustained efforts on reform of the international financial architecture underway since 2023, as well as from a Brazilian presidency of the G20 in 2024 that is very committed to this subject. Also in 2025, the new national contributions of the Parties (NDCs) must be submitted in preparation for COP30 on climate, also chaired by Brazil; they are expected be the subject of political announcements from early 2025, at a dedicated Summit convened by the UN Secretary-General. In June 2025, Nice will host the United Nations Ocean Conference (UNOC). Finally, the processes launched in 2022 to negotiate a treaty on plastics and the establishment of an IPCC equivalent for chemicals are due to reach completion in 2025.

There is therefore a particular challenge in ensuring that 2024 fully plays its role as a pivotal moment and that the opportunities it offers are seized, even though questions of implementation, deepening and preparation for future deadlines are rarely as attractive as the launch of new initiatives. This is a major challenge in a geopolitical context that is, to say the least, dynamic, with an unprecedented electoral agenda. In Europe in particular, environmental issues, sometimes relegated to an exogenous factor, or even used as a repellent, will have to find their way through debates structured around socio-economic issues (purchasing power, migration, etc.), which are important but are often tackled in opposition to environmental issues and deserve a perspective that takes sustainability into account (e.g.: how can we reinforce accessibility to sustainable and healthy food for all? IDDRI, 2023).

Pursuing progress of the environmental agenda

That said, countries have begun to seize on decarbonization as an issue of economic competitiveness, the episode of the COVID-19 global pandemic having in many respects opened a window of opportunity and unlocked a number of options, including the large-scale use of state aid. Thus, Europe and the United States end 2023 with broad programs to support green transition efforts, with the vote of the Inflation Reduction Act (IRA) in late 2022 in the United States and the European Parliament's approval of the Net-Zero Industry Act (NZIA) in November 2023. China has also updated its industry restructuring catalog, with a stronger focus on green technologies. Brazil also presented its green transformation plan at Climate COP28, indicating that other emerging countries are also moving in this direction. While the thrust of this economic agenda represents an opportunity, it raises the dual challenge of effectively driving the transformation of productive and social systems to match the environmental stakes, and striking an international balance in value chains, particularly in the inclusion of third countries, for whom this transformation must also represent a development opportunity.

At multilateral level, the international biodiversity framework has been strengthened, with the adoption of quantified and measurable targets at COP15 in December 2022[1] (IDDRI, 2023). The challenge between now and COP16 is for countries to submit National Biodiversity Strategies and Action Plans (NBSAPs) with objectives aligned with the Kunming-Montreal targets, accompanied by precise biodiversity financing plans.

On the climate front, the first Global Stocktake, provided for under the Paris Agreement, culminated at COP28 at the end of 2023, with the ambition of providing a common basis for understanding the key issues of mitigation, adaptation and financing. While these results have been commented on in one direction or another (IDDRI, 2023), COP28 did send out significant signals on targets for the development of renewable energies (tripling of capacity), energy efficiency (doubling of the global average annual rate) and a transition away from fossil fuels. Countries will now need to integrate these directions into their renewed national contributions (NDCs), which will need to be as precise as possible in terms of the sectoral transformations implemented.

While in 2024 countries must return to their roadmaps to integrate the results of international agreements (and thus contribute to the dynamism of international cooperation), this year also offers opportunities for the environmental agenda to infuse related economic spheres. Focusing on the theme of "Rebuilding trust", this week's Davos Forum has made long-term strategy for climate, nature and energy one of its four main themes. In February, the 13th WTO Ministerial Conference, chaired by the United Arab Emirates, is expected to be enriched by the ongoing reform of the institution, and in particular by reflections on trade and environmental sustainability.

The opportunities are real, but may also come up against an adverse macro-economic and geopolitical context.

A difficult macroeconomic context

The end of the COVID-19 pandemic was severely marred by a profound energy crisis, resulting from Russia's invasion of the Ukraine, which in turn created the conditions for a general global economic slowdown, via rising inflation and interest rates. This economic and geopolitical backdrop has only grown more complex since then, with relations between blocs becoming increasingly strained, notably following the outbreak of war between Hamas and Israel, and spilling over into current international negotiations, notably those linked to development financing and the fight against climate change.

This international dynamic has structural impacts, notably through the perpetuation of a scenario in which a rapid succession of crises is becoming the norm, and through a reconfiguration of the global economic order that calls into question multilateralism as it has existed for almost a century. It also has significant cyclical effects—notably when it generates repeated value chain disruptions, inflation and rising interest rates—which "force" politicians to intervene in the short term (to protect consumers and SMEs from rising energy prices, for example).

As a result, 2024 and the years to come present major challenges for public policy at all levels—national, European and international. Against a backdrop of geopolitical risks weighing on economic expectations and no prospect of a rapid decline in interest rates, public authorities will be under pressure to manage growing public debt while working on medium-term budget plans that meet the simultaneous challenges posed by fundamental structural changes such as demographic ageing or the digital revolution, defense needs, the climate transition and, more generally, the requirements of sustainable development and international solidarity. Faced with this pressure on public spending, rising interest rates[2] have increased the cost of the investments required for the transition of existing businesses and households, making it impossible to hope for a major substitution of public financing by private funding.

These national issues are fuelling international tensions that are undermining cooperation—notably by reinforcing competition for investment and financing, which will go where the risks are lower and the returns higher, most certainly to the detriment of the most vulnerable countries that would need it most. These financing issues will be the particular focus of attention as 2024 is set to be the year in which the New Collective Quantified Goal on Climate Finance is negotiated, with the challenge of monitoring and raising the ambition of the $100 billion per year target, which should finally be mobilised in 2023.

Against this volatile backdrop of renewed commitments on a multitude of sustainable development fronts, changes in the political environment are a particular focus of attention, and may also strengthen or compromise the foundations of international cooperation. Presidential or parliamentary elections are expected in 2024 in some fifty jurisdictions (including Europe and the USA), for what *The Economist* has called "the biggest election year in history".

A major wave of geopolitical recomposition

In addition to this macro-economic context, which is squeezing the room for manoeuvre of countries and players in the transition, the changing balance of power, in turn affecting the context of cooperation between countries, is impacting the geopolitical environment.

These changes confirm long-term demographic and economic trends. In fact, the demographic, economic and political weight of high-income countries is declining in favor of Asia and emerging countries, changing the international balance of power. Europe, in particular, must accept the weakening of its economic, demographic and political power, even if its common market remains one of the largest in the world, and to seek to renew its forms of influence by other means, notably through strategic alliances.

The changes in the balance of power are important and rapid. They can be observed as much in phenomena such as the new "non-aligned" since the start of Russia's war in Ukraine as in new proposals for international governance, such as the creation of the New Development Bank in 2014, presented as an alternative to the World Bank and the International Monetary Fund.

But the recompositions are not just between a "Western bloc" and a "Southern bloc". In fact, we are witnessing contrasting movements in an increasingly multipolar world. The numerous new alliances are sometimes alliances of opportunity, as we have seen with the entry into the BRICS group of 6 new countries (Argentina, Egypt, Iran, Ethiopia, Saudi Arabia, United Arab Emirates) with visions that are, to say the least, contrasting, some of which are even in open conflict. Moreover, the issues and concerns of emerging countries differ from those of the least developed and/or vulnerable countries, and while the latter may sometimes unite in order to carry more weight, for example in multilateral negotiations on climate or biodiversity, this often conceals very different political wills.

In any case, by successively assuming the presidency of the G20 (India in 2023, Brazil in 2024, then South Africa in 2025), the major emerging countries have a unique opportunity to influence the international agenda.

But indeed, in this context, the risk is that the big losers be the low-income countries, which have been particularly severely hit by the pandemic and are expressing what they feel is a "double standard" on the part of Western countries. This is the case, for example, when they observe the gap between the scale of post-pandemic recovery plans in the United States and Europe and the weakness of financial flows to low-income countries, particularly in the context of official development assistance (UNCTAD, 2023).

Against this backdrop, calls are multiplying for greater balance in North/South relations, including calls for reform of the international financial system, and even for reparations from former colonised countries. These demands must be listened to, but this does not mean that they must be accepted as they stand.

Especially as Europe risks once again finding itself in the hot seat, under internal and external pressure to provide funding for multiple priorities, while at the same time responding to third-country criticism of its green regulatory "activism" (border carbon adjustment mechanism adopted in March 2023, regulation to combat imported deforestation adopted in May 2023, directive on corporate duty of care currently being adopted, etc.) presented, sometimes hastily or tactically, as a new protectionism. A new balance must therefore be sought, based on listening and clear changes of attitude, while seeking to ensure that everyone cooperates to the best of their abilities in the transformation of the global economy. This is the project IDDRI is working on, and will continue to work on in the years to come.

1 Reducing the extinction rate and risk of all species by a factor of 10 by 2050; effectively restoring at least 30% of degraded terrestrial, inland water, coastal and marine ecosystems by 2030; establishing networks of protected areas covering 30% of land and 30% of sea.

2 OECD Economic Outlook, November 2023: https://www.oecd.org/economic-outlook/november-2023/

CLIMATE
NÉGOCIATIONS INTERNATIONALES
GOUVERNANCE
CLIMATE INTERNATIONAL NEGOTIATIONS
CBD INTERNATIONAL NEGOTIATIONS
INTERNATIONAL FINANCIAL INSTITUTIONS