

## Sustainable development: four post-2015 priorities

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Analysis of the "Sustainable Development: it's time!" conference organised by IDDRI on May 10-11, 2016.

■ The year 2015 was distinguished by several international successes in the sustainable development field, including the adoption of the Sustainable Development Goals (SDGs), the Paris Agreement on climate and the cooperation frameworks for the financing of development and disaster risk reduction. Together, these agreements define a common vision of the desired future: a future with less inequality, less environmental degradation, greater resilience to crises and access for all to education, health and social protection. They also renew the political momentum and strengthen the framework for international cooperation on these issues.

The post-2015 challenge is to transform this vision into action. This requires defining, testing and adjusting the way in which we redirect our development paths, achieve deep decarbonisation of our economies, transform our food systems, and ensure universal access to decent employment and security.

The implementation of the new sustainable development agenda requires the mobilization of all stakeholders, public as well as private, international, national and local. It is a universal agenda, and commitment and involvement at all levels is vital for its implementation. It is therefore important that we multiply the number of meetings, debates and coalitions, and that such events help identify opportunities to seize, challenges to overcome, existing solutions and promising innovation pathways.

Implementing the 2015 commitments and strengthening the individual ambition of all concerned to achieve these aims also requires a shift in some of the lines of debate in public and private decision-making, which implies an active strategy for change and the anticipation of resistance and concerns from proponents of the status quo.

This Policy Brief provides a political agenda for actors engaged in the transformation. It identifies four priority drivers of action to build on the successes of 2015 and to support the progress towards sustainable development. This brief is based on analytical work carried out over several months by a committee of practitioners and sustainable development experts, and on discussions involving 150 participants at the international conference *Sustainable Development: it's time!* organised in Paris by IDDRI on May 10-11, 2016.

This research and action agenda will inform the work of IDDRI in the coming years. It can be called a research agenda because solutions have yet to be found; and an action agenda because there will be many political events in the months and years ahead that will reveal our level of determination and our collective ability to address the four identified drivers of action. Finally, this agenda only makes sense if it is continually shared and discussed, including with other think tanks: this work is not an end in itself, but the beginning of a cycle.

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## 1. ADAPTING AND IMPLEMENTING INTERNATIONAL COMMITMENTS IN COUNTRIES

The implementation of the 2015 commitments will primarily be achieved through the way in which governments seize this ambitious and courageous political programme and how they interpret it in their own countries. They are accountable to the international community and to citizens. It also represents an opportunity for governments, given that all countries have agreed to “play the same game”: it will not be possible for any national actor to cite the inaction of other countries as justification for reducing the level of ambition of its own policies.

Many countries, such as Germany, France and Sweden, are already reviving their National Sustainable Development Strategies (NSDS) to integrate the new objectives. To ensure their consistency—given that a wide range of policies must be mobilized—their legitimacy and their visibility, strategies must be driven by Heads of State and should encompass all ministries; otherwise there is a risk of strategies becoming confined to sector-based approaches. Moreover, the new sustainable development indicators can be used to assess finance acts at parliamentary discussions, and can be integrated into dashboards that a growing number of governments are using to manage and assess their actions.

National strategies should translate international commitments into national priorities, corresponding to the preferences and contexts of each country, so that these choices are known and understood by all. These political processes should thus extend beyond the circle of public administration and experts, becoming arenas of political debate that include parliamentarians, local authorities, companies, researchers, NGOs and trade unions.

In return these actors have an important role to play in introducing the international goals into national debates. However, although SDGs relate to issues that are at the heart of these debates—employment, inequality, environmental degradation—few civil society actors are sufficiently informed on the subject. The goals could yet be used as “political weapons” in support of their demands and proposals, as was the case with the goal to devote 0.7% of GDP to official development assistance, which NGOs used to put pressure on governments. It is therefore crucial that the capacity of local civil society is strengthened in terms of human and financial resources, and in its capacity for policy analysis and impact, so that civil society can seize these objectives, follow the processes launched by governments, and develop an

alternative perspective. The role of governments, funders and researchers is to support civil society while ensuring its independence and legitimacy. NGOs can also benefit from joining forces and building coalitions, such as the embryonic SDG Watch Europe.

The political debates needed in each country should enable discussions on the different possible sequences of action needed to ultimately achieve the defined goals. To establish and discuss such scenarios is indeed essential to construct the collective preferences for the future, to inform short-term decisions in terms of their consistency with the long-term goals, to anticipate and guide the required investments, and to identify vulnerable populations, activities and territories to ensure a fair transition.

Many local authorities, for their part, are already among the key players in the implementation of sustainable development, and have made new commitments through the many initiatives launched in 2015 (Covenant of Mayors, Compact of Mayors, Under 2 MOU, etc.). There must be a repeat of the massive local mobilization observed around Agenda 21 from the 1992 Rio Conference, and it has already begun: many local authorities have found that the SDGs are opening up a new strategic leeway with which to negotiate and implement innovative political projects at their scale. To do so they must have the ability to experiment and exchange in a collective learning approach.

## 2. ORGANISING THE MONITORING OF COMMITMENTS AT THE INTERNATIONAL LEVEL

Internationally, the organisation and impetus of the active monitoring of the implementation of commitments must address at least four goals: to encourage countries to honour their commitments so that they are able to rapidly increase the level of ambition; to enable countries to share knowledge, solutions and policy implementation difficulties; to identify issues requiring enhanced cooperation, such as a number of green technologies; and to ensure the transparency of actions and results to maintain and strengthen trust between countries.

International institutions have an important role to play as places for discussion between countries, whether for the monitoring of SDGs by the UN’s High Level Political Forum (HLPF) or the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC). However, this monitoring can only be effective if carried out not only by countries and international institutions, but also by civil society as a whole: the progress reports that governments and international institutions will produce must be subject to the criticism of associations and researchers,

and complemented by independent reports. Civil society must therefore have access to the international monitoring system, in which it must be represented and its voice must be heard. Other multi-lateral forums such as the G20, the UN Committee on World Food Security, regional organisations (for example, ECLAC in Latin America) or sectoral ones (for example, the Partnership for Regional Ocean Governance<sup>1</sup>), constitute complementary monitoring platforms that are conducive to knowledge sharing.

But what exactly needs to be monitored? Achieving a given result at a time “t” is not sufficient to assess the medium- and long-term transformational capacity of actions that are carried out. Hence the need to develop “nationally determined contributions” (NDCs) and long-term trajectories (anchored in the Paris Agreement as Low GHG Emission Development Strategies) to highlight the policy strategies taken at a level of sectoral disaggregation that is relevant and consistent. Such a system should also be implemented for the monitoring of the SDGs, together with a coordination method and realism principle that has yet to be established, to organise the monitoring of the 17 goals and 169 targets.

Finally, as the 2015 agreements were widely supported and facilitated by the international commitments of non-state actors, particularly local authorities, businesses and financial actors, it is necessary to monitor these groups. This will be a challenge for the international community, associations and researchers, especially in terms of resources, and also for the actors themselves, who must ensure the transparency of their actions and establish reporting mechanisms.

### 3. ENCOURAGING THE CONVERGENCE OF SIGNALS TO BRING ABOUT A MASSIVE INVESTMENT SHIFT

Financing the transition to a sustainable economy is a key issue that has been understood for a long time. The aim is not as much to mobilise additional financing sources as to redirect investments towards sustainable infrastructure, services and innovations. The Paris Climate Agreement has sent a strong political signal to investors, affirming the inevitability of this shift if we are to keep global warming below 2°C, or 1.5°C if possible.

Many investors have already started to make this transition, particularly some pension funds and institutional investors who have chosen not to invest in polluting activities. Their aim is to protect

themselves against risks to their reputation—under pressure from campaigns such as those pushing for fossil fuel divestment—and also from economic risks in particular, especially in regard to the management of long-term savings. However, by no means is this investment shift happening as rapidly as necessary, and neither does it involve the majority of countries or actors at present. Moreover, the investment shift required is not only divestment in non-sustainable activities, but also the investment in sustainable activities.

To accelerate this movement, it is first necessary to demonstrate the required direction of investment. The INDCs provided by countries prior to the COP21 represent a declaration of intent for the envisaged actions. The more detail that emerges regarding these actions and their future re-evaluations, especially at the sectoral level, the more the signals are clear. Such contributions should be developed regarding the SDGs. These signals must be translated into regulations, tax policies, and consistent instruments for risk reduction (e.g. government guarantees) and investment (public investment, green bonds).

2015 also saw the emergence of many coalitions between governments and/or private sector actors promoting innovation (Mission Innovation, Energy Breakthrough Coalition, Solar Alliance, etc.). These alliances can play a major role in accelerating research and development efforts, along with the marketing of technologies (new or not) and non-technological solutions, to align market expectations and reduce costs. They should also contribute to a better coordination of the other dimensions of innovation policy (technological standards, production subsidies and industrial policies, and consumer subsidies), so as to avoid a proliferation of disputes between countries.

More generally, a more consistent alignment of the international political agendas on trade and on sustainable development is necessary. There is a striking lack of dialogue between the two communities, and the trade talks impasse that exists today offers a window of opportunity for convergence.

Finally, the development and implementation of new transparency rules and the reassessment of risks by the financial sector and ratings agencies should enable the establishment of a new rule-book. The work of the Financial Stability Board on climate-related financial disclosures is promising; the operationalisation of these new rules must be carefully monitored. These rules are currently voluntary but could eventually become mandatory. The qualification of climate change as a risk could also have a strong impact on investors, for example by making pension funds liable to prosecution in case of investment in risky activities.

1. Initiated by UNEP, the German Federal Ministry for Economic Cooperation and Development, IASS-Potsdam and IDDRI.

#### 4. ANTICIPATING SOCIAL IMPACTS AND PLACING SOCIAL JUSTICE AT THE CENTRE OF THE TRANSITION

The necessary acceleration of the investment reallocation movement involves a change in the nature of economic activities that will have an impact on employment, communities and territories. Some sectors will decrease; others will need to undergo a radical transformation, and there is no guarantee that each and every company will manage to adapt quickly enough. While these changes make sense from an environmental perspective, and may even be positive from a macroeconomic point of view (net job creation, productivity gains), they constitute a threat to people currently employed in these sectors and for the territories that depend on them the most.

The concept of a “just transition”, adopted by the International Labour Organization in 2013, was included in the Paris Agreement. This commitment has several components: creating decent employment, promoting social dialogue and anticipating impacts and training needs, developing local economic diversification plans, and ensuring the sustainability of social protection and pension systems. The operationalisation of this commitment will be crucial to support individuals’, activities’ and territorial reconversion, and to ensure the success of the transition to sustainable development. To this effect, it will be useful to build on the lessons learned and difficulties encountered by public authorities to manage the conversion of sectors such as textiles and coal mining, and of the regions that were specialised in these sectors.

To address this challenge, the strengthening of dialogue between all stakeholders involved—territorial communities, companies, unions, actors of employment, skills management and training, etc.—will be essential and innovative alliances will have to be sought.

More generally, social justice must be placed at the centre of post-2015 action. This is both a moral imperative and a condition of success. The impact of environmental policy instruments on equity is an increasingly discussed topic. Lessons must be learned from past experience to design instruments that can ensure a fair distribution of benefits and transition costs, for example by supporting environmental taxes by compensation mechanisms or investments, which aim to provide equitable access to sustainable solutions.

Finally, responses must be directed towards the populations who will be the most severely affected by environmental degradation. Even if this degradation can be slowed by international action, it will still affect hundreds of millions of people, particularly those with low adaptive capacities, due to difficult socio-economic conditions and lack of resilience of the territories, infrastructure and institutions on which they depend.

Vulnerability, like environmental problems, is not limited to national borders and an international response should be provided, in addition to domestic policies. To achieve this, the international community must ensure that it has the capacity to anticipate these structural or one-off crises, and to provide solutions to the root causes of vulnerability, notably through social and economic development, as well as to respond better to crises in a collective and organised way.

Some cooperative frameworks exist and a number of initiatives are encouraging, such as the global objective of adapting to climate change initiated by the Paris Agreement, or the Sendai Framework for Disaster Risk Reduction. However, efforts must be strengthened and better coordinated to improve the collective capacity to anticipate, the efficiency of the humanitarian response, the management of internal and international migration and the respect of the human rights of migrants. ■