

Making good governance and multi-stakeholder partnerships the building blocks of the SDGs

Inter-sessional Meeting between Major Groups and other stakeholders and the Open Working Group on SDGs
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Background Paper: Session 3

Major Groups and other stakeholders active in the post-2015 development agenda all agree that only a robust institutional framework, together with strong means of implementation which includes financing for sustainable development, will ensure the successful achievement of the future SDGs and the Post-2015 Development Agenda.

The UN Secretary General's *A Life of Dignity for All* report (2013) put forward the following key elements as essential components of a post-2015 sustainable development agenda:

- Universality, to mobilize all developed and developing countries and leave no one behind;
- Sustainable development, to tackle the interlinked challenges facing the world, including a clear focus on ending extreme poverty in all its forms;
- Inclusive economic transformations ensuring decent jobs, backed by sustainable technologies, to shift to sustainable patterns of consumption and production;
- Peace and governance, as key outcomes and enablers of development;
- A new global partnership, recognizing shared interests, different needs and mutual responsibilities, to ensure commitment to and means of implementing the new vision; and
- Being “fit for purpose”, to ensure that the international community is equipped with the right institutions and tools for addressing the challenges of implementing the sustainable development agenda at the national level

With the establishment of the High-level Political Forum (HLPF) in July 2013¹, efforts are now underway to ensure that it will become the center-piece of global governance on sustainable development. The HLPF is of critical strategic importance in the Post-2015 Development Agenda, as it will likely be the place where the future SDGs will be reviewed and evaluated. The HLPF:

¹ A/67/L.72

- Will provide political leadership, guidance and recommendations for sustainable development in a transparent manner,
- Will follow-up and review progress in the implementation of the SDGs beginning in 2016 under the auspices of ECOSOC,
- Will enhance the integration of the three dimensions of sustainable development,
- Will have a focused, dynamic and action-oriented agenda, ensuring the appropriate consideration of new and emerging sustainable development challenges.
- Has accorded new importance to regional integration and input as well as participatory rights to major groups and stakeholders.

How Good Governance and Multi-Stakeholder Partnerships can be Building Blocks for SDGs

Rio+20 built upon the commitments made when world leaders gathered to stimulate political will toward sustainable development at the first Earth Summit, held in Rio in 1992. Since the 2002 World Summit on Sustainable Development, states and the CSD have promoted voluntary multi-stakeholder partnerships to implement sustainable development policies. Rio+20 laid out a number of negotiated and voluntary “compendium of commitments” intended to spur action toward sustainable development. Moreover, the Rio Summit mobilized more than 700 voluntary commitments with an estimated valuation in excess of USD\$500 billion. These commitments have now grown to more than 1,400 with a value greater than USD\$600 billion—or nearly 1 percent of global annual GDP.

On negotiated commitments, the formation of a set of SDGs is now well underway, the new HLPF has been established, a process to develop an effective and ambitious financing strategy for sustainable development has begun; good progress has been seen in preparations for the Third Conference on Small Island Developing States, to be held in 2014, and in efforts to develop broader measures of progress on sustainable development that go beyond GDP. However, the headway made on other commitments -- such as those relating to oceans and seas and the integration of the three dimensions of sustainable development -- has been much less marked.

The UN Secretary-General has initiated new types of partnerships to advance development and mobilize finance, expertise and knowledge to further the MDGs. Commitments made last September include \$1.6 billion committed by the UK government over a three year period (2014–2016) to the Global Fund to fight AIDs, TB and malaria; \$75 million contributed by Norway government (2014–2016) to the newly formed

“Reproductive, Newly Born, and Maternal Health Fund”; \$700 million in financing by the World Bank Group’s IDA to the Every Woman Every Child global effort; and \$80 million by IKEA Foundation over the next 5 years to fund UNICEF programmes in India.

On key voluntary commitments, Microsoft fulfilled its pledge to become carbon neutral just one year after Rio+20, and the promise by eight multilateral development banks (MDBs) to commit USD\$175 billion toward more sustainable transportation is well on track. Brazil's groundbreaking USD\$235 billion commitment to Sustainable Energy for All is spurring huge investments in renewable energy, energy efficiency, and energy access, and Australia has nearly tripled its marine reserves, fulfilling its pledge to create the world's largest network of marine protected areas.

While many states and stakeholders recognize that partnerships and voluntary commitments cannot be substitutes for intergovernmental commitments and legal obligations, we still witness a rise in, and increasing promotion of Public Private Partnerships as means to achieve the MDGs and the sustainable development agenda. This has raised serious concerns from a wide range of civil society networks that welcomed the calls for structural transformation included in the High-level Panel and Sustainable Development Solutions Network (SDSN) reports.

According to the UN-NGLS report *Advancing Regional Recommendations on the Post-2015 Development Agenda*, “the networks prioritized the need for fundamental change in an area that these reports did not adequately address: economic policy reform. Contributors insisted that the dominant economic model of globalization and free market policies must be transformed and reformed because it disproportionately benefits the corporate sector, especially transnational corporations (TNCs), and has not delivered on its promise – that widespread growth would bring development gains for all people. To the contrary, it has resulted in a tremendous concentration of wealth and power, which equates to increased inequality.”²

The UN-NGLS report continues: “Consultation contributors conveyed that the post-2015 development framework must be more ambitious than the reports to the Secretary-General with regard to structural change. Overall, these reports are about reforms within the existing system of financial, corporate, and nation-state control. Such reforms could be interim measures, but a truly sustainable and equitable future needs far

² http://www.un-ngls.org/IMG/pdf/UN-NGLS_Post-2015_Regional_Consultation_September_2013.pdf, 21.

more radical transformations.”³ Toward this end, participants demanded (a) establishing a new paradigm for economic policy; (b) overcoming economic policy barriers for sustainable development; (c) reducing militarization to advance development.

Linked to the issue of good governance above, transparency is crucial to overcoming the above concerns regarding multi-stakeholder partnerships and unlocking their potential. It is important for large businesses to be transparent and accountable not just to investors but also to other groups including employees, consumers and citizens whose lives are impacted by their business activity. The disclosure of key social, environmental and human rights information about companies’ activities enables workers, communities, civil society and shareholders to understand the impacts of business and hold companies to account. For business, due diligence processes and reporting are essential management tools that improve risk identification and long-term social, environmental as well as financial performance.

Enhanced Stakeholder Participation in the New Global Partnership for Development

In describing the basis of a “new global partnership for development,” the High Level Panel of Eminent Persons report asserts: “The need for a single agenda is glaring, as soon as one starts thinking practically about what needs to be done. Right now, development, sustainable development and climate change are often seen as separate. They have separate mandates, separate financing streams, and separate processes for tracking progress and holding people accountable. This creates overlap and confusion when it comes to developing specific programs and projects on the ground. It is time to streamline the agenda.”⁴

At the 25 September 2013 Special Event on the MDGs for the first time all Member States agreed to work “towards a single framework and set of Goals – universal in nature and applicable to all countries, while taking account of differing national circumstances and respecting national policies and priorities.”⁵

³ Ibid.

⁴ <http://www.post2015hlp.org/the-report/>

⁵ <http://www.un.org/millenniumgoals/pdf/Outcome%20documentMDG.pdf>

The Post-2015 Global Thematic Consultation on Governance concluded, “A new global framework must be aligned with national policies, budgets, and local delivery. Without such vertical alignment, it is likely that a new framework will remain aspirational and unachievable. This entails targets and indicators tailored to the national context. Also, the new global framework needs to ensure coherence and consistency across issues, processes and systems. It should define shared responsibilities and a more balanced approach among all levels of government and development partners. While global governance targets can be important drivers of social service delivery and policy implementation, they must be sufficiently flexible to prioritize and address context-specific challenges at the local, national and regional levels.”⁶ The Principle of Subsidiarity can be a guiding principle to strengthen governance and ownership from bottom-up, answering citizen demands for increasingly tailored services and participatory democracy.

Increasing urbanization also creates a need for innovative mechanisms to govern and serve metropolitan areas that are growing in size, complexity and number. Developing solid intergovernmental relations and appropriate governance in metropolitan areas represents a daunting challenge because many different actors are typically involved in service provision. Good urban management needs decisions taken by local governments to be well articulated, to work in closer partnership with other levels of government and to count on clear proceedings of communication and participation of local actors, including civil society and the private sector.

In line with the GA resolution on ECOSOC reform, the promotion of system-wide coherence and integration in sustainable development policies is part of the mandate of the HLPF. It is a logical lead focal point for the promotion, review and implementation of the SDGs. Building upon the MDGs and financing for development initiatives, its mandated role to generate coherence and integration may be best be accomplished through being an “orchestrator,” by strengthening links to intermediaries within the UN system including the Bretton Woods Institutions, WTO, UN Specialized Agencies as well as other international organizations, non-state and hybrid networks, and stakeholder initiatives.

The HLPF incorporates lessons learned from the CSD on stakeholder participation, specifically, representatives of the major groups and other relevant stakeholders will be allowed to attend meetings, have access to information and documents, intervene in official meetings, submit documents and make oral contributions, make recommendation and organize side events (UNGA 2013a, para. 15 (a-f)). Paragraph 16 of the UNGA resolution on format and organizational aspects of the HLPF

⁶ p. 6, <http://www.worldwewant2015.org/governance/finalreport>

encourages stakeholder groups to “autonomously establish and maintain effective coordination mechanisms for participation.” UN DESA commissioned a report on *Strengthening Public Participation at the UN* that enumerates 19 recommendations to improve the Major Groups system and is in consultation with Major Groups and other stakeholders to recommend criteria and enhanced modalities of stakeholder participation in the HLPF.⁷

The need for improved mechanisms for review of progress on sustainable development was a major driver behind the creation of the HLPF. The Secretary-General’s report on mainstreaming sustainable development states that the HLPF “could have a key role in reviewing the SDGs and the post 2015 development agenda and in spurring an integrated approach to economic, social and environmental dimensions throughout the UN system bodies and organizations. The UN system must mobilize to support its role in the most effective way.”⁸

Starting in 2016, the HLPF will conduct state-led voluntary country and UN entity reviews that will include a platform for partnerships and the production of a global sustainable development report (paragraph 8 of the HLPF). The HLPF will also provide direction and support for regional commissions to develop a follow-up framework on the SDGs that could then report to the HLPF on regional activities. A key marker of its success over time will be the extent to which the HLPF will attract the involvement of ministers and high-level policy makers from the economic, social as well as environmental sectors.

Recommendations for the SDG framework

The SDG framework should create global goals and targets to be enacted in each country via national targets that are identified through national participatory processes. These should then be assessed through disaggregated indicators which meet global minimum standards of quality.

The SDG framework needs to:

- Ensure that the promotion of transparent and participatory governance is mainstreamed into the SDGs and associated targets, as a stand-alone goal and an aspect of other goals;

⁷ <http://sustainabledevelopment.un.org/content/documents/1926desareport.pdf>

⁸ A/67/575

- Ensure that all countries adopt and maintain national legal frameworks which create full respect for freedoms of expression, association and assembly, and that there are indicators which measure the exercise of these freedoms in practice;
- Ensure that all countries adopt formal mechanisms for citizens, especially women and associations of vulnerable and marginalised people, to engage with the design, monitoring and evaluation of the work of the government. Indicators should be adopted to assess that these mechanisms are open to all and that their results are heeded by the government.
- Ensure that all countries improve the disclosure of timely and reliable information on development policies and their outcomes (broken down by region, gender, age, ethnicity and other key markers) and on the public finances, including the inflow, management and spending of revenues and transactions between the state and the private sector.
- Ensure that all countries create an enabling environment for corporate sustainability and that all corporations are subject to binding regulation of their impacts on the environment and society and disclose all their tax payments, costs and profits, on a per-investment basis wherever feasible and a per-country basis where not.
- Ensure that all countries significantly reduce corruption and tax avoidance. Indicators should test the effectiveness in practice of laws and institutions intended to curb corruption.
- Ensure that institutions of global economic governance, notably the international financial institutions, work in a manner compatible with international human rights standards and enable the effective participation of poorer countries, especially the LDCs. All such institutions should accept a duty to ensure that their actions support the attainment of the SDGs.
- Ensure that the United Nations or other appropriate bodies create a global registry for development data provided by governments and other sources, which is user-friendly and in line with emerging standards on open data.
- Ensure that aid donors provide long-term funding and technical assistance, wherever needed, to help governments progressively improve the collection and disclosure of data. Aid donors should release data to International Aid Transparency Initiative standards.

- Balance short-term nature of policy making processes with long-term impacts by working with a newly established High Commissioner for Future Generations.

The review process for the SDGs should include strong human rights accountability mechanisms that include the UPR of the Human Rights Council and mechanisms under human rights conventions, including ratification of human rights treaties and their optional complaint procedures.

Recommendations for the HLPF process:

- The adoption of innovative modes of stakeholder participation in the HLPF should be encouraged, building on best practices throughout the UN system.
- The preparatory process for the HLP should be multi-stakeholder in nature and is well-placed to oversee the production of a monitoring and progress report on any future SDGs.
- To increase accountability and legitimacy, the HLPF review, monitoring and accountability processes should support third-party reviews by Major Groups and other stakeholders, and include reporting of voluntary commitments and partnerships.
- Technical and financial support for the participation of developing country stakeholders and the more marginalized major groups should be provided.

Questions:

What role do open and accountable institutions play in eradicating extreme poverty and promote sustainable development?

What innovations in measurement and statistics might enable cross country measurement of issues such as open and accountable governance and human rights?

What models of economic governance addresses systemic and structural change?

In the development of public-private partnerships, how can safeguards within the multilateral system be strengthened to ensure that public finance (ODA) often used to cover the risks of private investment will promote public interests?

How will the Open Working Group on SDGs ensure an “open, transparent and inclusive” process that includes all relevant stakeholders during the report writing phase of its work?

How can the SDGs guide the work and scope of the HLPF in cooperation with the GA and ECOSOC, and in coordination with UN entities and other international bodies?

How can the HLPF effectively integrate the three dimensions of sustainable development by ensuring policy coherence and institutional coordination between international institutions and national sustainable development strategies?

How can the HLPF help bridge the governance gaps between the UN, Bretton Woods, WTO and other economic institutions and ensure accountability of these institutions to human rights?

In addition to governments, how can the HLPF help ensure ownership of the SDGs by all other stakeholder groups?

What types of additional resources for secretarial and stakeholder support will be needed for the HLPF given its very broad mandate to coordinate the review and implementation of sustainable development across the UN system?

How can global governance help achieve ambitious universal goals while respecting the principle of common but differentiated responsibilities and respective capacities?


How can the SDGs contribute to a more balanced and synergetic approach among all levels of government and development partners?

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