The paper offers guidance on how development processes can help create a foundation for human wellbeing based on economic progress, equitable prosperity and opportunity, a healthy and productive environment and participatory governance. The paper argues that sustainable development is only achieved when these dimensions of development are all present and mutually reinforcing.

This mutually reinforcing foundation will require a new way of approaching development, which can be summarised by the shifts shown in Figure 1, overleaf.

The paper discusses why these shifts are needed, what will be required to achieve them and where existing progress and learning can be built upon. It concludes with recommendations on framing post-2015 development agendas in ways that move towards this new approach to building a multi-dimensional, mutually reinforcing foundation for sustainable development.

What is at stake post-2015?

Over the past 20 years, the United Nations brought the international community together in two important global development efforts: Agenda 21 set out a strategy for achieving sustainable development, and the Millennium Declaration and Development Goals (MDGs) aimed to improve life for the world’s poorest and most vulnerable by 2015.

The world has changed greatly during those 20 years. Dramatic events, including unprecedented natural disasters in part linked to climate change, the Great Recession and the Arab Spring, have changed the course of global progress in unanticipated ways and
demonstrated the fallibility of long-accepted economic models and political assumptions.

A new and potentially more balanced global order is emerging. The divide between developed and developing countries is dissolving as many formerly underdeveloped countries move up the economic ladder. Global demand for natural resources is increasing, in some cases beyond the capacity of the environment to replenish itself. With improved understanding of environmental systems,1 we know that some changes may be irreversible, with impacts that could increase exponentially in the future. On the other hand, the changing geopolitical landscape offers new opportunities and incentives to overcome political and public resistance to more sustainable means of production and patterns of consumption.

The spread of global prosperity has been accompanied by significant progress in reducing poverty, but there is still much to be done in achieving equitable wellbeing. Income poverty is stagnant or rising in many areas, both North and South, and worldwide the poorest have been left behind.2 The gulf between the haves and the have-nots has widened within and between countries. Growing inequality, which is both a cause and a consequence of unsustainable development, may be the greatest challenge of the coming decades.

The MDGs articulated a global vision of development around a common set of goals and priorities. The next era of international cooperation should focus action at local, national and global levels on the deeply entwined economic, social and environmental challenges that confront the next generation.

The Independent Research Forum: marshalling expertise and diverse perspectives

The Independent Research Forum on a Post-2015 Sustainable Development Agenda (IRF2015) is a grouping of international and regional research and knowledge organisations working in support of sustainable development. Drawing on multidisciplinary thinking and diverse perspectives, it offers independent, pragmatic and timely expert analysis to inform ‘post-2015’ development debates and the concurrent intergovernmental process on Sustainable Development Goals (SDGs) launched at Rio+20.

Its expertise comes from many decades of collective experience of the contexts in which development occurs and the inter-relationships between its economic, social and environmental dimensions. IRF2015’s current members are: the Caribbean Natural Resources Institute; Centro Latinoamericano para el Desarrollo Rural (Latin American Center for Rural Development); Research Centre for Sustainable Development of the Chinese Academy of Social Sciences; Council for the Development of Social Science Research in Africa; Development Alternatives; Institute for Global Environmental Strategies; International Institute for Environment and Development; Open Society Initiative for Southern Africa; Overseas Development Institute; SMERU Research Institute; Stockholm Environment Institute; and World Resources Institute.

IRF2015’s vision is a post-2015 development agenda based on the principles of sustainable development, which recognises the mutual dependency of economic, social and environmental outcomes; is grounded in local

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development assistance</td>
<td>A universal global compact</td>
</tr>
<tr>
<td>Top-down decision making</td>
<td>Multi-stakeholder decision-making processes</td>
</tr>
<tr>
<td>Growth models that increase inequality and risk</td>
<td>Growth models that decrease inequality and risk</td>
</tr>
<tr>
<td>Shareholder value business models</td>
<td>Stakeholder value business models</td>
</tr>
<tr>
<td>Meeting “easy” development targets</td>
<td>Tackling systemic barriers to progress</td>
</tr>
<tr>
<td>Damage control</td>
<td>Investing in resilience</td>
</tr>
<tr>
<td>Concepts and testing</td>
<td>Scaled up interventions</td>
</tr>
<tr>
<td>Multiple discrete actions</td>
<td>Cross-scale coordination</td>
</tr>
</tbody>
</table>
experience and needs; and is adaptable to diverse contexts and capacities.

IRF2015 aims to offer practical guidance on how to integrate economic, social and environmental dimensions of development into post-2015 development goals and agendas. This briefing paper proposes a set of general principles and directions for addressing development in an integrated way. It will be followed by a series of more detailed thematic papers on specific issues such as water, agriculture and food security, energy security and urbanisation. These analyses will identify desired outcomes in terms of improved human wellbeing and explore root causes of problems for different issues. They will then ‘work backwards’ to define the policy frameworks and interventions that are needed to achieve those outcomes from different angles and at different scales of intervention. The papers will also identify some of the incremental actions that can be taken in the short term to achieve longer-term objectives, and explore how targets and indicators might be constructed to effectively guide and measure progress.

Building a foundation for sustainable development

Sustainable improvements in human wellbeing is the ultimate purpose of all development effort. Achieving that purpose substantially depends on a foundation that binds together and gives balanced weight to economic progress, social equity, a healthy environment and democratic governance. These dimensions of development are too deeply intertwined to treat separately.

- **Economic progress.** A vibrant economy provides the basis for people’s livelihoods and the goods and services necessary for development. But when economic, social and environmental policies and objectives are not linked, growth can actually undermine progress on poverty reduction, increase inequity and damage the environment. Future economic progress will depend on transforming the way economies are structured and the incentives that they offer.

- **Equitable prosperity and opportunity.** Recent research from the IMF and the Asian Development Bank suggests that income inequality slows growth, destabilises the economy and retards poverty reduction. Inequity is a major driver of environmental degradation, concentrating natural resources in the hands of powerful actors with few incentives to conserve, while leaving the poor with inadequate resources on which to survive.

- **Healthy and productive natural systems.** The world’s economic activity, from subsistence to transnational levels, relies on ecosystem goods and services. Common property resources help many of the world’s poor to survive and thrive despite social and economic inequities such as insecure access rights. Achieving sustained prosperity for all will require development pathways that respect ecological limits and restore ecosystem health while optimising the contribution of the environment to economic progress.

- **Stakeholder engagement and collaboration.** A vibrant economy, healthy environment and universal human wellbeing depend on mutually reinforcing actions from household to global levels. Equitable participatory processes, transparency and accountability are essential to build the necessary cooperation among communities, governments, businesses and other stakeholders. These processes will require new policies, institutions and ways of working.

Transforming our approach to development

Universal wellbeing is achievable, but will require transforming the way we approach development. This transformation must draw on past experience and realistically assess future challenges in rapidly changing global contexts. It must engage all development actors, from individuals, businesses and civil society, to governments and the global community.

The post-2015 process offers the opportunity to define and begin this transformation. We briefly review the major shifts that are required, the evidence supporting those shifts and the opportunities for progress that will secure the foundations for sustainable development as described above. For a graphical representation, see Figure 2.

- **From ‘development assistance’ to a universal global compact.** The crumbling divide between recipient and donor countries, combined with increasing influence of the private sector and civil society over development directions, calls for a new and broad global compact to achieve more stable economic, social and environmental systems, and achieve wellbeing and security for everyone. Newly empowered countries are demanding to renegotiate: a) how development’s costs and benefits are distributed; b) the roles and responsibilities of different stakeholders; and c) the terms of collaboration and channels of mutual accountability. The principle of common but
differentiated responsibilities, which was first articulated in the 1992 Earth Summit and now underpins many international conventions, most notably the UN Framework Convention on Climate Change, offers one direction for equitable negotiation of the roles of different countries in achieving sustainable development.

From top-down to multi-stakeholder decision-making processes. The post-2015 processes themselves reflect the long-standing pattern of elite-driven decision making on global development issues that draws only on a narrow range of privileged perspectives. Such processes are widely and justly criticised on grounds of legitimacy and quality because they do not engage intended beneficiaries or the businesses, local governments and community service organisations from which action is expected. There is growing evidence that when implementing and beneficiary stakeholders are fully involved, agreed actions are more effective and feasible and implementing agencies are more accountable. Advances in communication and information technologies, and in social media, can help make bottom-up decision making possible at national and even global scales.

- From economic models that increase inequalities and risks to ones that reduce them. Prevailing economic models that externalise environmental and social costs have undermined development progress by increasing inequality. Alternative models emphasising secure livelihoods, decent jobs, technological innovation and greater productivity are more likely to achieve shared prosperity, lasting wellbeing and environmental sustainability. New models can also help transform the way we measure progress, by offering a wider range of indicators of wellbeing on which to monitor progress.

- From business models based on shareholder value to those based on stakeholder value. Recent economic crises
have revealed the instability of narrowly profit-based business models in uncertain times. Like people, businesses need more resilient ways of operating that protect the environmental services and human resources on which they depend. Many businesses, large and small, are realising the advantages of moving towards sustainable production systems and incorporating environmental and social externalities into business plans and markets. Social and environmental enterprises, combining characteristics of traditional businesses and non-profit organisations, are proliferating. Further scaling out is possible through policy incentives for progressive business models and new financial instruments that reward long-term resilience and generation of co-benefits, rather than only short-term profit.

- **From meeting ‘easy’ development targets to tackling systemic barriers to progress.** Expansion into global markets by emerging economies in many parts of the world is bringing rapid gains for poverty reduction and basic service delivery. But progress has been uneven, with the poorest and minorities often left behind, and has slowed since the economic crisis of 2008. Yet there are opportunities for accelerating progress. Strategies that change norms, attitudes and behaviours (for example to reduce overconsumption of finite resources or use them in more efficient and sustainable ways); and that improve enabling conditions (for example enforcement of anti-discrimination laws, land tenure reform, and access to finance for local development priorities), can take sustainable development beyond the ‘easy wins’.

- **From damage control to investing in resilience.** Accelerating demographic, geopolitical and environmental change, and associated upheavals, risks and disasters are among the main challenges to development. Research suggests that management systems are most resilient to change and uncertainty when they are based on multiple layers of response, for example through local/national and public/private partnerships. Although likely to be hugely cost-saving in the long run, a shift from reactive damage control to proactive resilience-building through adaptive management will face hurdles. It must overcome many existing disincentives, including the political unpopularity of investing in the future (for example governments and aid agencies are more willing to pay for post-disaster assistance than for disaster risk reduction), the structure of insurance and loan industries, and the bias towards ‘efficient’ streamlined management over approaches that deliberately build in redundancy to improve resilience.

- **From concepts and testing to scaled up interventions.** Many approaches to integrated sustainable development have been tested and applied in specific situations throughout the world. Management regimes designed and implemented by resource users are contributing to sustainability for forests, fisheries and other natural resources. Decentralised power generation has spread the benefits of energy, and reduced its costs, especially for poor people, while limiting the environmental impacts of production. These and other practical approaches are well-established and can help many countries to overcome emerging barriers to equitable economic progress. Rapid scaling up is now possible, but will require policy support and incentives, and overcoming resistance from groups that benefit from ‘business as usual’.

- **From multiple discrete actions to cross-scale coordination.** Despite wide acceptance that complex, multi-dimensional issues such as energy, water management and food security need coordinated actions at different scales, structures for such coordination have been slow to evolve. However, there are opportunities to accelerate this shift. Local institutions are increasingly sophisticated, geopolitical realignments are pushing international negotiations on issues such as trade, intellectual property and climate towards greater equity between countries, and civil society action and improved communication and social externalities into business plans and markets. Social and environmental enterprises, combining characteristics of traditional businesses and non-profit organisations, are proliferating. Further scaling out is possible through policy incentives for progressive business models and new financial instruments that reward long-term resilience and generation of co-benefits, rather than only short-term profit.

**Recommendations on developing post-2015 global goals and targets**

Global goals cannot themselves resolve complex and high-stakes challenges. But if well designed, targeted and measurable, they can make a substantial contribution to global collaboration on sustainable development. If the process or the product is flawed, the agencies responsible may be seen as irrelevant or marginal. We offer the following propositions for an effective process and a strong outcome.

**A truly universal effort.** Goals and targets should offer clear guidance on the actions
required of governments, international institutions, businesses, civil society organisations and individuals. They should help leverage diverse resources and capacities to tackle collective challenges. The MDGs emphasised actions by governments and international institutions, creating a stark division in responsibilities and contributions between developed and developing countries. The post-2015 goals must call on the actions and commitment to change of all countries and development actors.

A knowledge-based and inclusive process. For goals to be seen as legitimate and worth pursuing, the process must be knowledge-based and inclusive. It must balance equitable political engagement with expertise and perspectives from science to business, NGOs and communities.

Forward looking. The process must be visionary, anticipating the challenges not just now but in coming decades — or goals could become outdated before they can be reached. Goals and targets must also be adaptable to new issues and knowledge.

Integrated, objective-oriented and solution-focused. Goals should not treat the economic, social and environmental dimensions of development as separate ‘pillars’, each requiring its own set of discrete goals. In an integrated approach, progress on one goal should contribute to rather than undermine progress on others. Goals also must integrate governance factors that can affect outcomes, such as rights, participatory decision making, accountability, and policy coherence. Goals need to be mutually reinforcing, so they support sustained progress and solutions, while remaining specific enough to be monitored. They also should support and reinforce, without duplicating or overlapping, related international conventions and initiatives that contribute to sustainable development.

Adaptable to different contexts. Although goals should have universal applicability, their implementation frameworks must reflect the specificities of different places and situations, and the range of scales at which actions must be taken. For goals that address global challenges, the principle of common but differentiated responsibilities should guide implementation strategies. For goals on issues that differ across countries and communities, locally specific targets, indicators and strategies are needed. These may be very different depending on contexts, priorities and capacities; for example there may be different indicators under the same goal for rural and urban contexts, or non-quantitative indicators where reliable data are weak.

Lasting impact. The post-2015 process runs the risk of being just another development fad or gimmick soon to be replaced by something new. That danger can be reduced if the goals form an ongoing global compact whose aim is sustained progress over the long term. Implementation strategies that support the establishment of appropriate enabling conditions are crucial. Strategies need to keep pace with development’s ever-changing economic, political and social drivers and influences, from trade regimes to foreign investment patterns.

Notes

1 For example, the Millennium Ecosystem Assessment (WRI 2005) and the Fourth Assessment of the Working Group of the Intergovernmental Panel on Climate Change (IPCC 2007).


3 See for example, “For richer, for poorer”, the Economist special report on the world economy, 13 October 2012.


5 For an overview of relevant publications, see the website of the Resilience Alliance: www.resilience.org.

Contact
IRF2015 Secretariat
email: irf2015@wri.org
tel: +1-202-729-7789
www.irf2015.org (live from mid-April 2013)

About IRF2015
The Independent Research Forum (IRF2015) provides an independent source of critical thinking, integrated analysis and awareness raising on Sustainable Development Goals (SDGs) and a post-2015 development agenda. The IRF combines expertise across the economic, social and environmental dimensions of development. We are creating a compelling, practical and solution oriented vision of wellbeing for people and the Earth.