Beyond Aid

The Integration of Sustainable Development in a Coherent International Agenda

A Report of the CSIS Project on Prosperity and Development

AUTHOR
James Michel
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January 2016

CSIS | CENTER FOR STRATEGIC & INTERNATIONAL STUDIES

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ISBN: 978-1-4422-5906-5 (pb); 978-1-4422-5907-2 (eBook)
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## Acronyms and Abbreviations

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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>2030 Agenda</td>
<td>Post-2015 agenda adopted at the Sustainable Development Summit as <em>Transforming Our World: The 2030 Agenda for Sustainable Development</em></td>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<td>AfDB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>AIIB</td>
<td>Asian Infrastructure Investment Bank</td>
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<tr>
<td>BEPS</td>
<td>Base erosion and profit shifting tax planning strategies</td>
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<tr>
<td>BRICS</td>
<td>Association of five major emerging national economies: Brazil, Russia, India, China, and South Africa</td>
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<tr>
<td>CPDE</td>
<td>CSO Partnership for Development Effectiveness</td>
</tr>
<tr>
<td>CPIA</td>
<td>Country Policy and Institutional Assessment, World Bank</td>
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<tr>
<td>CSO</td>
<td>Civil society organization</td>
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<tr>
<td>DAC</td>
<td>Development Assistance Committee of the Organization for Economic Cooperation and Development</td>
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<tr>
<td>DDD</td>
<td>Doing Development Differently</td>
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<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<tr>
<td>ECDPM</td>
<td>European Center for Development Policy Management</td>
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<tr>
<td>ECOSOC</td>
<td>United Nations Economic and Social Council</td>
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<tr>
<td>ERD</td>
<td>European Report on Development</td>
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<tr>
<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>G20</td>
<td>Group of 20 leading economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States, and the European Union</td>
</tr>
<tr>
<td>GDI</td>
<td>German Development Institute</td>
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<td>GFI</td>
<td>Global Financial Integrity</td>
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<tr>
<td>GIZ</td>
<td>Deutsche Gesellschaft für Internationale Zusammenarbeit (German development assistance agency)</td>
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<tr>
<td>GPEDC</td>
<td>Global Partnership for Effective Development Cooperation</td>
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<td>GSDR</td>
<td>Global Sustainable Development Report</td>
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<td>HLDCAF</td>
<td>High Level Development Cooperation Forum</td>
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<td>HLPF</td>
<td>High Level Political Forum on Sustainable Development</td>
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<tr>
<td>IADB</td>
<td>Inter-American Development Bank</td>
</tr>
<tr>
<td>IATI</td>
<td>International Aid Transparency Initiative</td>
</tr>
<tr>
<td>ICESDF</td>
<td>International Committee of Experts on Sustainable Development Financing</td>
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<tr>
<td>Abbreviation</td>
<td>Full Name</td>
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<td>--------------</td>
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<tr>
<td>ICTD</td>
<td>International Center for Tax and Development</td>
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<tr>
<td>IDA</td>
<td>International Development Association, World Bank</td>
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<tr>
<td>IDB</td>
<td>Islamic Development Bank</td>
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<tr>
<td>IDFC</td>
<td>International Development Finance Club</td>
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<td>IEAG</td>
<td>United Nations Secretary-General’s Independent Expert Advisory Group on a Data Revolution for Sustainable Development</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>INDC</td>
<td>Indications of Nationally Determined Contributions (toward achieving the objectives of the United Nations Framework Convention on Climate Change)</td>
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<td>IOM</td>
<td>International Organization for Migration</td>
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<td>IPCC</td>
<td>Intergovernmental Panel on Climate Change</td>
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<tr>
<td>ITC</td>
<td>International Tax Compact</td>
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<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<tr>
<td>LDC</td>
<td>Least Developed Country</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MPI</td>
<td>Multidimensional Poverty Index</td>
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<tr>
<td>NGO</td>
<td>Nongovernmental organization</td>
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<tr>
<td>NSDS</td>
<td>National Strategy for the Development of Statistics</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>ODI</td>
<td>Overseas Development Institute</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>Paris21</td>
<td>Partnership for Statistics in the 21st Century</td>
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<tr>
<td>PCD</td>
<td>Policy coherence for development</td>
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<tr>
<td>PCSD</td>
<td>Policy coherence for sustainable development</td>
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<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<tr>
<td>SDSN</td>
<td>Sustainable Development Solutions Network</td>
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<tr>
<td>TADAT</td>
<td>Tax Administration Diagnostic Assessment Tool</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<tr>
<td>UNDESA</td>
<td>United Nations Department of Economic and Social Affairs</td>
</tr>
<tr>
<td>UNDG</td>
<td>United Nations Development Group</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
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<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific, and Cultural Organization</td>
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<tr>
<td>UNFCCC</td>
<td>United Nations Framework Convention on Climate Change</td>
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<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<tr>
<td>UNGA</td>
<td>United Nations General Assembly</td>
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<tr>
<td>UN-HABITAT</td>
<td>United Nations Human Settlements Program</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>WHO</td>
<td>World Health Organization</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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Executive Summary

On September 25, 2015, world leaders adopted a new post-2015 international development agenda, *Transforming Our World: The 2030 Agenda for Sustainable Development.* This new agenda calls for a universal, integrated effort to preserve our planet and improve the lives of its inhabitants. Its centerpiece is a set of global goals that envision a world in which poverty and hunger are ended, the global environment is protected, and people benefit from sustainable economic progress and peaceful, just, and inclusive societies.

The 17 Sustainable Development Goals (SDGs) are far more expansive and ambitious than the Millennium Development Goals (MDGs). They build on the history of the MDGs and also on the conclusions of the 2012 United Nations Conference on Sustainable Development (Rio+20) to convey a sophisticated vision of ending poverty, achieving peaceful, just, and inclusive societies, and ensuring economic, environmental, and social sustainability.

The SDGs call for strengthening the means of implementation and revitalizing the global partnership for sustainable development. The global partnership will operate in a wide variety of local contexts and involve a highly diverse array of stakeholders. It will operate through multiple channels at international, regional, national, and community levels.

Governance of this global partnership will require qualities of openness, transparency, and inclusion. The governance structure should be capable of evolving in an iterative fashion while adapting to changed circumstances. The optimum outcome might be a collection of horizontal and vertical networks with broad stakeholder participation, bound together by a shared vision of the new agenda and a shared commitment to the principles of collaborative governance of complex systems.

More than anything, successful implementation of the post-2015 development agenda will depend on the ability of the many diverse actors and stakeholders to adapt their behavior. We know that development is a complex, iterative process. Important research findings emphasize the influence of history and culture, inclusive and effective institutions, political contests and political settlements, local leadership, international support that is sensitive to the local political, economic, and social context, and continuous experimentation and learning.

The Busan Partnership Declaration outlined an emerging consensus, premised on principles of local ownership, a focus on results, inclusive partnerships, and mutual
transparency and accountability. Busan called for a change of focus from effective aid to effective development within a framework of sustainable growth, a greater role for governments’ own revenues, increased government accountability, effective institutions, and regional and global integration.

The 2030 Agenda demands a new paradigm to adapt the practice of development cooperation to the recognized complexities of the development process and to integrate divergent interests and policies in a coherent manner. Concerns have been expressed about the gap between knowledge and practice in this regard. However, there are encouraging signs of change and of determination to “do development differently.”

One disturbing aspect of this overall positive trend, though, is the persistent tendency to view development through the lens of aid relationships. The new agenda will need to promote inclusive, result-oriented partnerships that support local leadership, capabilities, and responsibility. It will become increasingly important to look beyond aid and to integrate all kinds of international cooperation that can affect development results.

Together, an expanding array of governments, multilateral development organizations, and nonstate actors are bringing an extraordinary variety of perspectives to their shared interest in sustainable development. A principal challenge for the global partnership will be to make strength of diversity and achieve optimum convergence of these different views and efforts in furtherance of sustainable results.

Countries that once engaged in development cooperation primarily as aid recipients are playing evolving roles. There is a significant increase in “south-south” and triangular relationships and the “rising powers” such as Brazil, Russia, India, China, and South Africa (the BRICS) are bringing their own perspectives and experiences to development cooperation. An increasing number of private individuals, civil society organizations, and foundations are also active in development policy and operations. They control impressive volumes of resources and their advocacy is exerting notable influence in development policy deliberations.

More than all other nonstate actors, the private sector will drive the pursuit of inclusive and sustainable economic growth and job creation and the transition to sustainable patterns of production and consumption. To the extent that private investment creates jobs and helps to lift people out of poverty and into the formal economy, there can be a virtuous circle of growing markets, increased investment, and expanded well-being.

The most remarkable feature of development financing is its diversified growth in recent years. Even as resources have increased, the new agenda is making demands for more—and for better use of—financing from all potential sources. The once dominant role of official development assistance (ODA) has been largely overtaken by other kinds of international and domestic resources. Of course, this global trend should not be allowed to mask differences among country needs. For many poor countries ODA and other official flows continue to have an essential role.
Financial flows to developing countries have been estimated in several reports. The *Investments to End Poverty 2015* report by Development Initiatives is noteworthy for its clear exposition of the relative contributions of ODA ($163 billion) and other international official flows ($181 billion), international commercial and private flows ($1.88 trillion), public domestic spending ($5.3 trillion), and commercial domestic spending ($2.2 trillion) in 2013.

This analysis brings to the forefront a central question: If financing for development is made up of international transfers exceeding $2 trillion (largely from private investment, commercial loans, and remittances) together with domestic public spending of more than $5 trillion (some part of which is attributable to international transfers) and trillions more in commercial domestic spending, why is so much attention still focused on the approximately $160 billion in ODA?

The July 2015 Addis Ababa Conference on Financing for Development undertook “to establish a holistic and forward-looking framework and to commit to concrete actions to deliver on the promise of [the post-2015] agenda.” Its Action Agenda undertook to identify critical gaps, propose actions on a variety of development financing issues, and call for improvements in data, monitoring, and follow-up to strengthen mutual accountability for development results.

The Addis Ababa Action Agenda expressed a sound vision of the global framework for sustainable development. It emphasized:

- cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks;
- multi-stakeholder partnerships;
- the resources, knowledge, and ingenuity of the private sector, civil society, the scientific community, academia, philanthropy and foundations, parliaments, local authorities, volunteers, and other stakeholders; and
- national development efforts supported by an enabling international economic environment.

The call for a “data revolution” in 2013 by the High Level Panel on the Post-2015 Development Agenda has received an enthusiastic response. A review of the literature confirms the judgment of the High Level Panel that a major impediment to achieving the SDGs will be the limited availability of good data and of the skill and motivation to make effective use of such data.

Shortcomings in data timeliness and quality have been documented in a number of reports. The Addis Ababa Action Agenda placed emphasis on the central role of national statistical systems and asserted that high-quality disaggregated data are an essential input for smart and transparent decisionmaking. It will be important for the international
community to support national efforts to strengthen the capabilities of local institutions in this regard.

A number of factors combine to make evident the urgent need for a coherent plan for the data revolution. Relevant considerations include the importance of data for successful implementation of the 2030 Agenda, the many substantial differences among the actors in their estimates, the acknowledged gaps in knowledge about the facts underlying many development issues, and the complexity and difficulty of reform and institution strengthening.

One additional aspect of knowledge sharing is the need for public awareness of and broad popular support for the sustainable development goals and the post-2015 development agenda to give them lasting prominence in the broad international scene. There is a need for a comprehensive and continuing effort to promote broad international understanding and support and to persuade political, civic, economic, and religious leaders at all levels of our societies to be advocates for the SDGs.

Achieving the SDGs will be possible only with dramatic change in fragile and conflict-affected states. By any measure, these countries have been left behind. The weak performance of fragile and conflict-affected states extends beyond the issue of extreme poverty. These countries tend to demonstrate the least progress under all the MDGs. A major issue is the persistence of fragility. Fifteen of the 26 countries identified as fragile on the World Bank’s original 2005 list and 23 of the 50 on the OECD’s original 2007 list have continued to remain on the annual lists compiled by those organizations.

Overcoming fragility should be a principal focus of efforts under SDG 16 to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.” The complex issues of peacebuilding and statebuilding will require the engagement of political and military actors and the broad inclusion of the private sector and civil society in often inhospitable environments.

The range of factors that will influence the implementation of the post-2015 development agenda is enormous. Development strategies may play only a limited role in determining how some of these issues will evolve. Nevertheless, awareness of these influences will be a necessary aspect of implementing the post-2015 development agenda. Examples include climate change, demographic trends, and global economic conditions.

The existence of many potentially disruptive factors outside the immediate ambit of the sustainable development agenda confirms the importance of building resilience into implementing strategies and actions. In addition, a strong effort should be made to ensure that sustainable development implications are fully considered in policy deliberations and decisions on global issues. This implies a commitment by national and international leaders to provide opportunities for development actors to have a voice and to foster policy coherence as a necessary and desirable contribution to good governance.
The international community has broadly endorsed policy coherence as an important aspect of effective development cooperation. SDG 17 includes as an explicit target to “enhance policy coherence for sustainable development.” This target of policy coherence for sustainable development (PCSD) has become an important issue for implementing the 2030 Agenda.

There is a need for concerted action to establish effective systems for aligning existing mechanisms with the post-2015 agenda and fostering coherence in implementing the SDGs in a global context where there are many competing priorities and demands. There is a present opportunity for national leaders and the leaders of international coordinating bodies to reach decisions on how to make policy coherence an operating principle in the global effort to achieve the ambitious SDGs.

This paper’s review of the 2030 Agenda for Sustainable Development suggests a number of priorities for its implementation:

• Adoption of the 2030 Agenda provides a unique opportunity to extend the global consensus beyond identification of goals to broad appreciation of their importance on the global policy agenda and agreement on the means for achieving them.

• A threshold challenge will be to broaden and deepen awareness of and support for the global goals from a broad cross-section of political leaders, civil society, and business communities throughout the world.

• Demonstrated solidarity in mobilizing support for the SDGs can help to establish momentum for the broader work of revitalizing the global partnership for sustainable development and shaping the architecture of a complex system with a common purpose to guide implementation of the new agenda through coordinated networks that facilitate monitoring, communication, and learning and that promote trust and confidence.

• Successful implementation of the new agenda will require that international cooperation proceed in new ways that transcend the traditional aid-centered paradigm, with increased emphasis on local priorities, capable local systems, and context-appropriate approaches.

• Financing for development must overcome the tendency to regard official development assistance as if it were the principal instrument of development cooperation. It is necessary to include all available sources and types of financing, expand domestic resource mobilization, and guard against diversion, while conserving resources and increasing efficiency and effectiveness.

• A comprehensive approach to development finance needs to give appropriate emphasis to the essential role of development assistance as a tool for increasing domestic resources and commercial international flows and for helping the poorest countries, which lack access to other financing, to overcome the major obstacles they face to ending poverty and achieving sustainable development.
• The sustainable development agenda needs to be cognizant of many factors that will have an impact on progress toward achieving the SDGs, including those extraneous to usual development strategies, such as global population trends, technological change, international markets, and risks of pandemics, natural disasters, and conflict.

• The SDG target to “enhance policy coherence for sustainable development” implies giving due weight to sustainable development objectives in the formulation, implementation, and monitoring of all relevant policies—not just development policies. This is essential for managing policy conflicts and fostering synergies between sustainable development and other policies.

Vigorous, determined, and creative implementation of the sustainable development agenda in a spirit of solidarity, cooperation, and mutual accountability merits all our best efforts.
1 Introduction

On September 25, 2015, world leaders adopted a new post-2015 development agenda, *Transforming Our World: The 2030 Agenda for Sustainable Development*.1 Their action was the culmination of an intensive, highly participatory effort over the preceding five years to shape a global consensus on shared goals, values, and modalities in furtherance of sustainable development.

The new development agenda sets out a transformational vision of goal-oriented sustainable development through global partnership. This vision rests on two foundational pillars:

- The first pillar is the commitment to human well-being, security, and dignity that has been the prominent feature of the contemporary system of development cooperation.2 This emphasis inspired the adoption of the Millennium Development Goals (MDGs) in 2000 to give expression to the vision of the United Nations Millennium Declaration.3

- The second pillar is the commitment to sustainable development, integrating economic, social, and environmental aspects and recognizing their interlinkages.4 This emphasis motivated the outcome document of the 2012 United Nations Conference on Sustainable Development (Rio+20), *The Future We Want*.5

The new development agenda constitutes an unprecedented call for universal, integrated efforts to preserve our planet and improve the lives of its inhabitants. The ambitious aspirations represented by its agreed Sustainable Development Goals (SDGs) are truly intended to change the world. The ultimate vision of the SDGs is a world in which poverty

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1. UN General Assembly, *Transforming Our World* (resolution 70/1, adopted at the UN General Assembly Sustainable Development Summit on September 25, 2015, New York).
and hunger are ended, the global environment is protected, and people benefit from inclusive economic progress and peaceful, just, and inclusive societies. Attaining that vision will demand extraordinary efforts, global solidarity, and capacities at all levels to overcome the many obstacles to progress.

The antecedents of the 2030 Agenda for Sustainable Development and the processes that the international community undertook to arrive at the consensus adopted in September 2015 are described elsewhere. This paper seeks to analyze the elements of that consensus, the environment in which it is to be implemented, and the challenges it needs to overcome if its bold aspirations are to become reality. My intention here is to stimulate thinking and encourage behavioral changes that can contribute to sustainable development.

Chapter 2 describes the structure and content of the goals, discusses the issues of how to organize and coordinate the networks of partnership that will guide the implementation of the new agenda, and calls attention to the need for change in the practice of international cooperation in furtherance of sustainable development.

After that, Chapter 3 examines the complex environment for implementing the new agenda. This examination includes consideration of the increasing multiplicity and diversity of actors and approaches; trends and innovations in development financing; issues of knowledge accumulation, sharing, and coordination; the special challenges of conflict and fragility; and a number of other influential factors.

Chapter 4 highlights the imperative of policy coherence for sustainable development and describes recent actions to improve coherence at multiple levels. It calls on national leaders and leaders of international bodies to make policy coherence an operating principle of SDG implementation and thereby demonstrate genuine political commitment to the goals.

My concluding observations are set out in Chapter 5. The overarching judgment is that the new agenda provides a unique opportunity that demands new thinking and new behavior. If the audacious vision of the SDGs is to be achieved, there needs to be a broad and deep recognition throughout the world that sustainable development is an important and urgent global priority. The new agenda needs to be implemented in a manner commensurate with the importance and urgency of achieving the global goals.

In particular, international support for sustainable development cannot continue to operate through outmoded and inadequately coordinated aid-centered relationships, and at levels of effort that are plainly inadequate to the investments and hard political decisions

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6. Generally, see the UN Sustainable Development Knowledge Platform (https://sustainabledevelopment.un.org), which provides convenient access to much of the historical record of recent years. My own effort to describe this history is set out in James Michel, Shaping the New Development Agenda. For more historical background, see Olaf Stokke, “Pre-Aid Traditions and Ideas and the Institutional Heritage,” in The UN and Development, 35–40; Carol Lancaster, “Aid’s Purposes: A Brief History,” in Foreign Aid, 25–61; and Sebastian Edwards, Economic development and the effectiveness of foreign aid.
that will be needed. There is a need for a new paradigm of inclusive, results-oriented partnerships that support local leadership, capability, and responsibility. This partnership approach will need to adapt to the multidimensional complexities and iterative nature of the development process in widely varying contexts. And it must integrate often divergent interests and policies with far greater coherence.
Elements of the 2030 Agenda

Goals and Targets

The centerpiece of the 2030 Agenda for Sustainable Development is the set of 17 Sustainable Development Goals (SDGs). These goals reiterate the global priorities established by the eight Millennium Development Goals (MDGs). However, the SDGs are far more expansive and ambitious than the MDGs, as illustrated in Table 1. Both the MDGs and the SDGs were accompanied by a number of more specific targets—21 for the MDGs and 169 for the SDGs.

The principal differences between the two sets of goals can be summarized as follows:

• The MDGs were intended to serve as illustrative proxies for broad development progress. They were based on a few of the many targets that had already been agreed to at a series of UN-sponsored international conferences. The SDGs are intended to express an integrated, transformative vision by enumerating a comprehensive list of economic, environmental, and social goals for sustainable development and the achievement of peaceful, just, and inclusive societies.

• Because the MDGs were based on previously agreed development goals, they were adopted on the basis of only limited additional consultation. The comprehensive SDGs, based on the many important issues emphasized in Rio+20, were formulated through an unprecedented open and inclusive consultation and deliberation process that involved thousands of organizations and millions of individual participants.¹

• The MDGs were focused on developing countries. The SDGs are universal, applicable to all countries.

• The MDGs have a 1990 baseline, and progress toward global targets was measured over a period of 25 years (to 2015). The SDGs are based on more recent data and progress toward these more ambitious goals will be measured over a shorter period (to 2030).

• The MDGs applied a uniform standard for measuring progress against global targets. Every country was supposed to achieve every goal, irrespective of local context. The

¹. See UN Secretary-General, “Strengthening and building institutions for policy integration in the post-2015 era” (paper presented at the UN Economic and Security Council High-Level Thematic Discussion 2015 session, July 21–22, 2015), 9–12.
SDGs recognize that countries are in differing circumstances, with different constraints and capabilities, and cannot all be expected to make progress at the same pace. Therefore, the SDGs endorse the principle that Rio+20 refers to as “common but differentiated responsibilities.”

2. UN General Assembly, *The Future We Want*, 3 (paragraph 8). The 2011 Busan Partnership Declaration, in paragraph 36, also endorsed “adherence to both common goals and differential commitments.” Busan Conference, *Busan Partnership for Effective Development Cooperation* (resolution adopted at the Fourth High Level Forum on Aid Effectiveness on December 1, 2011, Busan, Korea), 12 (paragraph 36).
The inclusive process by which the SDGs and targets were formulated gives them legitimacy as the genuine outcome of a transparent dialogue that took all points of view into account. However, that inclusiveness also, no doubt, contributed to the large number of goals and targets.

The enumeration of the 17 goals reminds us that sustainable development includes many simultaneous challenges: poverty, hunger, health, education, gender equality, water and sanitation, energy, economic growth and productive employment, infrastructure, industrialization, innovation, inequality, human settlements, consumption and production patterns, climate change, conservation of natural resources, peaceful societies and fragility, crime and violence, corruption, access to justice, capable and accountable institutions, and global partnership. Priorities regarding these challenges will differ from country to country, but they all must be kept in mind.

While the list of issues is long, the essential core of the SDGs can be summarized by emphasizing the three principal themes of eliminating poverty; achieving peaceful, just, and inclusive societies; and ensuring economic, environmental, and social sustainability:

• The SDGs seek to end poverty in all its forms everywhere (the subject of Goals 1, 2, 3, 6, 7, and 8).
• They seek to promote peaceful, just, and inclusive societies (the subject of Goals 4, 5, 10, and 16).
• They seek to promote sustainability (the subject of Goals 9, 11, 12, 13, 14, and 15).

Obviously, the goals are multidimensional and all of them are associated with all these principal themes. The vision of Rio+20 is one of integration and transformation. It seeks balance and mutual reinforcement, not zero-sum competition, among the economic, environmental, and social dimensions of sustainable development. The SDGs are true to that approach.

STRUCTURE OF THE SDGS
The guidance from Rio+20 had been that “sustainable development goals should be action-oriented, concise and easy to communicate, limited in number, aspirational, global in nature and universally applicable to all countries while taking into account different national realities, capacities and levels of development and respecting national policies and priorities.”

3. UN General Assembly, The Future We Want, 14 (paragraph 75), states: “The institutional framework for sustainable development should integrate the three dimensions of sustainable development in a balanced manner and enhance implementation by, inter alia, strengthening coherence and coordination, avoiding duplication of efforts and reviewing progress in implementing sustainable development.”

4. UN General Assembly, The Future We Want, 47 (paragraph 247).
There has been pointed criticism that the SDGs are not responsive to that guidance or are deficient in other ways. Concerns are multiplied by the number and content of the targets that accompany the goals and are compounded further by questions about indicators that will be needed to measure progress toward all the goals and targets.

There have been several proposals to organize the SDGs in a manageable framework of overarching themes. In particular, the UN Secretary-General’s December 2014 synthesis report proposed grouping the 17 goals and related targets under six elements in order to “help frame and reinforce the universal, integrated and transformative nature of a sustainable development agenda and ensure that the ambition expressed by Member States in the outcome of the Open Working Group translates, communicates and is delivered at the country level.”

The Secretary-General’s proposed framework inspired the declaration in the Sustainable Development Summit outcome document that the SDGs and related targets were intended to stimulate action over the next 15 years in five “areas of critical importance for humanity and the planet.” The five areas described in the outcome document and the six elements of the Secretary-General’s proposal are compared in Table 2.

The presentation of the SDGs within a limited number of broad descriptive headings appears to acknowledge implicitly that a list of 17 items does not readily convey a unified sense of purpose. If the SDGs are to capture broad enthusiasm and motivate purposeful action they need to be communicated in a way that conveys a compelling vision. The 2030 Agenda for Sustainable Development’s formulation of people, planet, prosperity, peace, and partnership serves that purpose well.

A related structural issue is that there is tension between the principle of universality and the principle of common but differentiated responsibilities. The Rio+20 guidance recognizes that the goals will be “applicable to all countries while taking into account national realities.” The practical implementation of that guidance will present some challenges.


6. The International Council for Science and the International Social Science Council found that of the 169 targets recommended by the Open Working Group on Sustainable Development Goals, 49 were well developed, 91 could be strengthened by being more specific, and 29 required significant work. International Council for Science and International Social Science Council, *Review of Targets for the Sustainable Development Goals*.


8. UN Secretary-General, “The road to dignity by 2030: ending poverty, transforming all lives and protecting the planet” (paper presented at the UN General Assembly 69th session, December 4, 2014), 16–20 (paragraphs 66–86).

The universal goals should inspire all countries. But all countries cannot be expected to give equal prominence to all 17 goals and 169 targets in their policies and program. Many countries already have current development strategies, including national goals and targets.10 The SDG global framework implies a commitment to change at the national level. And the new agenda expressly confirms that national plans and national priorities will be “at the heart of our efforts.”11 Adaptation will take time and results will hardly be uniform. In addition, industrialized countries will now have to decide how to apply the universal goals and indicators in their own policies and practices and how to participate in performance monitoring based on the SDGs. Their performance will certainly be scrutinized.12

Given the importance of local context and local leadership in the selection of development priorities and in the formulation and implementation of strategies and activities, SDG

10. See Scott, Lucci, and Berliner, Mind the gap? The paper compares existing targets at the national level with corresponding SDG targets in 75 countries.
11. UN General Assembly, Transforming Our World, 28 (paragraph 63).
12. See Osborn, Cutter, and Ullah, Universal Sustainable Development Goals. This paper suggests a system for monitoring application of the universal SDGs among developed countries.
implementation will have to accommodate differences among countries. A flexible approach to SDG implementation is evidently intended, as explained in the 2030 Agenda: “Targets are defined as aspirational and global, with each government setting its own national targets guided by the global level of ambition but taking into account national circumstances.”

The need for flexibility and adaptation to local context necessarily also applies to the design and utilization of performance indicators and other systems and tools for monitoring progress toward the goals. This issue is discussed in Chapter 3 in the section on the knowledge dimension of the implementing environment.

**CONTENT OF THE SDGS**

As suggested in the previous discussion, the essence of the SDGs can be seen in the three principal themes of integrated economic, social, and environmental progress—ending poverty, achieving inclusive societies, and ensuring sustainability. The goals, as stated, recognize that each of these themes has a multidimensional quality and that all three are interdependent.

The Addis Ababa Action Agenda, approved at the July 2015 Conference on Financing for Development and adopted by the UN General Assembly, confirmed this view of the SDGs. Its opening paragraph proclaimed that the goal was “to eradicate poverty and hunger, and to achieve sustainable development in its three dimensions through promoting inclusive economic growth, protecting the environment, and promoting social inclusion.”

The SDGs reflect a sophisticated view of sustainable development, consistent with Rio+20. The Rio+20 outcome document proclaims a “shared vision of an economically, socially and environmentally sustainable future for our planet and for present and future generations.” It expresses the intention “to achieve sustainable development through economic growth and diversification, social development and environmental protection.”

**With respect to poverty**, the target of eliminating extreme poverty by 2030 has attracted the most attention. However, that target’s standard, recently increased from $1.25 to $1.90 a day, is based on poverty in the poorest countries. SDG 1 reaches beyond that initial measure to call for an end to “poverty in all its forms everywhere.” The targets for

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15. UN General Assembly, *The Future We Want*, 1–5 (paragraphs 1 and 19).
2030, therefore, also include substantial reductions in poverty under national definitions, the extension of national social protection systems to provide coverage for the poor and vulnerable, access to economic resources and basic services, and increased resilience for the poor and vulnerable to economic, social, and environmental shocks.

The broad scope of this universal goal thus requires consideration of notions of poverty in high-income and middle-income countries as well as in low-income countries. Implementation of the goal will involve defining and measuring poverty and finding ways to engage the poor as active participants in improving their condition.

These questions have been addressed in depth in a wealth of published materials. Scholars have provided valuable information and insights about poverty, including sophisticated analysis of the implications of poverty reduction for the poorest. The Oxford Poverty and Human Development Initiative has developed a Global Multidimensional Poverty Index that measures health, education, and living standard dimensions of poverty using ten indicators. The index, in turn, facilitates identifying the poor, learning about where they live and assessing the implications of gender, rural/urban, health, and education differences, and inequality.

The World Bank has published new research using the updated extreme poverty line, which illustrates impressive progress in recent years, with a projected decline to about 700 million people living in extreme poverty at the end of 2015. The Bank’s analysis illustrates the complexity and difficulty of lifting those 700 million people out of extreme poverty by 2030.

The multiplicity of targets relating to poverty will necessitate complex, multifaceted strategies that address, but look beyond, eradicating extreme poverty. One important response is the new vision statement on extreme poverty developed by the United States Agency for International Development (USAID). The USAID approach is focused on extreme poverty but recognizes the multiple dimensions of poverty that need to be addressed in a holistic manner. The USAID vision defines extreme poverty in a descriptive manner that highlights its devastating multiple and complex impacts on people and establishes the base for a multifaceted strategy:

Extreme poverty is the inability to meet basic consumption needs on a sustainable basis. People who live in extreme poverty lack both income and assets and

17. Chandy, Kato, and Kharas, The Last Mile in Ending Extreme Poverty; Ravallion, Pro-Poor Growth; Ravallion, The Idea of Antipoverty Policy; Ravallion, Are the World’s Poorest Being Left Behind? See also Ferreira and Ravallion, Global Poverty and Inequality; Fosu, Growth, Inequality, and Poverty Reduction in Developing Countries.
19. See, for example, Aikire, Roche, and Sumner, Where Do the World’s Multidimensionally Poor People Live?
20. Cruz et al., Ending Extreme Poverty and Sharing Prosperity.
typically suffer from interrelated, chronic deprivations, including hunger and malnutrition, poor health, limited education and marginalization or exclusion.21

USAID's theory of change for ending extreme poverty is premised on inclusive economic growth as the principal driver, with a foundation of effective governance and accountable institutions underlying pillars of vibrant markets as well as investments in human capital, modern infrastructure, peaceful and just societies, and strong safety nets to leave no one behind. The strategy is to work with partners to strengthen the foundation and enable the pillars to promote inclusive growth in a manner that recognizes and addresses risks posed by challenges such as climate change, conflict, and population growth. Change at both the system and individual levels is expected to achieve inclusive and sustainable economic growth with more productive assets and higher incomes for individuals.22

Implementation of SDG 1 will require that the international community come together in efforts that are compatible with this kind of thoughtful approach to address poverty in all its multiple dimensions. This should be a guiding objective in the formulation of the revitalized global partnership for sustainable development, discussed in the next section. It is encouraging to see that a number of development agencies have adopted multidimensional approaches to poverty reduction through inclusive growth, which are consistent with the USAID approach.23

The linkages between poverty and the other principal themes of the SDGs (inclusion and sustainability) have been clarified by recent research. The focus on these themes and linkages in the development research agenda is, in itself, a positive result of the goal-oriented approach to development.

With respect to inclusion, it has long been recognized that growth is essential for poverty reduction.24 While inclusive growth has been emphasized in recent literature,25 the relationship between growth and inequality has been debated in the past. However, research has now persuasively established that severe poverty and substantial inequalities of wealth and income inhibit economic growth. In particular, a 2015 IMF paper has attracted public attention because of its unambiguous finding that “increasing the income share of the poor and the middle class actually increases growth while a rising income share of the top 20 percent results in lower growth—that is, when the rich get richer, benefits do not trickle down.”26 This finding, which is gaining resonance in the academic

21. USAID, Vision for Ending Extreme Poverty, 6. The definition is accompanied by a description of characteristics of living in poverty, such as the fact that, for many, “extreme poverty is a chronic condition extending from one generation to the next.”
23. See the examples cited in OECD, All on Board. This OECD report analyzes many dimensions of inequality and poverty and outlines a framework for integrating inclusive growth into policymaking.
25. See, for example, OECD, All on Board, 84–85.
26. Dabla-Norris et al., Causes and Consequences of Income Inequality. See also OECD, Strengthening National Statistical Systems to Monitor Global Goals; Rodrik, “Good and Bad Inequality”; López, “The Relative Roles of Growth and Inequality for Poverty Reduction”; Lagarde, “Lifting the Small Boats.”
community, gives a boost to the SDGs proposition that growth should be inclusive and leave nobody behind.

Fragile and conflict-affected states present especially difficult challenges for inclusion. Extreme poverty is likely to be increasingly concentrated in those countries. The substantial reduction of extreme poverty in the world since the MDGs were adopted has, for the most part, been achieved elsewhere. As the World Bank's monitoring report states: “With the current reduction of poverty across the world, the poor will be increasingly concentrated in fragile and post-conflict situations. . . . The growing concentration of the poor in impoverished, conflict-prone countries could make it impossible to reach the goal of eradicating poverty.”27 This challenge is discussed in detail in Chapter 3 on the implementing environment for the new agenda.

**With respect to sustainability,** the SDGs are designed to give effect to the classic definition of sustainable development as development “that meets the needs of the present without compromising the ability of future generations to meet their own needs.”28 In the SDGs the notion of sustainability permeates all three dimensions of development—economic, social, and environmental, bringing environmental sensitivity to the analysis of economic and social issues. This brings the physical sciences increasingly into a policy dialogue in which the social sciences have been prominent.

The Global Sustainable Development Report (GSDR) provides an important tool for giving effect to sustainability in the implementation of the 2030 Agenda for Sustainable Development. This new annual report responds to a Rio+20 recommendations for such a compilation to support the High Level Political Forum for Sustainable Development (HLPF) in strengthening “the science-policy interface.”29

The 2015 edition of the GSDR contains inputs from more than 500 scientists, UN system experts, government officials, and other stakeholders. It provides scientific perspectives that can help to increase understanding in the complex relationship between science and policy. It includes highlights from 182 briefs submitted by scientists relating to all 17 SDGs and the relationships among the goals. In addition, it suggests science-based approaches to assessment of the SDGs. It also suggests ways in which the HLPF can advance the science-policy interface by highlighting trends, serving as a platform for dialogue, and contributing to agenda setting.30

**Linkages** among the SDG themes of poverty eradication, inclusion, and sustainability are illustrated in a 2015 study that compares the performance of several countries against indicators of poverty, environmental fragility, and governmental fragility. The results

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29. UN General Assembly, *The Future We Want*, 17 (paragraph 85(k)).

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show that countries facing the greatest challenges in any one of these three areas tend to face challenges in all of them.\textsuperscript{31}

Climate change, the most pressing of sustainability issues, is intimately linked to poverty and inclusion. The authoritative 2014 Report of the Intergovernmental Panel on Climate Change states unequivocally: “Climate-related hazards affect poor people’s lives directly through impacts on livelihoods, reductions in crop yields or the destruction of homes, and indirectly through, for example, increased food prices and food insecurity.”\textsuperscript{32}

Continuing research is identifying analytical tools that help to measure the costs and multiple benefits of reducing harmful emissions in development policies and projects. A study by the World Bank and the ClimateWorks Foundation, for example, identified and demonstrated the use of tools to assess impacts in terms of health, crop yields, energy savings, job growth, labor productivity, and economic growth as well as climate change.\textsuperscript{33}

The linkage between climate and poverty was given special prominence by Pope Francis’s encyclical letter of June 18, 2015, entitled “On Care for Our Common Home.”\textsuperscript{34} In that historic pronouncement the pope condemned “the tragic effects of environmental degradation on the lives of the world’s poorest” and appealed “for a new dialogue about how we are shaping the future of our planet.” A World Bank Report released on the eve of the Paris Climate Change Conference further demonstrates the necessity of addressing climate change and poverty eradication simultaneously.\textsuperscript{35}

Global Partnership

The concept of partnership is often invoked in development literature, with several different meanings. Sometimes it refers to the idea that local ownership should reflect collaboration among government, civil society, the private sector, and other local stakeholders.\textsuperscript{36} Sometimes it refers to collaboration between internal and external actors or coordination among external actors.\textsuperscript{37} And sometimes the emphasis is on public-private partnerships as sources of knowledge as well as financing.\textsuperscript{38}

\begin{itemize}
  \item \textsuperscript{32} Intergovernmental Panel on Climate Change, Fifth Assessment Report, 54. See Gutierrez, McFarland, and Fonua, “Zero poverty . . . think again.”
  \item \textsuperscript{33} World Bank and ClimateWorks Foundation, Climate-Smart Development.
  \item \textsuperscript{35} Hallegatte et al., Shock Waves.
  \item \textsuperscript{36} The World Bank refers to “stakeholder ownership” in its Capacity Development and Results Framework as comprising “formal and informal political, economic and social forces that determine the priority that government, civil society and the private sector give to a development goal.” Smithers, The Importance of Stakeholder Ownership for Capacity Development Results, 15–19.
  \item \textsuperscript{37} See, for example, OECD Development Assistance Committee, “A Stronger Compact for Effective Partnerships,” and “Development Partnerships in the New Global Context,” in Shaping the 21st Century, 14–15, 19.
  \item \textsuperscript{38} UN General Assembly, Toward Global Partnerships (resolution 62/211 adopted at UN General Assembly on December 19, 2007, New York).
\end{itemize}
The emphasis on a global partnership for development has broadened the focus from the country to the ideal of global solidarity. The targets established for MDG 8 suggested that this should include attention to certain aspects of partnership: an open, rule-based, predictable, nondiscriminatory trading and financial system; the special needs of least developed, landlocked, and small-island developing countries; the debt problems of developing countries; access to affordable essential drugs in developing countries; and availability of benefits of new technology, especially information and communications technologies.39

SDG 17 builds on the momentum of MDG 8 with a call for strengthening the means of implementing and revitalizing the global partnership for sustainable development. The targets for SDG 17 address development finance, investment, technology, capacity building, and trade, as well as systemic issues of policy and institutional coherence, multi-stakeholder partnerships, data availability, and monitoring and accountability.

The global partnership will operate in a complex environment quite different from that of 15 years ago at the launch of the MDGs. Without getting into the details here, the contemporary environment can be described as one including “multiple actors or stakeholders positioned across multiple levels and policy fields that frequently operate with contested problem definitions and diverse objectives and action frames.”40 In such a context, it seems obvious that a viable governance system for the global partnership will have to be collaborative and participatory rather than hierarchical.

An overarching structure will be needed to provide coherent guidance, facilitate communication and learning, and manage the above-mentioned tension between the principle of universality and the principle of common but differentiated responsibilities. But the post-2015 development agenda will operate through multiple channels at international, regional, and—most important—national and subnational levels in a wide variety of local contexts, and it will involve a highly diverse array of stakeholders.

OVERSIGHT AND COORDINATION

The HLPF will be a principal source of guidance for the global partnership. The Forum’s broad mandate includes reviewing progress in implementing commitments; enhancing integration of the economic, environmental, and social dimensions of sustainable development; and ensuring appropriate consideration of new and emerging challenges. This body meets annually to “provide political leadership, guidance and recommendations for sustainable development.”41 Beginning in 2016 it will have a central role in reviewing the post-2015 development agenda and the SDGs.

40. This definition is from Thomas Biersteker, “Global Governance,” in Rotberg, On Governance, 151–171, and is quoting the Hertie School of Governance definition of governance at 153.
41. UN General Assembly, Format and Organizational Aspects of the High Level Political Forum on Sustainable Development (resolution 67/290 adopted at the UN General Assembly on July 9, 2013, New York). See also the UN Secretary-General’s report, Strengthening and building institutions for policy integration in the post-2015 era.
The HLPF meets under the auspices of the UN Economic and Social Council, except that every fourth year it will meet at the level of Heads of State and Government under the auspices of the General Assembly. The schedule has now been revised so that the next HLPF meeting at the Heads of State and Government level will take place in 2019. That will coincide with the quadrennial reviews of the new agenda’s implementation.42

The United Nations High Level Development Cooperation Forum (HLDCF), a body established by the 2005 World Summit, will be another source of guidance. ECOSOC convenes the widely attended biennial meetings of this forum (in even numbered years) to review trends in international development cooperation, promote greater coherence among the activities of development partners, and strengthen links between the normative and operational work of the UN. The Forum gives voice to a wide range of stakeholders, including developing and developed countries, civil society, parliamentarians, audit institutions, local and regional governments, philanthropic organizations and the private sector.43

An additional source of multilateral leadership for the global partnership will be the Global Partnership for Effective Development Cooperation (GPEDC). This body is made up of representatives from national governments, the private sector, parliamentarians, civil society organizations, multilateral development banks, and public international organizations. Two members, the UN Development Program (UNDP) and the OECD Development Assistance Committee (DAC), also serve as a joint secretariat.

The GPEDC was established pursuant to the 2011 Busan Partnership Declaration.44 Its role is to monitor implementation of Busan commitments and to facilitate knowledge exchange and sharing of lessons learned, and also to support implementation at the country level. It is led by three co-chairs, presently the Secretary of Foreign Affairs of Mexico, the Minister for Foreign Trade and Development Cooperation of the Netherlands, and the Minister of Finance, Economic Planning, and Development of Malawi. Established in 2012, the GPEDC held its first high-level plenary meeting in April 2014 and will meet again at that level every two years. Normal business is carried out under the leadership of the co-chairs and a broadly representative 21-member steering committee.45

There are somewhat different perspectives in the mandates of the GPEDC, the HLDCF, and the HLPF:

- The GPEDC is oriented to giving practical effect to the principles and vision of the Busan Partnership Declaration and Busan’s aspiration for a transition in international cooperation from a focus on aid effectiveness to one of effective development.
• The HLDCF is rooted in the UN development agenda and the transition from the Millennium Declaration to the post-2015 agenda.

• The HLPF carries forward the spirit of Rio+20 and the integration of economic, environmental, and social dimensions of sustainable development. It has an express mandate to play “a central role in overseeing a network of follow-up and review processes at the global level” for the 2030 Agenda.

Their differing perspectives are evident in the websites of the three entities.46

These principal oversight and coordination organizations will be joined by a host of other international bodies in shaping the global partnership. Traditional multilateral organizations include the 27 agencies that make up the United Nations Development Group (UNDG),47 the International Monetary Fund (IMF), the World Bank and regional banks—such as the African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IADB), and the Islamic Development Bank (IDB)—the Organization for Economic Cooperation and Development (OECD), and the World Trade Organization (WTO).

In addition, a number of more recently created multilateral bodies will be engaged in the ongoing implementation of the new agenda, bringing their distinctive ideas and approaches to the global partnership and their interactions with local actors and institutions. For example:

• The G20 developed a multiyear action plan on development in 2010 with a strong orientation toward economic growth. Major topics addressed in the plan are infrastructure, human resource development, trade, private investment and job creation, food security, growth with resilience, financial inclusion, domestic resource mobilization, and knowledge sharing. The plan has been modified and expanded in subsequent years and progress is monitored by the G20 Development Working Group.48

• The BRICS (Brazil, Russia, India, China, and South Africa) agreed in 2014 to establish the New Development Bank with initial authorized capital of $100 billion. The bank was launched prior to the seventh BRICS meeting in Russia in July 2015. Operations


47. See the UN Development Group membership website. “Members,” UN Development Group, https://undg.org/home/about-undg/members.

48. Members include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, the United States, and the European Union. Also, a large number of guest countries and international organizations are included in G20 deliberations. See “G20 Members,” https://g20.org/about-g20/g20-members/. See also G20 Seoul Summit 2010, “Annex II: Multi-Year Action Plan on Development” (2010), http://www.g20.utoronto.ca/2010/g20seoul -development.html. See also the “G20 Development Working Group 2014 Annual Progress Report,” https://g20 .org/wp-content/uploads/2014/12/G20%20DWG%202014%20Annual%20Progress%20Report.pdf.

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are expected to begin in 2016. The headquarters are in Shanghai and the 2015 BRICS meeting was held jointly with the Shanghai Cooperation Organization.49

- Articles of agreement for the Asian Infrastructure Investment Bank, to be headquartered in Beijing, were signed in June 2015 by 50 of the 57 prospective founding members that had expressed their intention to participate. The AIIB is expected to begin operations early in 2016 with $100 billion in authorized capital.50

All of these multilateral organizations will be involved in policy advice, financing, technical support, and other activities relating to sustainable development that the global partnership is intended to coordinate, support, and monitor. Obviously, their views will need to be taken into account.

PRINCIPLES FOR GOVERNANCE

Governance of the global partnership at all levels should reflect principles of effective development cooperation. As discussed later in this chapter, adherence to the principles of local ownership, focus on results, inclusive partnerships, and mutual transparency and accountability necessarily implies that partnerships will adapt to the local context and be open to different paths for advancement toward the global goals.51

Design principles recommended by Elinor Ostrom in her Institutional Analysis and Development framework offer helpful guidance for the global partnership. Ostrom's framework for the governance of complex systems with multiple decision points emphasized shared knowledge, communication, and incentives for collaboration and trust. Key features included clearly defined boundaries, a balance between benefits and costs, collective choice arrangements, monitoring of performance, graduated sanctions, conflict-resolution mechanisms, and recognition of rights to organize.52

The European Council envisions a broad mandate for implementing the global partnership. Key components include an enabling and conducive policy environment; capacity to deliver; effective use of domestic and international public finance; private sector mobilization; stimulating trade and investments; fostering science, technology, and innovation; addressing the challenges of migration; and a strong monitoring, accountability, and review framework. The Council has endorsed guiding principles for implementing this mandate that are in the spirit of Ostrom's recommendations: universality, shared

50. See the website of the Asian Infrastructure Investment Bank, www.aiibank.org.
51. See the discussion of the Busan Partnership Declaration in section on the transition beyond aid to effective development cooperation.
responsibility, mutual accountability, consideration of respective capabilities, and a multi-stakeholder approach. These principles are also consistent with the Rio+20 guidance that the institutional framework for sustainable development “should be inclusive, transparent and effective and that it should find common solutions related to global challenges.”

The DAC devoted its 2015 Development Cooperation Report to the theme of making partnerships effective coalitions for action. Drawing on experience, it proposed ten success factors as an implementation and monitoring framework. These ten factors, likewise, show close alignment with Ostrom’s recommendations and with the Busan and Rio+20 principles:

1. Secure high-level leadership.
2. Ensure partnerships are country-led and context-specific.
3. Avoid duplication of effort and fragmentation.
4. Make governance inclusive and transparent.
5. Apply the right type of partnership for the challenge.
6. Agree on principles, targets, implementation plans, and enforcement mechanisms.
7. Clarify roles and responsibilities.
8. Maintain a clear focus on results.
9. Measure and monitor progress toward goals and targets.
10. Mobilize the required financial resources and use them effectively.

The September 2015 Sustainable Development Summit recognized that the global partnership, including in its measures for follow-up and review, should favor local ownership and adaptation to local context. This is not only a political necessity; it is necessary in order for the new agenda to be effective in responding to the complex challenges of sustainable development in disparate and continually changing environments involving a broadening range of actors and financing.

The 2030 Agenda for Sustainable Development calls for a review framework that is “robust, voluntary, effective, participatory, transparent and integrated,” operating at national, regional, and global levels. Noting the importance of mutual trust and understanding among

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53. European Council, *A New Global Partnership for Poverty Eradication and Sustainable Development after 2015*. The Council’s enumeration of key components is similar to that recommended in a recent analysis of EU aid system governance. Barder et al., “Governance of the Aid System and the Role of the European Union,” in Alonso, *Development Cooperation in Times of Crisis*, 314–352. The European Council added that the global partnership should be based on and should promote human rights, equality, nondiscrimination, democratic institutions, good governance, rule of law, inclusiveness, environmental sustainability and respect for planetary boundaries, women’s rights, gender equality, and the empowerment of women and girls.

54. UN General Assembly, *The Future We Want*, 14 (paragraph 75).

all nations and the universal nature of the 2030 Agenda, it sets out nine principles to guide follow-up and review processes at national, regional, and global levels. These principles emphasize the need for flexibility and respect for local ownership of the development process:

a. They will be voluntary and country led.

b. They will track progress in a manner that respects the universal, integrated, and interrelated nature of the goals and targets and the three dimensions of sustainable development.

c. They will maintain a longer-term orientation and support countries in making informed policy choices.

d. They will be open, inclusive, participatory, and transparent.

e. They will be people-centered and gender-sensitive, respect human rights, and focus on the poorest, most vulnerable, and those furthest behind.

f. They will build on existing platforms and respond to national circumstances, capacities, needs, and priorities. They will evolve over time and will minimize the reporting burden on national administrations.

g. They will be rigorous and based on evidence, informed by country-led evaluations and data disaggregated by income, sex, age, race, ethnicity, migration status, disability, and geographic location and other relevant characteristics.

h. They will require enhanced capacity-building support for developing countries, including the strengthening of national data systems and evaluation programs.

i. They will benefit from the active support of the United Nations system and other multilateral institutions.

The global partnership will be challenged to sustain the international consensus in favor of the post-2015 development agenda while operating on the basis of voluntary participation, good communication, and incentives for collaboration and trust among a diverse set of stakeholders operating in many different local contexts. The above-enumerated principles set out in the DAC’s Development Cooperation Report and in the 2030 Agenda suggest willingness to approach this governance challenge in an open and flexible manner.

Development financing presents a special challenge. Creative thinking will be needed to adapt reporting and oversight systems to changing needs and achieve acceptance of new modalities. These issues are discussed further in Chapter 3 in the section on knowledge accumulation, sharing, and coordination. It should be noted, however, that issues of governance concerning information on financial flows need to be addressed in the design of the global partnership. We are seeing indications of thinking about these issues that are compatible with the principles described here.56

The optimum arrangement might be a collection of horizontal and vertical networks with broad stakeholder representation, addressing development issues of particular subject matter or particular geography. These networks would be bound together by the shared vision of the new development agenda and a shared commitment to the aforementioned values that have been found helpful to the governance of complex systems with multiple decisions points.

Robert Keohane and David Victor have recommended such an approach (which they describe as a “regime complex”) for governance of climate change, arguing that “adaptability and flexibility are particularly important in a setting . . . in which the most demanding international commitments are interdependent yet governments vary widely in their interest and ability to implement them.”57 That reasoning appears equally applicable in designing the governance of the global partnership for sustainable development. Also relevant is the research undertaken by the Earth System Governance Project, which explores approaches to political, legal, social, and economic aspects of global environmental change.58

The governance structure for the global partnership should be capable of evolving in an iterative fashion, adapting to changes in circumstances and the perceived interests of participants. If well managed, a networked global partnership could become for sustainable development what Anne-Marie Slaughter has described as “a system of global governance that institutionalizes cooperation and sufficiently contains conflict such that all nations and their peoples may achieve peace and prosperity, improve their stewardship of the earth, and reach minimum standards of human dignity.”59

Transition beyond Aid to Effective Development Cooperation

The successful implementation of the post-2015 development agenda will depend, more than anything, on the ability of the many diverse actors and stakeholders to adapt their thinking, their expectations, and their behavior to the demands of effective development.

WHAT IS BEING LEARNED

An impressive body of research, much of it carried out since the adoption of the MDGs in 2000, has broadened and deepened understanding of how development happens and the implications for international cooperation. Persuasive scholarly analysis describes development as a complex, iterative process that is grounded in local realities, proceeds in a

58. See, for example, James Patterson et al., Transformations towards sustainability. See also Ashwina Mahanti and David Manuel-Navarette, “From Sustainable Development to Governance for Sustainability,” in Redclift and Springett, Routledge International Handbook of Sustainable Development, 416–428.
59. Slaughter, A New World Order, 15.
nonlinear fashion, and involves multiple decision points. Jeffrey Sachs has pointed out that there is even greater complexity because “sustainable development involves not just one but four complex interacting systems”: the global economy, social interaction, Earth systems such as climate and ecosystems, and governance.

The research has been accompanied by a series of international conferences on the subject of aid effectiveness. Together, the research and the conferences have contributed to an evolving consensus that goes beyond aid to the broader and more important question of how all kinds of international cooperation can contribute to sustainable development results. Important findings emphasize, for example:

- the influence of history and culture;
- the central importance of political and economic institutions that are inclusive and effective;
- the impact of political contests and political settlements on reform efforts;
- the imperative of local leadership and international support that is adapted to the local political, economic, and social context; and
- the continuing need for experimentation, observation, and learning in order to optimize progress on the inherently nonlinear path toward sustainable development.

The 2011 Busan Partnership Declaration, to which more than 160 countries and more than 50 international organizations have subscribed, outlines the consensus that has emerged. Busan is premised on four principles: local ownership of development priorities, a focus on results, inclusive partnerships, and mutual transparency and accountability. The Declaration calls for a change of focus from effective aid to effective development within a framework of strong sustainable growth, a greater role for governments’ own revenues, greater accountability of governments for results, effective state and nonstate institutions, and increased regional and global integration by developing countries.

60. See, for example, Andrews, Pritchett, and Woolcock, Escaping Capability Traps through Problem-Driven Iterative Adaptation; Barder, The Implications of Complexity for Development; Booth and Unsworth, Politically Smart, Locally Led Development; Levy, Working with the Grain; Ramalingam, Aid on the Edge of Chaos.
64. Khan, Political Settlements and the Governance of Growth-Enhancing Institutions; Carothers and de Gramont, Development Aid Confronts Politics.
65. Levy, Working with the Grain; Ramalingam, Aid on the Edge of Chaos; Booth and Unsworth, Politically Smart; USAID, Local Systems.
Despite wide support for this view of development, a number of respected analysts have expressed skepticism about the ability of development agencies to play a constructive role. For example, Daron Acemoglu and James Robinson assert that “foreign aid is not a very effective means of dealing with failure of nations around the world today,”68 and Angus Deaton finds that “it is difficult to give convincing evidence of the effects of aid on economic growth, and the same applies when we look at the effects of aid on democracy or on other institutions.”69

Such generalized aid-skepticism is hardly new and it has been persuasively refuted. For example, Steven Radelet points out that “despite all the rhetoric, the evidence shows that aid has been a positive force in supporting the surge of development progress.”70 However, specific concerns about the need for development actors to adapt to new ways of thinking deserve attention. Sue Unsworth observed in 2010 that “overall there is still a big gap between donor rhetoric and actual behavior, and for the most part development practice remains donor driven and aid-centric.”71 Her observation continues to strike a responsive chord with many who are familiar with contemporary development cooperation. Ben Ramalingam has urged development actors to “focus less on attribution of impacts (‘we achieved this’), but on the more modest and realistic goals of contribution to outcomes (‘here is how we helped change knowledge, attitudes, relationships, and behaviors’). . . .”72 Lant Pritchett has called attention to the risk that diverging interests “make it difficult for rich countries to continue being reliable partners for the national development aspirations of the citizens of poor countries.”73 There has been much deserved criticism of inappropriate reliance on externally prescribed “menus” and “best practice” to address complex development challenges.74

HOW BEHAVIOR IS CHANGING

Integrating changed thinking into the practice of international cooperation is difficult75 and concerns about the gap between knowledge and practice are understandable. Nevertheless, there is reason to believe that international support for development is becoming more effective. Growing recognition of the complexity of development is having operational influence on development cooperation. Examples of changing practice include increased emphasis on political economy analysis in development agency guidance,76 more sophisticated analysis of results-based management,77 increased use of self-assessment

68. Acemoglu and Robinson, Why Nations Fail, 454.
72. Ramalingam, Aid on the Edge of Chaos, 351.
73. Pritchett, Can Rich Countries Be Reliable Partners for National Development?
74. Thomas, Govern Like Us; Carothers and de Gramont, Development Aid Confronts Politics; Andrews, The Limits of Institutional Reform in Development.
75. Carothers and Brechenmacher, Accountability, Transparency, Participation, and Inclusion; Hickey, Sen, and Bukenya, The Politics of Inclusive Development.
76. See, for example, McLoughlin, Political Economy Analysis; Melim-McLeod, Institutional and Context Analysis Guidance Note.
77. See, for example, the literature review in Väihämäki, Schmidt, and Molander, Review.
tools that local actors can adapt to meet their particular needs, and greater reliance on local ownership and local systems.

There are encouraging signs of impatience by practitioners with “more of the same” and of growing determination to “do development differently.” The newly created Doing Development Differently Manifesto arose out of a workshop in late 2014 at which the participants adopted and published a manifesto based on six principles that had been shown in a number of case studies to have helped achieve positive development results:

- Focus on solving local problems that are debated, defined, and refined by local people in an ongoing process.
- Legitimize reform at all levels (political, managerial, and social), building ownership and momentum throughout the process.
- Work through conveners who mobilize all those with a stake in progress (in both formal and informal coalitions and teams) to tackle common problems and introduce relevant change.
- Blend design and implementation through rapid cycles of planning, action, reflection, and revision (drawing on local knowledge, feedback, and energy) to foster learning from both success and failure.
- Manage risks by making “small bets”—pursuing activities with promise and dropping others.
- Foster real results—real solutions to real problems that have real impact and that build trust, empower people, and promote sustainability.

The signers of the manifesto pledged to apply these principles in their own efforts and called on international development organizations “to embrace these principles as the best way to address complex challenges and foster impact.” The manifesto has gained hundreds of individual and organizational adherents from more than 60 countries (the DDD Manifesto Community).

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79. See, for example, Datta, Shaxson, and Pellini, Capacity, complexity, and consulting; USAID, Local Systems.


The Overseas Development Institute (ODI) has analyzed the application of the DDD principles and reported on improved outcomes being achieved through development cooperation that is politically smart and locally led. Their studies are reinforced by other research, such as the examination of the politics of the economic, social, and governance dimensions of development by the Effective States and Inclusive Development Research Center and the analyses of specific development issues in eight conflict-affected countries by the Secure Livelihoods Research Consortium. Additional case studies demonstrating behavioral change compatible with the evolving view of development are available on the websites of many leading development research organizations and journals.

The World Bank selected the theme of “mind, society, and behavior” for its 2015 World Development Report. This report explored how better understanding of human behavior can improve the work of development professionals. After examining the many factors that can affect the outcome of development efforts, the World Bank found that “development practice requires an iterative process of discovery and learning, which implies spreading time, money, and expertise over several cycles of design, implementation, and evaluation.” The report observed that “development organizations may need to change their incentive structures, budget processes, and institutional culture to promote better diagnosis and experimentation so that evidence can feed back into midcourse adaptations and future intervention designs.

This growing body of work suggests that development cooperation is adapting to the evidence of what works—that changes in thinking about development are leading to changes in the day-to-day experience of development cooperation. These changes will encounter continued resistance and it will take some time before the DDD principles are fully accepted as the operational norm.

PERSISTENCE OF AN AID-CENTERED PERSPECTIVE

The trend toward adapting international cooperation to the complexity and variety of the development process is clearly positive. However, a disturbing aspect of this progress is the stubborn persistence of the tendency to view cooperation through the lens of aid relationships.

82. Wild et al., Adapting development; Booth and Unsworth, Politically Smart.
83. A number of the Center’s studies are collected in Hickey, Sen, and Bukenya, The Politics of Inclusive Development.
84. See the publications addressing livelihoods, basic services, and social protection issues in Afghanistan, Democratic Republic of the Congo, Nepal, Pakistan, Sierra Leone, South Sudan, Sri Lanka, and Uganda at the Secure Livelihoods Research Consortium website, http://www.securelivelihoods.org.
Much of the recent literature and many of the case studies and practices continue to assume that aid programs will remain the primary channel for development cooperation. They may be programs focused on locally identified problems, grounded in local context and stakeholder participation, politically sensitive, and designed and adapted to foster sustainable results. But they are still dominated by the donor-recipient relationship and all that implies.  

A striking example of the persistence of the aid-centered paradigm is the terminology adopted for implementation of the Busan Partnership. The Busan Declaration explicitly aspires to a change in focus “from aid effectiveness to the challenges of effective development.” Yet the structure established for governance of the oversight body, the GPEDC, identifies some members of the Steering Committee as “recipients of development cooperation” and others as “providers of development cooperation,” clearly meaning recipients and providers of aid.

The agreed framework for monitoring performance of Busan commitments uses the same terminology, and several of the 10 performance indicators addressing aid issues were originally adopted to monitor implementation of the 2005 Paris Declaration on Aid Effectiveness. The 2014 monitoring report takes note of the paradigm shift that Busan advocated, but still speaks largely in the vocabulary of aid effectiveness. For example, the report’s references to “development cooperation funding” are clearly references to development aid.

The excellent ODI study on how the DDD principles have been applied provides compelling examples of developing country policies and practices that are improving services to the poor. But the report’s discussion of the international contribution is primarily cast in terms of aid programs and their consistency with DDD. This too seems to indicate discord between advocacy for better development practices and continued reliance on the donor-recipient model.

Rio+20 uses similar terminology when it refers to “the role played by middle-income developing countries as providers and recipients of development cooperation.” This is a further indication that the habit of equating development cooperation with aid is deeply ingrained.

87. See the in-depth discussion of the role of aid in De Haan and Warmerdam, “The Politics of Aid Revisited: A Review of Evidence on State Capacity and Elite Commitment.”

88. Busan Conference, Busan Partnership for Effective Development Cooperation, 9 (paragraph 28).

89. See the description of the GPEDC Steering Committee at Global Partnership for Effective Development Cooperation, http://effectivecooperation.org/wordpress/about/steering-committee.


92. Wild et al., Adapting development.

93. UN General Assembly, The Future We Want, 49 (paragraph 260).
This continued emphasis on aid as the principal channel for development cooperation is disconcerting in two ways. First, a partnership built primarily on a donor-recipient relationship seems likely to be burdened by traditional, but often quite different, donor and recipient attitudes and expectations. Second, the role of aid is changing—and diminishing—as other sources of financing and ideas become more prominent in many countries.

The CSO Partnership for Development Effectiveness, which is an active member of the GPEDC Steering Committee, has provided a civil society perspective in a policy brief on enhancing the development effectiveness of the post-2015 development agenda. Its three-point agenda makes specific policy recommendations with respect to reform of global governance for development, financing the post-2015 development agenda, and multi-stakeholder partnerships.94 The breadth of the recommendations (e.g., reform of trade rules, subsidy reform, and addressing human rights in development financing) indicates the need to move beyond the aid paradigm in development cooperation and to give prominence to mechanisms that will foster holistic approaches and advance policy coherence.

The Center for Global Development’s Commitment to Development Index further illustrates the need for a broad perspective. The index tracks policies of 27 rich countries on six issues in addition to the quantity and quality of their aid as a way to measure their commitment to development. It examines their openness to trade; encouragement of investment and financial transparency; openness to migration; environmental policies; promotion of international security; and support for technology creation and transfer.95

As the influence of traditional development assistance adapts to the increasing diversity of actors, finance, implementation approaches, and knowledge, it will be increasingly necessary to take into account other factors and to integrate all kinds of international cooperation that can affect development results.96 Chapter 3 addresses the evolving environment for implementing the new agenda and the factors that need to be considered in the transition from aid-centered cooperation to a coherent agenda of international cooperation for sustainable development.

95. Krylová and Barder, Commitment to Development Index 2015.
96. Janus, Klingebiel, and Paulo, “Beyond Aid.”
The Implementing Environment for the 2030 Agenda

Multiple Actors and Approaches

At one time, the principal actors in an aid-centered system of development cooperation were the donor countries (primarily the members of the OECD Development Assistance Committee, or DAC), the recipients of development assistance (primarily countries included in the DAC's list of aid recipient countries), and the multilateral development agencies through which donor countries channeled some of their assistance to aid recipients (primarily the World Bank, regional development banks, and specialized agencies of the United Nations). Since the DAC was established in 1960, its membership has increased from 11 to 29, with a number of nonmember countries frequently participating in its work as well.

Meanwhile, since 1970 the DAC list of aid recipients has shrunk by a net total of 40 countries. A number of countries on the list have moved to higher income categories, although a comparison of older and newer DAC lists indicates that the least developed countries (LDCs) show the least mobility. Likewise, 41 countries have graduated from the World Bank's International Development Association (IDA) funding for poor countries.

An extraordinary change in the traditional donor-recipient model has occurred in recent decades, expanding the kinds of participants and affecting the roles of all. National governments, multilateral organizations, civil society, the private sector, legislatures, municipal governments, and private foundations are all involved in the increasingly complicated architecture of development cooperation.

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LOCAL OWNERSHIP

With respect to developing countries, it has become widely accepted that country ownership includes multiple stakeholders, not just the country’s central government authorities. This understanding of country ownership was codified in the Busan Partnership Declaration3 and in Rio+20.4 External actors have responded by engaging a broad range of local stakeholders and encouraging their inclusion in developing country efforts.5 However, as in the case of adapting to a partnership approach more generally, progress in implementing the principle of inclusive country ownership has been uneven.6

Some governments have impeded external support for local nongovernmental entities as one way to maintain controls on civil society.7 The evidence shows that constraints on association with external actors are often just one aspect of broader efforts by those in power to inhibit dissent, limit public policy advocacy, and weaken political opposition.8 This subject is the mandate of the United Nations Special Rapporteur on the rights to freedom of peaceful assembly and of association9 and the focus of reporting by the Civic Space Initiative (CSI), a consortium of international civil society advocacy and support organizations.10

Achieving agreement on broadly accepted norms about the roles of international and local actors beyond the limitations of government-to-government relationships seems likely to remain a challenge.11 However, despite continuing resistance, mechanisms for stakeholder consultation and participation have become a common feature of development initiatives, contributing to improved results and increased legitimacy.

3. Paragraphs 18–22 of the Busan Declaration emphasize developing country plans and systems and the importance of gender equality, parliaments, local governments, and civil society organizations. In addition, the Declaration’s paragraph 32 recognizes the central role of the private sector and the need to engage business associations and trade unions. Busan Conference, Busan Partnership for Effective Development Cooperation, 5–6. See the reinforcing endorsement of “inclusive partnerships” by the 2014 GPEDC high-level meeting. Global Partnership for Effective Development Cooperation, Mexico High Level Meeting Communiqué (approved at the First High-Level Meeting of the Global Partnership for Effective Development Cooperation, Mexico City, April 16, 2014).
4. UN General Assembly, The Future We Want, 8–10. Paragraphs 42–55 reinforce the importance of engaging major groups and other stakeholders.
5. See, for example, European Commission, The roots of democracy and sustainable development; USAID, Local Systems.
6. Regarding donor practice, see van de Walle, “The Donors and Country Ownership in Africa’s Weak States.”
7. Carothers and Brechenmacher, Closing Space.
8. See International Center for Not-for-Profit Law and World Movement for Democracy Secretariat at the National Endowment for Democracy (NED), “Defending Civil Society Report.” See also Center for Global Prosperity, The Index of Philanthropic Freedom, which assesses philanthropic freedom by analyzing the ease of forming, registering, operating, and dissolving CSOs; the range of tax incentives available to CSOs and domestic donors; and the ease of engaging in cross-border philanthropic transactions.
RISING POWERS

An important change in the architecture of development cooperation is the increased prominence of countries that once engaged primarily as aid recipients and now are playing a variety of major roles in development and thereby contributing to the rapid erosion of any clear north-south distinction.12

The United Nations has encouraged the substantial expansion of south-south and triangular cooperation in recent years.13 The Busan Partnership Declaration welcomed the inclusion of new actors, noting the shift from “the traditional relationship between aid providers and recipients” and called for south-south cooperation to be part of “the more inclusive development agenda in which these actors participate on the basis of common goals, shared principles and differential commitments.”14 At the time of the Busan conference the DAC adopted a global relations strategy that specifically designates as “priority partners” those middle-income countries that are eligible for development assistance and also participate in south-south cooperation.15

The “rising powers,” especially the BRICS,16 have attracted the most attention for their influence on development cooperation. The voluminous and varied literature addressing the rising powers phenomenon is impressive.17 Without delving into the many issues that have been the subject of analysis, it can be generally stated that the rising powers bring to development cooperation a distinctive perspective as recent, and in some cases still current, recipients of development assistance. Their own experiences in achieving development progress (including their experiences in dealing with donors) tend to be appreciated by the countries where they engage in south-south and triangular cooperation. For example, Mexico’s Oportunidades program of providing conditional cash transfers to poor families for educational, health, and nutritional support has been widely emulated.18

A subject of particular interest to the international community has been the differences in approach toward development by the rising powers, including their use of definitions, guidelines, and practices that depart from widely used traditional standards. These differences range from accounting systems to views about the use of local implementation systems.

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12. See Bracho, In Search of a Narrative for Southern Providers; Piefer, Experiences of Middle-Income Countries in International Development.


15. OECD Development Assistance Committee, DAC Global Relations Strategy.

16. Brazil, Russia, India, China, and South Africa. See the University of Toronto “BRICS Information Centre,” http://www.brics.utoronto.ca. See also Xiaoyun and Carey, The BRICS and the International Development System.

17. See generally the informative background and extensive annotated bibliography published by the Institute for Development Studies: Musab Younis et al., Rising Powers in International Development. Updated materials are available at the ELDIS website (an online information service managed by the Institute for Development Studies), for “Rising powers and South-South development cooperation,” ELDIS, http://www.eldis.org/go/topics/resource-guides/rising-powers-in-international-development/rising-powers-and-south-south-development-cooperation#VmTJ_v2FM5s.

18. Programa de Desarrollo Humano Oportunidades, Oportunidades, 15 years of results.
Their expressed desire to avoid interference in the internal affairs of other countries has sometimes raised questions about their tolerance of human rights violations and corruption and has been seen as potentially inconsistent with measures intended to encourage policy and institutional reform.

Much of the interest in this aspect of the role of the rising powers has centered on China.19 While China is sometimes criticized as self-serving and narrowly focused,20 its increasing involvement in development and its evolving approaches are important for the post-2015 development agenda. There is a continuing need to engage this major actor in efforts to enhance coherence and common goals in ways that are respectful of differences in emphasis.21

The section on global partnership in Chapter 2 mentioned the participation of recently created multilateral bodies such as the G20, the BRICS-sponsored New Development Bank, and the China-backed Asian Infrastructure Investment Bank. All these institutions reflect the influence of the rising powers. How they interact with other development actors will depend in substantial part on the self-perceived interests of all concerned. The World Bank has welcomed the New Development Bank and Asian Infrastructure Investment Bank as new partners.22 On the other hand, there have been indications of friction, such as the decisions by China and India not to participate in the GPEDC high-level meeting in Mexico and the resistance in the U.S. Congress to adjusting the allocation of IMF shares for the benefit of emerging and developing countries.23 These issues merit priority attention within the broad effort to engage the rising powers in constructive collaboration and to discourage counterproductive rivalries.

NONSTATE ACTORS

Another group of important actors is made up of an increasing number of private individuals, civil society organizations, and foundations that are active in development policy and operations. Private philanthropy has a long history in development cooperation. However, the growth in the number of participants, the volume of resources they manage, and their active engagement in shaping national and international development policy are unprecedented.

The landmark 2013 Investments to End Poverty report by Development Initiatives estimated that private development assistance from individuals, companies, and foundations in DAC countries totaled more than $45 billion in 2011. A 2015 update reports a similar

19. See, for example, the analysis by the JICA Research Institute of how China’s aid volume can be compared to the DAC’s definition of official development assistance: Kitano and Harada, Estimating China’s Foreign Aid 2001–2013.
20. See the discussion of this criticism in Alessi and Xu, China in Africa.
23. See Nelson and Weiss, IMF Reforms. See also Truman, What Next for the IMF?
amount for 2013. Although data are incomplete, donations from other countries amount to billions more.\textsuperscript{24} The Center for Global Prosperity of the Hudson Institute, while also expressing reservations about data reliability, estimates a total of $59 billion.\textsuperscript{25} (Comparisons are difficult because of differences in the Center for Global Prosperity and the Development Initiatives databases.) The Development Initiatives report notes that a relatively small number of organizations account for most of these private resources. In 2014, expenditures by the Bill and Melinda Gates Foundation for its Global Program (distinct from its U.S. program) were approximately $4 billion. This is equal to about 13 percent of total U.S. private assistance.\textsuperscript{26}

Beyond their financial contributions, private donors and policy advocates are exerting influence at major international development conferences and in other deliberations on development issues. Civil society groups and research organizations from around the world have had a profound influence on the shaping of the post-2015 development agenda and on current thinking about how international cooperation can be made more effective in promoting sustainable development.\textsuperscript{27} They were active participants in the formulation of the sustainable development goals and will continue to be engaged in their implementation.

**PRIVATE SECTOR**

More than all other nonstate actors, the private sector will drive the pursuit of inclusive and sustainable growth under the post-2015 development agenda. As previously discussed, the rationale of the SDGs is that the challenges of poverty, inclusion, and sustainability can best be met through inclusive economic growth and job creation, integrated with social investment and sustainable consumption and production patterns. That rationale implies a central role for the private sector. As acknowledged in Rio+20, “the implementation of sustainable development will depend on the active engagement of both the public and the private sectors.”\textsuperscript{28}

There is broad agreement that “the private sector is the main engine that powers economic growth.”\textsuperscript{29} Private investment has become one of the most important sources of international capital flows to developing countries, and domestic private capital formation


\textsuperscript{25. Center for Global Prosperity, *Index of Global Philanthropy and Remittances*.}

\textsuperscript{26. See the Bill and Melinda Gates Foundation Consolidated Statements of Financial Position, 2013 and 2014 (http://www.gatesfoundation.org/Who-We-Are/General-Information/Financials) and the related Foundation Fact Sheet (http://www.gatesfoundation.org/Who-We-Are/General-Information/Foundation-Factsheet).}

\textsuperscript{27. See, for example, the critical analysis at Global Policy Watch, “Civil Society Response to the Addis Ababa Action Agenda on Financing for Development” (July 16, 2015), https://www.globalpolicywatch.org/blog/2015/07/16/civil-society-response-agenda-financing-development.}

\textsuperscript{28. UN General Assembly, *The Future We Want*, 9 (paragraph 46).}

\textsuperscript{29. Piebalgs, “Working with the Private Sector for a Stronger Link between Growth and Poverty Alleviation.” See European Commission, *A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries*.}
also is of increasing importance in many countries. The growth in foreign direct investment and domestic capital formation in developing countries is compelling evidence that the private sector is prepared to contribute to economic development in propitious environments. To the extent that private investment creates jobs and helps to lift people out of poverty and into the formal economy, there can be a virtuous circle of growing markets, increased investment, and expanded well-being.

There has been extensive dialogue about the role of the private sector during the formulation of the post-2015 development agenda and numerous calls for business to be included as a partner in development. The UN Secretary-General’s High Level Panel of Eminent Persons on the Post-2015 Development Agenda consulted representatives of 250 companies from 30 countries. The United Nations Industrial Development Organization (UNIDO) and the United Nations Global Compact also conducted extensive national, regional, and global consultations with businesses, civil society, academia, and other relevant stakeholders on the design of the post-2015 development agenda, intended in part as a step toward “recognition of business as an essential driver of economic, social and environmental development.” A number of major private sector organizations have come together to form the Global Business Alliance for Post-2015. This alliance is intended to engage in ongoing dialogue encompassing a wide range of private sector views from all geographic regions.

Private sector development has long been a mainstay of international development cooperation. A number of development agencies have studied, reviewed, and revised their policies and programs in anticipation of the SDGs, both to support the strengthening of local private sectors and to engage with international business in development cooperation.

The European Union, in particular, described its policy as one “to strengthen the role of the private sector in implementing the future Sustainable Development Goals and in contributing to inclusive economic growth, to the creation of decent jobs, to the transition

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32. Kharas, “Reimagining the Role of the Private Sector in Development.”
33. UN Industrial Development Organization and UN Global Compact, *Engaging with the Private Sector in the Post-2015 Agenda*.
to a green economy, to food and nutrition security, to environment protection, to climate change mitigation and adaptation, to the social and economic empowerment of women and youth, with a particular focus on the poorest and most vulnerable.”

The broad agreement on the private sector’s essential role in achieving inclusive and sustainable growth is an important beginning. It provides the basis for continued exploration and experimentation by governments, civil society, development organizations, and the private sector in furtherance of mutually beneficial opportunities. Experience to date offers encouragement. The parties are building a record of collaborative partnerships and commitments that should be a source of learning.

At the same time, all need to be sensitive to differences in perspectives and interests with respect to issues such as tolerance for risk, expected return on investment, and accountability to shareholders or political leaders. One of the key messages to emerge from the consultations organized by UNIDO and the Global Compact was:

Partnerships come in a wide variety of shapes and sizes, and operate at all levels, from local to global. Transparency, trust and dialogue are extremely important to achieve a successful partnership. Partners must also show what they expect in return and make their own objectives clear within the partnership.

It will be necessary to shape the architecture for private sector engagement in this spirit—in a way that encourages transparency, trust, and dialogue and builds support for shared interests and common objectives while respecting differences. These values are precisely those that have been found to be conducive to successful governance of multi-party complex arrangements, as discussed previously in connection with the global partnership.

On the other hand, the numerous priorities suggested by the UN Global Compact, the World Business Council for Sustainable Development, and the Global Reporting Initiative for the post-2015 business engagement architecture appear rather excessive. Their proposal offers useful checklists of issues for companies, investors and providers, governments, civil society, and business schools to bear in mind. But it also expects companies, in advance, to “align business strategies, models and R&D priorities with global sustainability responsibilities and set targets to support the achievement of specific sustainable development goals.” And it expects governments, from the beginning, to have in place “an enabling environment for corporate sustainability, incentivizing the right kind of behavior through

37. European Council, Council conclusions, 1.
39. See the discussion of these differing perspectives and interests in public-private partnerships in Davies and Callan, The role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region, 20–23.
40. UN Industrial Development Organization and the UN Global Compact, Engaging with the Private Sector, 4.
different various policies and mechanisms.” 41 Instead, policies of both the private sector and government should be expected to evolve on the basis of experience and mutual efforts to find common ground.

Ultimately, the private sector, other nonstate actors, governments, and multilateral development organizations bring many different perspectives to their shared interest in sustainable development. None of these groups is monolithic. Rather, each actor will decide how to adapt its thinking and behavior in favor of their shared interest. It is clear that all of the varied perspectives cannot be fully accommodated within the narrow confines of a donor-recipient paradigm. A principal challenge for the global partnership will be to achieve an optimum convergence of efforts in furtherance of sustainable results.

Development Financing Trends and Innovations

The most remarkable feature of development financing is its diversified growth in recent years. As the number and variety of actors have multiplied and as more developing countries have become less dependent on aid, the volume and kinds of resources for development have increased. But even as resources have increased, the new agenda is making demands for more—and for better use of—financing from all potential sources. These continuing trends have fundamentally altered the way financing will be sought and used to support development.

FINANCING NEEDS AND SOURCES

With respect to needs, the International Committee of Experts on Sustainable Development Financing reported in 2014 on estimates of investments that will be required for sustainable development. For example, the Committee observed that the cost of a global safety net to eliminate extreme poverty had been estimated at about $66 billion annually. For infrastructure, the Committee cited estimates suggesting that “annual investment requirements in infrastructure—water, agriculture, telecoms, power, transport, buildings, industrial and forestry sectors—amount to $5 trillion to $7 trillion globally.” 42

The Committee emphasized that the estimates in its report were aimed at providing an order of magnitude of financing requirements, rather than precise figures. In this regard, it pointed out that “estimates are dependent on a host of assumptions, including the macroeconomic and policy environment . . . and international rules, norms and standards” and that the “cost of achieving sustainable development also depends on the effective use of resources.” 43


A separate report prepared by the UN Conference on Trade and Development (UNCTAD) in 2015 estimated that total investment needs in developing countries ranged “from $3.3 trillion to $4.5 trillion per year for basic infrastructure . . . , food security . . . , climate change mitigation and adaptation, health and education.” Based on current levels of investment, UNCTAD estimated the annual funding shortfall to be approximately $2.5 trillion.44 The Addis Ababa Action Agenda (discussed below) referred to the global infrastructure gap as including “the $1 trillion to $1.5 trillion annual gap in developing countries.”45

The Council on Foreign Relations has reported that a compilation of UN estimates of all investments needed to achieve the SDGs by 2030 totals between $90 trillion and $120 trillion.46

With respect to the volume and composition of available resources, the once dominant role of official development assistance has been largely overtaken at a global level by other kinds of international and domestic financing. DAC statistics show that while ODA has grown considerably since the Millennium it has progressively declined in relative terms as private and commercial flows and domestic resources have grown faster. Using 2002 and 2011 as reference points, the DAC estimates that official development assistance (ODA) has declined from 20.5 percent to 14.8 percent of international resource flows to developing countries.47 At the same time, domestic public spending has been increasing rapidly in many developing countries.48

These global trends should not be allowed to mask differences among individual country needs. While the number of poor countries has declined, many still lack access to highly selective private flows. For them, ODA continues to have an essential role. Also, ODA (and other official flows) can be a valuable catalyst for enabling more countries to attract private flows and to mobilize domestic resources that have become the principal source of financing for development.

The International Committee of Experts took note of increased international flows to developing countries (largely due to commercial loans, private investment, and remittances) as well as increased domestic resource mobilization. As in the case of estimating needs, the Committee called attention to the substantial variations among the estimates of available funding.49

44. UN Conference on Trade and Development, Trade and development and the global partnership beyond 2015, 6–7.
45. UN General Assembly, Addis Ababa Action Agenda, 6 (paragraph 14).
46. Renwick, “Sustainable Development Goals.”
49. These issues are discussed in the 2014 working papers of the United Nations Task Team Working Group on Sustainable Development Financing. See UN Task Team Working Group on Sustainable Development Financing: The variety of national, regional and international public sources for development finance; Challenges in raising private sector resources for financing sustainable development; and Public support to private investment for sustainable development.
The 2015 European Report on Development (ERD) also examined both the needs and the available financing sources. The report was quite explicit in asserting the fundamental importance of policy, calling for “a completely new approach towards finance for development.” Published shortly before the Third International Conference on Financing for Development in Addis Ababa, the European Report declared:

Our analysis suggests that it is not an overall shortage of funds that will be the constraining factor in achieving a transformative post-2015 development agenda. Rather, it is the way in which finance is mobilized and used that will determine success in achieving the goals enshrined in this agenda.50

The 2015 ERD provides a comparison between 2002 and 2011 for international flows and domestic mobilization of resources for developing countries, as illustrated in Table 3.

The drastically changed structure of financing for development was confirmed by the analysis by Development Initiatives in the 2015 update to its landmark 2013 report Investments to End Poverty: Real Money, Real Choices, Real Lives.51 The most recent estimates by Development Initiatives, set out in Table 4, illustrate how much private and commercial international flows have overtaken official flows and how much domestic resources have come to exceed all international flows.

There are a number of differences in the calculations by ERD and Development Initiatives. For example, ERD does not include military expenditures and measures domestic public revenues rather than expenditures. On the other hand, Development Initiatives includes a variety of international flows in addition to ODA and does not include domestic commercial expenditures for China. And the DAC statistics differ from both of these private estimates in some respects.

But these differences do not alter the basic reality. There is a large pool of financing for development. It is composed of many different kinds of resources with great differences in

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50. Overseas Development Institute, European Center for Development Policy Management, German Development Institute, University of Athens, and Southern Voice Network, European Report on Development, 2015.
51. These trends in development finance are also discussed in many other publications. See, for example, World Bank, Financing for Development Post-2015. Investments to End Poverty 2015 shows that the trends continue, even though many developing countries experienced a reduction in domestic resources after 2011.
availability and purpose. The principal challenge is to determine policies and actions that will facilitate the efficient allocation and effective use of all available financing in furtherance of sustainable development. As the ICESDF and the ERD have urged, we should consider how all types of development finance (public and private, domestic and international) can best contribute to sustainable development.

The growth in public and private domestic resources is especially noteworthy. Domestic revenues in developing countries are estimated to have grown at an annual rate of 14 percent from 2000 to 2012.52 Public revenues of developing countries are estimated to have increased by 272 percent from 2002 to 2011, as illustrated in Table 3.53 A cautionary note is the finding by Development Initiatives that public domestic spending declined from 2011 to 2013, with many countries reporting a decline in revenue following the global economic crisis.

The 2002 Monterrey Consensus called attention to the importance of mobilizing domestic financial resources for development.54 This was reinforced at Doha in 2008 with a specific commitment to “step up efforts to enhance tax revenues through modernized tax systems, more efficient tax collection, broadening the tax base and effectively combating tax evasion.”55

In response, international support for domestic resource mobilization has intensified. An informative 2011 report for the G20 provided an overview of existing knowledge-sharing arrangements, analyzed capacity constraints, and offered recommendations for

55. UN General Assembly, Doha Declaration on Financing for Development (resolution 63/239, adopted December 24, 2008, New York), 8–9 (paragraph 16). The Follow-Up Conference on Financing for Development was held at Doha, Qatar, November 29 to December 2, 2008.
action. This was followed by OECD-recommended principles for international engagement in supporting developing countries in tax matters. The United Nations has established a Committee of Experts on International Cooperation in Tax Matters. The IMF has created a Tax Administration Diagnostic Assessment Tool (TADAT) to help standardize assessments of tax system performance. In addition, the Global Partnership for Effective Development Cooperation featured the topic of domestic resource mobilization at its first high-level meeting in 2014.

Together, the ERD and Development Initiatives reports bring to the forefront a central question: If financing for development is made up of international transfers exceeding $2 trillion (largely from private investment, commercial loans, and remittances) together with domestic public spending of more than $5 trillion (some part of which is attributable to international transfers) and additional trillions in commercial domestic spending, why is so much attention focused on the approximately $160 billion in ODA?

The increased volume and diversity of development finance have called attention to the characteristics of different kinds of resource flows. For example:

- Concessional resource flows tend to be concentrated in poor countries that do not generate substantial public domestic resources and are unable to attract external private financing. Unsurprisingly, increases in national income substantially diminish reliance on aid and enable countries to be more self-reliant.

- Fragile states rely principally on remittances and ODA for development financing. And the non-ODA financing tends to be highly concentrated. The DAC estimates that more than 50 percent of remittance flows to fragile states in 2012 went to just three large countries: Bangladesh, Egypt, and Nigeria. Flows of foreign direct investment to fragile states were similarly concentrated.

- Beyond fragile states, private international flows are reaching a growing number of developing countries, but they are still highly concentrated. For example, in sub-Saharan Africa from 2001 until 2012, 10 countries received 85 percent of foreign direct investment inflows into the region, with South Africa and Nigeria accounting for about one-half of all receipts. Globally, 70 percent of foreign direct investment in developing countries went to just 10 countries, with about one-half going to China.

56. International Monetary Fund, OECD, UN, and World Bank, Supporting the Development of More Effective Tax Systems.
57. OECD, Principles for International Engagement in Supporting Developing Countries in Tax Matters.
60. Global Partnership for Effective Development Cooperation, Mexico High Level Meeting Communiqué, 13–14 (paragraphs 20–22).
64. Griffiths et al., Financing for development post-2015.
Domestic resources, both public and private, have become the predominant source of development finance, exceeding international transfers by a wide and growing margin. The international community has responded to this trend with substantially increased attention to domestic resource mobilization in developing countries, especially to help strengthen local capacities for tax policy and tax administration. But many countries facing the greatest development challenges mobilize few domestic resources, rely on inadequate tax systems, and have weak public institutions.65

Increased financial flows to developing countries and growing mobilization of domestic resources are significantly offset by illicit flows out of developing countries. Because illicit flows are due to activity that the actors seek to conceal (bribery, tax evasion, money laundering, etc.), it is inherently difficult to estimate. But the NGO Global Financial Integrity estimates that in 2012 illicit flows from all developing countries exceeded $990 billion, largely from erroneous trade invoicing. According to Global Financial Integrity, regional illicit flows were for Africa $68.6 billion, for Asia $473.9 billion, for developing Europe $166.5 billion, for the Middle East and North Africa $113 billion, and for the Western Hemisphere $168.4 billion.66 As noted in Table 4, Development Initiatives estimates illicit outflows from developing countries in 2013 at $753 billion.

All these well-known characteristics of development finance are subject to variations from country to country. The different patterns have been extensively analyzed and the analysis suggests some ways in which different kinds of resources can best contribute to sustainable development, separately and in combination.67 These general characteristics and trends need to be taken into account in making qualitative and quantitative judgments in specific contexts about what kinds and amounts of financing are needed, what sources are available, and how the efficiency and effectiveness of the use of development financing can be increased.

In this context, it is clearly necessary to recognize the role of development assistance, not as the principal source of development finance, but as a valuable tool for increasing domestic resources and commercial international flows and for helping the poorest countries with the least access to other resources to overcome the major obstacles they face in moving onto a path to ending poverty and achieving sustainable development.

66. Kar and Spanjers, Illicit Financial Flows from Developing Countries. The OECD has given the issue of illicit financial flows prominence in its strategy for development and has published a study outlining international responses and offering recommendations for more effective efforts. OECD, Illicit Financial Flows from Developing Countries.
67. Chapter 3 of the 2015 European Report on Development collects voluminous information about types of flows, their characteristics, trends, and innovations. Overseas Development Institute, European Center for Development Policy Management, German Development Institute, University of Athens, and Southern Voice Network, European Report on Development. See also the detailed estimates in Griffiths et al., The State of Finance for Developing Countries.
THE ADDIS ABABA ACTION AGENDA

The July 2015 Addis Ababa Conference on Financing for Development undertook “to establish a holistic and forward-looking framework and to commit to concrete actions to deliver on the promise of [the emerging new sustainable development] agenda.” Toward that end, the Conference adopted the Addis Ababa Action Agenda. 68

In the Agenda’s opening section on the global framework, participants undertook to identify actions and address gaps relevant to the post-2015 development agenda, including cross-cutting areas to build on the synergies of the proposed SDGs:

- delivering social protection and essential public services for all
- scaling up efforts to end hunger and malnutrition
- establishing a new forum to bridge the infrastructure gap
- promoting inclusive and sustainable industrialization
- generating full and productive employment and decent work for all and promoting micro, small, and medium-sized enterprises
- protecting our ecosystems for all
- promoting peaceful and inclusive societies

In a second section on action areas, the Agenda addressed concrete policy issues and actions relating to the following subjects:

- domestic public resources
- domestic and international private business and finance
- international development cooperation
- international trade as an engine for development
- debt and debt sustainability
- systemic issues such as global economic governance, coherence and consistency, and financial stability
- science, technology, innovation, and capacity building

The final section of the Action Agenda dealt with data, monitoring, and follow-up. This section emphasized collaborative systems to collect and provide access to “timely, comprehensive and forward-looking information on development activities” as well as “transparent measurement of progress on sustainable development” and monitoring of “national progress in implementing the agreements in this Accord in an open, inclusive and

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68. UN General Assembly, Addis Ababa Action Agenda.
transparent manner and with multi-stakeholder participation, and to strengthen mutual accountability for development results. 69

The Agenda called for monitoring and follow-up mechanisms with United Nations leadership. At a global level, a principal recommendation was that the UN Secretary-General should convene an interagency task force of major institutional stakeholders to report annually on progress and to advise on implementation, with the possibility of a follow-up conference by 2019.

It should be noted that follow-on activities relating to financing will surely be integrated into the implementation mechanisms for the overall post-2015 development agenda. All the targets under SDG 17 (on strengthening the means of implementation and revitalizing the global partnership for sustainable development) address issues in the Addis Ababa Action Agenda (finance, technology, capacity building, trade, policy and institutional coherence, multi-stakeholder partnerships, data, monitoring, and accountability). The September 2015 Sustainable Development Summit decided that the Addis Ababa Action Agenda “is an integral part of the 2030 Agenda for Sustainable Development.” 70

Understandably, initial impressions about what was achieved at Addis Ababa differed considerably. A briefing note by the UN Department for Economic and Social Affairs summarized the positive outcomes. 71 A coordinating group of civil society organizations published a statement expressing disappointment. 72

It is clear that the Addis Ababa Conference on Financing for Development achieved six important objectives:

- It heightened awareness of the enormous magnitude of the global costs that will have to be incurred to realize the bold aspirations of the SDGs.
- It identified the diverse challenges faced by different countries and population groups and the need for a variety of financing sources and mechanisms, including the important role of international public finance “especially in the poorest and most vulnerable countries with limited domestic resources.”
- It prompted commitments by participants to contribute financial and other support for sustainable development. 73

69. UN General Assembly, Addis Ababa Action Agenda, 32–33 (paragraphs 117–120). The Action Agenda’s provisions on data are discussed further in this chapter in the subsequent section on Knowledge Accumulation, Sharing, and Coordination.
70. UN General Assembly, Transforming Our World, 28 (paragraph 62).
71. UN Department of Economic and Social Affairs, Financing Sustainable Development and Developing Sustainable Finance.
73. See, for example, multilateral development banks and the IMF, which committed “to extend more than $400 billion in financing over the next three years . . . to help mobilize the resources needed to meet the
• It reinforced the importance of policies, capabilities, and coordination that will attract and make the best use of all available resources.

• It gave new impetus to the priority of increasing domestic resources to meet the costs of achieving the SDGs and opened the way to a new, higher level of international cooperation to strengthen tax systems and related capabilities.74

• It achieved agreement on new mechanisms to facilitate implementation of the post-2015 development agenda.75

At the same time, the Addis Ababa Action Agenda may have created differing expectations about what types and amounts of financing will be available for what purposes in what circumstances and in what places. For example, expectations by governments of increased tax revenues to finance spending in social sectors may conflict with private-sector expectations of increased public investment in economic infrastructure or civil society expectations of improved controls to strengthen public financial management or constrain illicit transfers as a way to moderate needs for higher taxes.

In particular, there is unprecedented enthusiasm for financing development through significantly increased tax collection and enforcement. Certainly, the ability of developing countries to rely increasingly on their domestic resources will be essential to meet the high costs associated with achieving the SDGs. And increased domestic resource mobilization will help to transform the aid-centered notion of development finance into a more holistic and sustainable structure. Some encouraging experiences and case studies give reason to believe that international cooperation can contribute importantly to this positive trend.76 However, the complexities of institutional reform have been well documented77 and the poorest countries have little to tax. Questions have been raised about the volume and historic challenge of achieving the Sustainable Development Goals (SDGs).” “International Financial Institutions Announce $400 Billion to Achieve Sustainable Development Goals,” International Monetary Fund, press release, July 10, 2015, http://www.imf.org/external/np/sec/pr/2015/pr15329.htm. The OECD and UNDP launched a Tax Collectors without Borders Initiative to provide tax audit assistance to developing countries. “Tax Inspectors without Borders,” OECD, http://www.oecd.org/tax/taxinspectors.htm. The ITC launched the Addis Tax Initiative to support domestic resource mobilization. “Financing for Development Conference: The Addis Tax Initiative–Declaration,” International Tax Compact, http://www.taxcompact.net/documents/Addis-Tax-Initiative_Declaration.pdf. The U.S. government’s commitments and priorities were summarized in a White House fact sheet. “FACT SHEET: Financing for Development: U.S. Government Development Priorities,” White House Office of the Press Secretary, July 15, 2015, https://www.whitehouse.gov/the-press-office/2015/07/15/fact-sheet-financing-development-us-government-development-priorities.

74. The emphasis on domestic resource mobilization at Addis has been reinforced by the first target under SDG 17, which is to “strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection.” UN General Assembly, Transforming Our World, 26.

75. UN General Assembly, Addis Ababa Action Agenda, 6–37. The new mechanisms include those specified in paragraphs 14 (global infrastructure forum); 16 (global strategy for youth employment); 123 (technology facilitation mechanism); 132 (annual ECOSOC forum on financing for development follow-up); and 133 (recommendation for an interagency task force to report annually on progress, implementation gaps, and recommend corrective action).

76. See International Tax Compact and OECD, Examples of Successful DRM Reforms and the Role of International Co-operation; Savoy and Perkins, Taxes and Development.

77. See Andrews, The Limits of Institutional Reform in Development; Baser and Morgan, Capacity, Change and Performance Study Report.
availability of additional resources that might be captured. While proceeding vigorously with support for a larger role for domestic resource mobilization in development finance, it is important to keep in mind that the pace and scale of progress will be highly context dependent.

The Action Agenda expressed a sound vision of the global framework for sustainable development, which emphasized the importance of “cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks.” The vision recognized that success will depend on “multi-stakeholder partnerships and the resources, knowledge and ingenuity of the private sector, civil society, the scientific community, academia, philanthropy and foundations, parliaments, local authorities, volunteers and other stakeholders,” and that “national development efforts need to be supported by an enabling international economic environment.”

Knowledge Accumulation, Sharing, and Coordination

In its 2013 report, the High Level Panel on the Post-2015 Development Agenda called for a “data revolution.” This proposal has received an enthusiastic response. There has been a flood of studies, declarations, and recommendations ever since on the needs, content, costs, and capabilities for collecting, recording, and using data to improve the quality of development decisions and to increase the accountability of development actors. A review of the literature leaves little room for doubt that the High Level Panel was correct in its judgment that the lack of good data and inadequate capability and motivation to make good use of it will be significant impediments to achieving the SDGs.

The United Nations Secretary-General's Independent Expert Advisory Group on a Data Revolution for Sustainable Development (IEAG) echoed the High Level Panel's call for action and provided a set of serious recommendations in four areas:

1. Develop a global consensus on principles and standards by involving public, private, and civil society stakeholders in a “Global Consensus on Data” process on legal, technical, privacy, geospatial, and statistical standards.

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79. UN General Assembly, Addis Ababa Action Agenda, 4 (paragraphs 9 and 10). The 2030 Agenda for Sustainable Development reiterated the emphasis on national strategies, integrated financing frameworks, and an enabling international economic environment. UN General Assembly, Transforming Our World, 28 (paragraph 63).
81. The issue of local statistical capacity has long been recognized. See, for example, Mary Strode and others, Evaluation of the Implementation of the Paris Declaration; OECD, Strengthening National Statistical Systems to Monitor Global Goals.
2. Share **technology and innovation** through a global “Network of Data Innovation Networks” of stakeholders and experts.

3. Provide new resources for **capacity development**, with endorsement from the Addis Ababa Financing for Development Conference.

4. Provide United Nations **leadership** for coordination and mobilization of efforts through a “Global Partnership for Sustainable Development Data” to promote initiatives such as a world forum on sustainable development data and a global users’ forum for data for the SDGs.82

**THE NEED FOR BETTER DATA**

The Overseas Development Institute (ODI) has been one of the most prolific creators of reports on this subject. The stark conclusion of one of its most recent studies from 2015 confirms the urgent need identified by the High Level Panel and the IEAG: “Substantial data gaps across a range of sectors are hindering governments and citizens in solving problems of poverty, inequality and environmental sustainability.”83 These are the very subjects that the previous discussion of goals and targets suggests are the essential core of the SDGs.

The quoted ODI report highlights the challenge of identifying the poor and where they live. This has been the subject of a number of studies. But the studies are not consistent. The OECD finds that “poverty is concentrated in fragile situations: not only are these states home to 43 percent of the world’s people living on less than USD 1.25/day but also to 35.8 percent of those living on less than USD 2/day.”84 The Oxford Poverty and Human Development Institute finds that around four-fifth of the $1.25 a day poor and about three-quarters of the $2 a day poor live in middle-income countries (with somewhat lower percentages for multidimensionally poor).85

The ODI report casts doubt on past estimates by suggesting that there may be as many as 350 million invisible people who are not included in the available poverty statistics and that “we do not know how many people in the world are poor.” The report provides numerous examples of gaps in data relating to poverty and other MDGs as well as innovative ways that are being found to fill those gaps.

ODI’s convincing demonstration of the shortcomings in data timeliness and quality was complemented by a separate report from a broad coalition of experts, acting under the leadership of the Sustainable Development Solutions Network. The SDSN-led coalition

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included experts from SDSN, ODI, WHO, Paris21, UNIDO, Open Data Watch, Center for International Earth Science Information Network, Simon Fraser University, the World Bank, UNESCO, Center for Global Development, the ONE Campaign, UNICEF, and USAID. Together, they undertook the ambitious task of catalyzing and informing the international dialogue on the implementation of the SDGs “by demonstrating the scale of need, including total and additional resources required, as well as the key areas for investment.” Their report also identified “ways in which data production, analysis, and communication can be modernized, taking into account emergent technologies and their cost-saving potential.” The report concentrated on the 77 IDA-eligible developing countries. It was published just before the July 2015 Financing for Development Conference was convened.86

A second SDSN report, also published on the eve of the Addis Ababa Conference, was even more ambitious. It involved a longer period of preparation and the participation of many experts and organizations as well as extensive consultations. This one proposed a sophisticated framework for monitoring progress toward the SDGs at the national, regional, and global levels, with focused attention on particular themes. Its suggested indicator framework is intended “to help countries develop implementation strategies and allocate resources accordingly, as well as . . . to measure progress towards sustainable development and help ensure the accountability of all stakeholders for achieving the SDGs.”87 This proposal has become a part of the record available to the Interagency and Expert Group on the Sustainable Development Goal Indicators that the UN Statistical Commission established to develop a proposal for the Commission’s 2016 session.88

The Addis Ababa Action Agenda firmly asserted: “High-quality disaggregated data is an essential input for smart and transparent decision-making, including in support of the post-2015 agenda and its means of implementation.” The Agenda emphasized the central role of national statistical systems and (as recommended by the IEAG) committed to enhance capacity-building support to strengthen those systems in developing countries. It also welcomed proposals on improved statistical indicators for implementation. An important point was that the potential of data to contribute to achieving the SDGs required the ability to turn data into useful, actionable information, efforts to make data standards interoperable, and a significant increase in data literacy, accessibility, and use.89

From the outset of its deliberations, the Expert Group on SDG indicators has shown a commendable disposition to balance potentially competing interests. It is seeking to ensure that the indicators will provide useful data while also being able to rely on national statistical systems. Documents available on the Expert Group’s website show a readiness to

86. Espey, Data for Development.
distinguish between indicators for which established methodology and widely available data exist and those requiring additional capacity and investment. The Group evidently is using indicator selection criteria with a view to relevance, sound methodology, measurability, and ease of communication, choosing a limited number of indicators that are outcome focused. These criteria are consistent with international good practice and reflect the experience with MDG indicators.  

The broad representation on the Expert Group of countries from different regions and levels of development will help to ensure a consensus-building approach in the formulation of the recommendations. Those who will be expected to collect, use, and report performance data will have a voice in the indicators' legitimacy, reliability, relevance to national priorities, and usefulness in supporting local efforts to pursue sustainable development goals. This inclusion of local stakeholders in shaping the indicators will enhance local ownership and commitment and therefore will contribute to achievement of the global goals.

STRENGTHENING NATIONAL STATISTICAL CAPACITY

It will be important for the international community to support national efforts to strengthen the capabilities of local institutions to compile, use, and share timely and reliable data, including on key SDG indicators. An important step forward was the set of commitments made by governments, businesses, civil society organizations, and international organizations on the margins of the Financing for Development Conference in Addis Ababa.  

These commitments complement several existing structures in place to support local capacity for data collection, use, and reporting. For example, the United Nations Statistical Commission and the Statistics Division of the Department of Economic and Social Affairs are central to the formulation of the fundamental principles of official statistics and the monitoring of their implementation. The UN Statistics Division maintains a repository of profiles of national statistical systems and conducts workshops and other activities to promote those systems. In addition, the World Bank operates several programs to help strengthen the capacity of national statistical offices and has a dedicated trust fund for this purpose.

The Partnership for Statistics in the 21st Century (Paris21) has been working with countries around the world since the adoption of the MDGs to support national strategies

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90. See, for example, the International Institute for Sustainable Development, “General criteria for the selection of performance indicators in the context of sustainable development”; USAID, Selecting Performance Indicators. See also questions posed by Gisselquist, “Evaluating Governance Indexes: Key Criteria.”


for the development of statistics and to strengthen the voice of national statistical offices in their engagement with international statistical authorities. Paris21 joined with the World Bank to propose the Busan Action Plan for Statistics in 2011 and has published a thoughtful Road Map for a Country-led Data Revolution to help national statistical offices prepare to be major actors in the implementation of the post-2015 development agenda. Its September 2015 Partner Report on Support to Statistics provides an up-to-date snapshot of current efforts, needs, and trends in support for statistical capacity.

The capacity of national statistical offices presents an emblematic issue of how the new sustainable development agenda will be put into practice:

- **The need is substantial.** As the Paris21 Road Map states, “National Statistical Offices will be at the core of the data revolution in developing countries. However, it is clear that many are not ready to assume that role.” This echoes the finding in the IEAG report that “strengthening national capacities in all areas from data production to use will be the essential test of any data revolution, in particular in developing countries where the basic infrastructure is often lacking.”

- **Effective institutions are essential for local ownership and responsibility.** The principle of local ownership and responsibility is central to the SDGs, the Addis Ababa Action Plan, the Busan Partnership Declaration, and the IEAG report, all of which call for international support for locally led efforts to strengthening local institutions. Again quoting the Paris21 Road Map, “It is essential to use existing resources and institutions.”

- **Impediments to institutional reform and strengthening are complex and difficult to overcome.** As reviewed in Chapter 2’s discussion of the transition beyond aid to effective development cooperation, development is a complex, iterative process grounded in local realities; it proceeds in a nonlinear fashion and has multiple decision points. Local leadership and astute international support are important elements of success. The issues are political as well as technical and economic.

**FINANCIAL DATA**

The Addis Ababa Action Agenda called on relevant institutions to strengthen and standardize data on domestic and international resource mobilization and spending. It also made reference to existing transparency initiatives and open data standards, including the International Aid Transparency Initiative (IATI), and requested efforts “to facilitate enhanced tracking of data on all cross-border financing and other economically relevant financial flows. . .” These provisions also warrant immediate attention. Better knowledge about development finance—and sharing of that knowledge—is needed for coherent deliberations and informed policy choices.

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96. Sandefur and Glassman, *The Political Economy of Bad Data*.
At present, there are major uncertainties in the available data on domestic public and private resources in many countries. There are also inconsistencies among the published data bases for international flows. For example, the DAC statistics show ODA-like aid from non-DAC donors in 2013 totaled around $13 billion, with most of the total coming from Saudi Arabia and the United Arab Emirates. In contrast, AidData reported that 38 non-DAC donors are providing assistance in a total amount of somewhere between $11 billion and $41 billion.

Strengthening and standardization of data on financing for development will be a major challenge for the global partnership. The OECD is modernizing its statistical measurement framework “to promote incentives for mobilizing and catalyzing development finance and to reflect the broader range of funding options now available to developing countries.” However, it is not clear how many participants in the growing community of development actors will use the improved system. For example, China seems unlikely to bring its system into conformity with DAC reporting standards any time soon, even though China is a major provider of development assistance. Nor is it certain that the OECD expanded database will be generally accepted as authoritative with respect to all kinds of domestic and international sources of development finance.

For the present, we remain dependent on the ingenuity of organizations like the JICA Research Institute, the International Center for Tax and Development, and AidData for helpful analysis and interpretation of often opaque and incomplete information about international resource flows and domestic resources. Another tool may become available through the “Joined-up Data Alliance,” formed by Development Initiatives and others for the express purpose of bringing together standard information from multiple

98. See the reservations expressed in, for example, CONCORD-Aid Watch, Global Financial Flows, Aid and Development; Pritchard, Cobham, and Goodall, The ICTD Government Revenue Dataset. See also Cihak et al., Benchmarking financial systems around the world.
99. With respect to aid, see OECD Development Assistance Committee, “Non-DAC Countries and the Debate on Measuring Post-2015 Development Finance.” An earlier section of this chapter discusses the differences between the Hudson Institute’s Center for Global Prosperity and Development Initiatives in estimating flows of private philanthropy.
102. See the OECD “Financing for sustainable development,” http://www.oecd.org/dac/financing-developement.htm. This website includes a description of “total official support for sustainable development (TOSSD).”
104. Another impressive JICA research paper is Hisahiro Kondoh’s Convergence of Aid Models in Emerging Donors? This paper analyzes trends toward and away from convergence with the DAC model by emerging donors.
sources in a way that will facilitate comparisons and interoperability. Several organizations are participating. ¹⁰⁸

Much of the effort to resolve differences among the various data sources has been directed at aid statistics, such as the International Aid Transparency Initiative (IATI) and the present version of the d-portal of Development Initiatives. Some databases include additional kinds of financing but, as noted previously, there is substantial variation among them. Some donors have created “dashboards” to show the volume and allocation of their aid resources. ¹⁰⁹ But given the increasing importance of domestic resources and private international flows, what is most needed is not just consistency and transparency in estimating aid flows, but shared knowledge about all resources available for financing development.

Current proposals and experiments offer helpful insights in the search for satisfactory tracking and reporting systems. A 2015 proposal by Jiajun Xu and Richard Carey offers a “public entrepreneurship” model for monitoring official develop finance. Their approach relies on established principles for collaborative governance of complex polycentric systems that should be considered for broader application. ¹¹⁰ In a related innovative proposal, they have outlined a possible “transformational potential and impact” global reporting system for SDG implementation. This system would seek to incentivize a focus on transformation in the design, performance, and evaluation of sustainable development policies, programs, and projects across the whole multi-stakeholder system. ¹¹¹

OTHER DATA NEEDS

While the focus here is on the availability of accurate and timely data for sustainable development, it should be noted that there are commendable efforts to expand the transparency of government that are relevant to, but go beyond, the issues of development. For example, the Worldwide Governance Indicators have been tracking voice and accountability for many years. The Extractive Industries Transparency Initiative is promoting accountable management of natural resources by requiring disclosure of payments made to governments. ¹¹²

More recently, the 65 members of the Open Government Partnership have set an excellent example of cooperation between government and civil society to make governments more open, accountable, and responsive to citizens. Also relevant are initiatives to measure

¹¹¹. Xu and Carey, Towards a Global Reporting System for Development Cooperation on the SDGs.
well-being that look beyond traditional economic criteria. And in 2015, the World Justice Project has begun to publish an Open Government Index that reports on multiple dimensions of government openness (publicized laws and government data, right to information, civic participation, and complaint mechanisms), initially in 102 countries.

The importance of data for successful implementation of the 2030 Agenda for Sustainable Development is unquestioned. The many and substantial differences among the actors in their estimates, the acknowledged gaps in knowledge about the facts underlying many development issues, and the complexity and difficulty of reform and institution strengthening are disturbing. These factors combine to suggest an urgent need for a coherent plan. The IEAG made recommendations on leadership for coordination and mobilization, including a Global Partnership for Sustainable Development Data, initiatives for a world forum on sustainable development data, and a global users’ forum for data for SDGs. Responses to these recommendations should be given high priority.

One additional aspect of knowledge sharing merits early and continued attention. That is the need for public awareness of the sustainable development goals and the post-2015 development agenda and public support for giving them lasting prominence in the broad international scene. This need is underlined by the fact that the efforts to publicize the MDGs had very little impact. A Eurobarometer poll in 2013 found that only 6 percent of Europeans polled, and only 4 percent in the United Kingdom, had heard of the MDGs and knew what they were. A 2011 review of MDG press coverage in the United States concluded that “the U.S. public is unaware of how much of an impact these goals will achieve in their completion” and “a more thorough approach to communications is needed to increase awareness and support.”

The “Global Goals” campaign was launched at the United Nations in September 2015 with broad support from celebrities, the private sector, and civil society. It is a commendable initial effort to increase public awareness and support. Global Goals has several components. They include “Project Everyone,” to provide a brief explanation of the SDGs to the world’s citizens; “World’s Largest Lesson,” to provide teaching materials to classrooms around the world; and a resource center to provide toolkits of materials for use by organizations, mobile phone operators, radio broadcasters, educators, and faith leaders.

This is a good beginning. However, it needs to be integrated into a comprehensive and continuing effort to promote broad international understanding and support and to

113. See, for example, OECD, How’s Life 2015; Beal, Rueda-Sabater, and Heng, Why Well-Being Should Drive Growth Strategies.
persuade political, civic, economic, and religious leaders at all levels of our societies to be advocates for the SDGs. The effort needs to involve multilateral organizations inside and outside the UN system. This is the initial test for the global partnership and represents an important opportunity to gain momentum and a sense of common purpose.

Conflict and Fragility

Achieving the SDGs will be possible only with dramatic change in fragile and conflict-affected states. By any measure, these countries have been left behind. The World Bank estimates that the number of people in the world living on less than $1.25 per day is almost 1 billion, representing about 15 percent of the global population.119 The OECD estimates that, of this total, about 43 percent of the extreme poor—more than 400 million people—live in the 50 countries identified as fragile or conflict-affected.120 Those 50 countries represent about 20 percent of the world’s population, or about 1.4 billion people today and projected to grow to 1.9 billion in 2030 and 2.6 billion in 2050.

The weak performance of fragile and conflict-affected states extends beyond the issue of extreme poverty. These countries tend to demonstrate the least progress under all the MDGs. A 2015 study of 55 countries on the World Bank and Fund for Peace lists showed that 37 countries had achieved two or fewer of the 15 relevant MDG targets, although a lack of reliable data for some countries precluded informed judgment.121

A threshold problem in considering the challenges faced by the fragile and conflict-affected states is that there is no agreed standard:

- The OECD list of 50 “states and economies” is based on an assessment of five factors: violence, justice, institutions, economic foundations, and resilience, and it relies on various sources of indicators.122

- The World Bank has a list of 35 “situations” and considers similar factors based on Country Policy and Institutional Assessment (CPIA) scores, eligibility for International Development Association (IDA) financing, and (for non-IDA eligible countries) the presence of a peacekeeping mission.123

- The Fund for Peace Fragile States Index relies on 12 sets of indicators covering social, economic, political, and military factors. Of the 178 countries assessed in 2015, 38 have scores at or above 90, which can be considered a threshold for fragility.124

120. OECD, States of Fragility 2015.
122. The indicators are described in OECD, States of Fragility 2015, 42.
The g7+ group of fragile countries has developed a tool to facilitate self-assessments of fragility, with goals of legitimate politics, security, justice, economic foundations, and revenues and services. (These are the goals agreed to in the New Deal Peacebuilding and Statebuilding Goals, which were highlighted in the Busan Declaration.) The tool includes specified dimensions and indicators for each goal. Additional lists are discussed in the OECD and Norris reports. John Norris and others suggest using a nonpejorative designation such as “priority strategy countries.”

The OECD, which this year changed the name of its annual report from “Fragile States” to “States of Fragility,” has recommended the adoption of an agreed tool “for monitoring universal fragility risks and vulnerability risks and financial flows in the post-2015 era.” The g7+ tool to measure a “spectrum of fragility” is consistent with this approach. Together, the OECD and g7+ have put forward three good ideas:

1. There should be an agreed set of criteria (goals, dimensions, and indicators) and an agreed mechanism for assessing how countries are performing with respect to those criteria. It should be possible to get beyond the present collection of multiple lists with diverse criteria, varying length, and differing countries in order to foster more coordinated and coherent national efforts and international support.

2. There should be an agreed spectrum of performance, supported by reliable data, to help identify countries where special efforts are warranted to address the challenges of fragility or conflict, while recognizing that countries are likely to be at various points on that spectrum and that the special efforts need to be responsive to context-specific local priorities.

3. The process for determining appropriate goals, strategies, and actions for addressing fragility and conflict challenges should be locally led to the extent possible, with broad participation from government, private sector, and civil society. These are complex political, economic, and social issues that have proved to be intractable in many countries. Local ownership and initiative will be essential.

The persistence of fragility is a major issue. Fifteen of the 26 countries on the World Bank’s original 2005 list and 23 of the 50 on the OECD’s original 2007 list have remained on the annual lists compiled by those organizations. The countries continuously included on both lists indicate the depth of vulnerability and the intensity of the challenges. They include Afghanistan, Burundi, Central African Republic, Comoros, Democratic Republic of Congo, Guinea-Bissau, Haiti, Liberia, Myanmar, Solomon Islands, Somalia, Timor-Leste, Togo, and Zimbabwe. Obviously, these countries face long-term problems that, in most

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125. g7+ and International Dialogue on Peacebuilding and Statebuilding, A New Deal for Engagement in Fragile States.


127. Most of these countries are included in the table comparing poverty, environmental fragility, and governmental fragility indicators in Chandy, Kato, and Kharas, The Last Mile in Ending Extreme Poverty, 332. They are all members of the g7+.
cases, have defied solution and will not be solved quickly. This suggests that national efforts and international support need to be intensified and sustained over a sufficient period to make a difference.

A background paper prepared by Lant Pritchett and Frauke de Weijer for the 2011 World Development Report on conflict, security, and development provided a sobering analysis of the time required by various countries to attain a threshold level of “good enough” capability in the political, economic, social, and administrative functions of statehood. By the authors’ reckoning, the fastest performers have required more than a decade to reach a threshold that many fragile states at present trajectory might never reach.128

Their findings were summarized in the 2011 World Development Report in a chart showing the historic range of timing that the fastest reformers in the twentieth century took to achieve basic governance transformation. The chart is reproduced in Table 5.

The literature on fragile and conflict-affected states is voluminous. Some basic generic guidance is provided by the OECD Principles for Good International Engagement in Fragile States and Situations, the World Bank’s 2011 World Development Report, and the g7+ New Deal. Additional insights can be gained from the monitoring of the New Deal. It is noteworthy that these sources all concur that fragility is a complex issue with political, military, economic, and social dimensions.

This view of fragility was confirmed through research by Pauline Baker in 2014. Using a large country sample, data from the Fragile States Index, and the g7+ Peacebuilding and Statebuilding Goals, she found that a lack of state legitimacy was of central importance as the leading indicator of fragility. She described the lack of state legitimacy as “a product of widespread corruption, the unconstitutional or forceful removal of a regime, the imposition of a government that lacks genuine support of its citizens, and/or a lack of representativeness in government, all of which undermine the social contract.”129

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128. Pritchett and de Weijer, Fragile States.
129. Baker, Exploring the Correlates.
Baker’s findings also identified a confluence of three factors—loss of state legitimacy, growing group grievance, and poor macroeconomic performance—to be correlated with a high risk of conflict, thus constituting an apparent indicator of impending instability. Her research identified six factors as being important in a path toward recovery: improved state legitimacy, better public services, decreased demographic pressures, reduced inequality, good macroeconomic growth, and respect for human rights.\textsuperscript{130}

These sources of general guidance and lessons from historical research can be of considerable value. However, success will ultimately depend on how well the actors in the fragile and conflict-affected states and in the international community can work together. Through effective partnerships, local leaders should be encouraged and supported and context-appropriate strategies and action plans should be implemented, increasingly through local systems. As previously mentioned, the historical record of the time required for institutional transformation and the inherent complexities of institutional reform underline the difficulties.\textsuperscript{131}

Urgent attention to fragile and conflict-affected states needs to be an immediate priority of the Global Partnership for Sustainable Development. Overcoming fragility should be a principal focus of efforts under SDG 16 to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.” It is also clear that the complex issues of peacebuilding and statebuilding go far beyond the traditional scope of development cooperation. Engagement of political and military actors and broad inclusion of the private sector and civil society in developing countries and in the international community will be important.

Other Influential Factors

The range of factors that will influence the implementation of the post-2015 development agenda is enormous. Publications such as Jeffrey Sachs’s *The Age of Sustainable Development*\textsuperscript{132} and the compendium of 29 in-depth issues briefs, prepared by the United Nations Technical Support Team (TST) in support of the Open Working Group’s SDGs,\textsuperscript{133} provide a sense of the broad scope of the issues. Development considerations may play only a limited role in determining how some of these issues will evolve. Nevertheless, development is a multifaceted process in which many influences are acting simultaneously with overlapping effects. Awareness of these influences will be a necessary aspect of implementing the post-2015 development agenda.

\begin{itemize}
\item[\textsuperscript{130}] Baker, *Exploring the Correlates*. See also Baker, *Fragility and Resilience in Revolutionary Egypt*. This case study of Egypt confirmed Baker’s broad findings in her earlier study.
\item[\textsuperscript{131}] See Pritchett and de Weijer, *Fragile States*; Andrews, *The Limits of Institutional Reform in Development*; Baser and Morgan, *Capacity, Change and Performance Study Report*.
\item[\textsuperscript{132}] Sachs, *The Age of Sustainable Development*.
\item[\textsuperscript{133}] United Nations Department of Economic and Social Affairs, *TST Issues Briefs*.
\end{itemize}
CLIMATE CHANGE

SDG 13 calls for urgent action to combat climate change and its impact. This goal is unique in that it is accompanied by a footnote “acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.” This dimension of the sustainable development agenda has a distinct history, including environmental conferences over the past half-century. A global consensus has evolved that climate is of paramount importance for continuing economic and social progress and also that there is divided responsibility for addressing climate issues.

This global consensus has been important for shaping the content of the SDGs as well as the negotiations leading up to the 21st Conference of the Parties to the UN Framework Convention on Climate Change, held in Paris November 30 to December 11, 2015. Expectations are high that implementation of the new agreement on climate that emerged from the Paris conference will be complementary to the implementation of the SDGs.

However, while they share the goals of human progress and protection of the planet, proponents of sustainable development and proponents of mitigating and adapting to global climate change have somewhat different priorities. The tension between their points of view is evident in the context of financing priorities.

The United Nations Task Team Working Group on Sustainable Development Financing reported on estimates of annual investments needed for mitigation and adaptation globally and in developing countries. Some of these estimates are summarized in Table 6. The Working Group also reported that the UN Department of Economic and Social Affairs had estimated annual financing needs of $1.1 trillion for a low-carbon economy transition, with about 60 percent of global expenditures occurring in developing countries.

At the 15th Conference of the Parties in Copenhagen in 2009, developed countries undertook to mobilize jointly $100 billion a year by 2020 “to address the needs of developing countries.” Studies conducted in 2015 indicate that reaching this goal will require a combination of public and private resources, with part of the total costs attributed to ODA. This will not be easy.


137. Westphal et al., Getting to $100 Billion; OECD with Climate Policy Initiative, Climate Finance in 2013–14 and the USD 100 Billion Goal.
The simultaneous demands for financing the transition to a low-carbon economy while also achieving the broader aspirations of the SDGs present a formidable challenge for a multi-stakeholder global partnership. Some investments in major emitting countries will have the greatest impact for mitigation. Some investments in vulnerable poor countries will be essential for adaptation to avoid disasters. And some investments will be likely to have less impact on climate issues but may nevertheless be important for progress toward other SDGs and to maintain the consensus that no one be left behind.

The International Development Finance Club, a group of multilateral development banks, expressed at Addis Ababa the shared vision of its members of “the potential for development finance to promote and support a low-carbon and climate-resilient future, alongside continuously pursuing poverty reduction, economic and social development, and a fair and equitable design of the globalized economy.”138 Similarly, the OECD Development Assistance Committee has asserted that “financing climate change and development in an integrated manner can maximize climate and development results, targeting both climate and sustainable development goals.”139

Those are certainly expressions of the ideal. But the costs of needed and intended climate-related investments in developed as well as in developing countries, combined with the financing needed for other sustainable development investments, seem likely to strain the limits of available resources. For example, as previously noted in Table 6, estimates of annual climate-change investment needs may well exceed $1 trillion. At the same time, the Addis Ababa Action Agenda estimates annual infrastructure investment needs alone in developing countries to be of a similar amount. These combined needs would equal or exceed the total amount of international resource flows to developing countries as shown in Tables 3 and 4. Indications of the kinds of climate-related investments that are intended are contained in the nationally determined contributions that parties have submitted to date.140

139. OECD Development Assistance Committee, Climate-related development finance in 2013.
The international community will be called on to sustain the consensus that favors both sustainable development and efforts to mitigate and adapt to climate change. This will require extraordinary efforts to mobilize the maximum resources from all available sources; to allocate those resources in ways that will be accepted as worthwhile contributions to economic, social, and environmental progress; and to establish mechanisms to resolve differences that will inevitably arise about difficult choices between competing priorities.

The subject of climate is thus another example of why the global partnership needs to be structured and implemented in a manner consistent with established principles for the participatory and transparent management of complex systems with multiple decision points, as discussed previously.

DEMOGRAPHIC TRENDS
The SDGs contain references to several issues that are directly relevant to population trends: gender equality and women’s health, education, economic growth and employment, cities and human settlements, labor rights for migrants, and legal identity. All of these factors are associated with the rate of births and deaths or the movement of people from one place to another.

However, none of the goals or targets will have a significant effect on population trends in the short term. Population growth, urbanization, and migration are generational issues and patterns change only gradually. Rather than hope that current patterns will change between now and 2030, or even 2050, the necessary course is to take those patterns and projections into account in the implementation of the 2030 Agenda. In particular, what are the optimum strategies for eliminating poverty in poor countries where population is increasing rapidly?

The world’s population has more than doubled over the past 50 years to reach 7.3 billion in 2015, even as the rate of growth has declined. However, there are significant regional differences. Europe is experiencing a decline as its population ages while Africa’s population is young and still increasing rapidly. There are several variations of projections of future growth: low, medium, and high. Table 7 shows the projections for 2030 and 2050 by region, based on the medium variant.

Other noteworthy demographic trends are:

• The fastest population growth is occurring in the least developed countries.

• Longevity is increasing and the median age is rising. The age group experiencing the greatest growth is persons over age 60 (expected to double in number to 2 billion by 2050).

141. UN Department of Economic and Social Affairs, World Population Prospects.
Significant youth bulges in Africa and the Middle East can provide a “demographic dividend” if large, working-age populations can be absorbed in productive employment; without employment they can be a source of instability.

In addition to increases and declines in births and deaths, population trends include changes in migration patterns and growing urbanization. Migrant flows from low- and middle-income countries to high-income countries have been around 4.1 million per year since 2000. Between 2015 and 2050, births in the high-income countries are expected to exceed deaths by only 20 million while populations grow by 110 million. Migrants will provide more than 80 percent of their population growth (around 90 million) and recent massive flows suggest this may be too conservative an estimate. Increased movements of migrants to developing countries are also expected to continue. 142

Population increases are expected to be predominantly in cities. At present, slightly more than one-half of the people in developing countries live in urban areas. This percentage is expected to climb to two-thirds by 2050, driven by multiple causes such as industrialization, mechanization of agriculture, and environmental pressures. By 2030, the United Nations anticipates there will be 41 mega-cities, each with a population exceeding 10 million. By 2050, it is likely that an additional 2.5 billion people will be urban dwellers.

Urbanization is having profound implications for sustainable development. As the United Nations 2014 World Urbanization Report points out:

142. UN Department of Economic and Social Affairs, World Population Prospects. See also “Diverging population trends,” http://www.eea.europa.eu/soer-2015/global/demography, in European Environment Agency, SOER 2015. More than 710,000 migrants crossed the EU’s external borders in the first nine months of 2015, compared with 282,000 recorded in all of 2014m according to a recent FRONTEX report (http://frontex.europa.eu/news/710-000-migrants-entered-eu-in-first-nine-months-of-2015-NUIBkk). See also Norris and Malknecht, Crisis in Context. They estimate the total number of refugees and internally displaced persons in late 2015 to be almost 60 million, most of whom are in developing countries.
Urban living is often associated with higher levels of literacy and education, better health, greater access to social services, and enhanced opportunities for cultural and political participation. . . . Nevertheless, rapid and unplanned urban growth threatens sustainable development when the necessary infrastructure is not developed or when policies are not implemented to ensure that the benefits of city life are equitably shared. Today, despite the comparative advantage of cities, urban areas are more unequal than rural areas and hundreds of millions of the world’s urban poor live in sub-standard conditions.\textsuperscript{143}

A major United Nations conference on human settlements is scheduled to take place in Quito, Ecuador, in October 2016 (Habitat III). Preparations are under way and a number of issues papers have been produced. This event should provide a timely opportunity for shaping a consensus on how the international community should deal with the phenomenon of urbanization as a sustainable development issue.\textsuperscript{144}

While population trends cannot be expected to change rapidly, there is a striking correlation of slowed population growth, over time, with reduced poverty and improved health and education, especially for women. This is a further indication of the integrated nature of the SDGs and an additional reason why goals and targets on these fundamental issues are central to the 2030 Agenda for Sustainable Development.

**GLOBAL ECONOMIC CONDITIONS**

The SDGs contain references to a number of economic issues that can have profound impacts on development. In particular, targets under SDG 10 on inequality call for improved “regulation and monitoring of global financial markets and institutions and strengthening such regulations” (Target 10.5) and “enhanced representation and voice for developing countries in decisionmaking in global international economic and financial institutions in order to deliver more effective, credible, accountable, and legitimate institutions” (Target 10.6). In addition, targets under SDG 17 on revitalizing the global partnership call for “a universal rules-based, open, nondiscriminatory, and equitable multilateral trading system,” increased “exports of developing countries,” “timely implementation of duty-free and quota-free market access . . . for all least developed countries”(Targets 17.10, 11, and 12) and “global macroeconomic stability, including through policy coordination and policy coherence” (Target 17.13).

Fortunately, multiple efforts are under way to address these global issues. The G20 launched a multifaceted set of commitments at its Pittsburgh summit in 2009 in the aftermath of the global fiscal crisis. The Leaders Statement included commitments on growth, the international financial regulatory system, modernizing global institutions, IMF and development bank governance, energy security and climate change, support for the most


\textsuperscript{144} See the Habitat III website at https://www.habitat3.org.
vulnerable, jobs, and an open global economy. Implementation of these commitments has been the subject of a continuing mutual assessment process in collaboration with other multilateral organizations.

Recent reports on global economic prospects by leading public institutions express generally consistent judgments: Economic growth is likely to recover only slightly by 2018, with many developing countries adversely affected by falling commodity prices (although low oil prices may alleviate current account imbalances in the short term.) These assessments also point out risks and uncertainties concerning financial market volatility, sovereign debt, and geopolitical volatility in Africa, Eastern Europe, and the Middle East. One report from 2015 also shows that, unfortunately, imbalances remain a serious problem, despite the efforts in recent years. Some private reports are even more cautious about short-term prospects.

Analysis of trends confirms the importance of trade for the post-2015 development agenda. However, the Doha Round negotiations have stalled and regional arrangements have encountered headwinds. Questions have been raised about the increased prominence of global value chains as a dominant part of trade volume. A positive development is the conclusion of the Bali Trade Facilitation Agreement, now awaiting formal acceptance by two-thirds of WTO members for its entry into force.

While early progress in liberalizing the global rules of international trade appears unlikely, there remains considerable room for enhancing the integration of developing countries in the existing system. The WTO/OECD Aid for Trade Initiative is showing impressive progress in ongoing efforts to help developing countries reduce costs, expand

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147. International Monetary Fund, World Economic Outlook Update; OECD, Economic Outlook; United Nations Department of Economic and Social Affairs, World Economic Situation and Prospects 2015; World Bank, Global Economic Prospects.
148. International Monetary Fund, 2015 External Sector Report. The report’s first key point declares: “Over the last several years, while the country composition of imbalances has rotated somewhat, overall there has been little progress on reducing excess imbalances. Excess deficits narrowed in some cases, but widened in others; progress on reducing excess surpluses has stalled.”
149. See, for example, Scotiabank, Global Forecast Update July 30, 2015. This global forecast update describes the pace of global output growth as “quite moderate, a reflection of the continuing cyclical underperformance in many nations, and the structural adjustments underway in a number of economically relevant countries. A chronic shortfall in aggregate demand remains the significant hurdle to stronger growth internationally.” See also Institute of International Finance, “Top Six Risks for the Global Economy,” in July 2015 Global Economic Monitor, 9.
trade financing, and gain access to regional and global markets.\textsuperscript{153} This aid-focused activity needs to be complemented by a global agenda that gives greater prominence to development in broad policy deliberations, including with regard to regional trade agreements.

\textbf{AND MORE}

Additional influential factors could be cited here. The importance of securing peace, creating jobs, and building resilience was mentioned earlier in the discussion of goals.\textsuperscript{154} A study by the McKinsey Global Institute suggests four other global forces that may be decisive: urbanization, technological change, aging, and greater global connections (flows of trade, people, finance, and data).\textsuperscript{155} Another study presents eight possible scenarios that might exist in 2050 from the interaction of economic growth rates, oil prices, and the degree of harmony in the global political order.\textsuperscript{156}

The European Environment Agency's 2015 Global Megatrends Report, previously cited in the discussion of demographic trends, lists 11 major issues of concern: diverging global population trends, movement toward a more urban world, changing disease burdens and risks of pandemics, accelerating technological change, questions about continued economic growth, an increasingly multipolar world, intensified global competition for resources, growing pressures on ecosystems, increasingly severe consequences of climate change, increasing environmental pollution, and diversifying approaches to governance.\textsuperscript{157}

A new list with additional issues may appear any day.

The relationship of all of these issues to sustainable development is asymmetrical: Any of them can have a major impact on implementation of the 2030 Agenda, but few if any of them are likely to be decided primarily on the basis of development considerations. We cannot foresee the future trends—or the implications for sustainable development—of European Central Bank quantitative easing, or U.S. Federal Reserve Bank interest policy, or Chinese exchange rate fluctuations, or global commodity prices. And we cannot anticipate patterns of terrorism or military conflict or technological breakthroughs.

The existence of many potentially disruptive factors confirms the importance of building resilience into sustainable development strategies and actions. Even if factors outside the control of those striving for sustainable development become major impediments, their impact can be moderated if the affected countries and people have some room for maneuver. Development actors need to take these issues into account without trying to be overly predictive.

The burden of uncertainty should not be entirely on those who may be negatively affected by external events. A strong effort should be made to ensure that sustainable

\begin{thebibliography}{99}
\bibitem{153} WTO-OECD, \textit{Aid for Trade at a Glance 2015}.
\bibitem{154} Chandy, Kato, and Kharas, \textit{The Last Mile in Ending Extreme Poverty}.
\bibitem{155} Dobbs, Manyika, and Woetzel, \textit{No Ordinary Disruption}.
\bibitem{156} Hillebrand and Closson, \textit{Energy, Economic Growth, and Geopolitical Futures}.
\bibitem{157} European Environment Agency, \textit{SOER 2015}.
\end{thebibliography}
development implications are fully considered in policy deliberations and decisions on
global issues everywhere. This implies a commitment by national and international lead-
ers to provide opportunities for development actors to have a voice and to foster policy
coherence as a necessary and desirable contribution to good governance. Of course, devel-
opment considerations cannot be expected to be decisive in every case. But they should be
given weight consistent to their importance. This issue of policy coherence for sustainable
development is the subject of Chapter 4.
4 Achieving Policy Coherence for Sustainable Development

The international community has long recognized, at least rhetorically, the importance of policy coherence in efforts to support development.1 The traditional view has been that developed countries have a responsibility to avoid conflicts in their own policies that would undermine the effectiveness of development cooperation.2 However, efforts to fulfill that response frequently encounter resistance. In the post–Millennium Declaration era of development partnership with mutual accountability, the notion has evolved to embrace coherence at multiple levels by all development actors.3

The European Union and the OECD have been at the forefront of efforts to transform concern about the harmful effects of incoherence in developed country policies into practical measures to benefit from potential synergies in the policies of all countries. In particular, members of the European Union have established national strategies and action plans to give practical effect to their obligations under the Lisbon Treaty.4 This activity has produced a number of informative studies and cross-country comparisons.5

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1. See, for example, Krueger, Economic Policies at Cross-Purposes; OECD Development Assistance Committee, Shaping the 21st Century.
2. This “Do no harm” rationale is evident with respect to European Union policies. See Council of the European Communities and Commission of the European Communities, “Title I, Article C,” of the Treaty on European Union (signed in Maastricht on February 7, 1992), 8, http://europa.eu/eu-law/decision-making/treaties/pdf/treaty_on_european_union/treaty_on_european_union_en.pdf. It was reinforced in Article 208 of the 2009 amendment to the Treaty on the Functioning of the European Union (Lisbon Treaty), which provides that the “Union’s development cooperation policy and that of the Member States complement and reinforce each other” and “shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries.” The Lisbon Treaty, “Article 208,” http://www.lisbon-treaty.org/wcm/the-lisbon-treaty/treaty-on-the-functioning-of-the-european-union-and-comments/part-5-external-action-by-the-union/title-3-cooperation-with-third-countries-and-humanitarian-aid/chapter-1-development-cooperation/496-article-208.html. This website also contains the annotations to Article 208.
3. All who subscribed to the 2002 Monterrey Consensus, not just the developed countries, committed themselves to “enhancing the coherence and consistency of the international monetary, financial and trading systems” and also resolved “to continue to improve our domestic policy coherence through the continued engagement of our ministries of development, finance, trade and foreign affairs, as well as our central banks.” United Nations Report of the International Conference on Financing for Development, Monterrey Consensus, 2, 16 (paragraphs 4 and 70). See also OECD, Ministerial Declaration on Policy Coherence for Development.
4. Denmark’s thoughtful action plan is an impressive example. Denmark Ministry of Foreign Affairs, A Shared Agenda. The plan is focused on priorities of trade and finance, food security and climate change, and peace and security.
5. See, for example, Keijer, EU Policy Coherence for Development; Galeazzi et al., Insights from Developments in National Policy Coherence for Development Systems; Van Seters, Use of PCD indicators by a selection of EU Member States.
For its part, the OECD has given prominence to policy coherence for development (PCD) since the 1990s. A Council of Ministers resolution on policy coherence in 2008\(^6\) was followed in 2010 by recommendations on good international practice. The 2012 OECD strategy on development declared that enhancing PCD “is one of the primary objectives” of the strategy.\(^7\) There is a PCD unit in the office of the secretary-general and the DAC is examining PCD issues in peer reviews. In its work on PCD, the OECD has organized conferences, convened a focal-points group of national representatives, and established a web page and online repository of

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6. OECD, *Ministerial Declaration on Policy Coherence for Development*. The Ministerial Declaration invoked the Monterrey Consensus in pledging “to strengthen dialogue between OECD countries and partner countries in sharing experience on the effects of our policies on development as well as on the increased relevance of PCD in developing countries . . . in the spirit of mutual partnership.”

relevant literature. Its publications, such as the series under the heading “Better Policies for Development,” have been influential in advancing thinking in this evolving area.

The 2010 OECD Council recommendations on good institutional practices were based on three “building blocks” it considered necessary “for a country to make good and sustained progress towards policy coherence.” As illustrated in Figure 1, these building blocks represent phases of an analytical framework. 8

The international community has broadly endorsed PCD as an important aspect of effective development cooperation. The Busan Partnership Declaration asserts that “it is essential to examine the interdependence and coherence of all public policies—not just development policies—to enable countries to make full use of the opportunities presented by international investment and trade, and to expand their domestic capital markets.” 9 Signatories of the Rio+20 final act resolved “to strengthen the institutional framework for sustainable development,” including by enhancing coherence, reducing fragmentation and overlap, and increasing effectiveness, efficiency, and transparency while reinforcing coordination and cooperation. 10 And SDG 17 includes as an explicit target to “enhance policy coherence for sustainable development.” 11 Thus, policy coherence for development (PCD) has become policy coherence for sustainable development (PCSD).

The OECD’s focus over the past year has been on the anticipated adoption of the SDGs. The OECD’s Better Policies for Development 2014, 12 while featuring the subject of controlling illicit financial flows, made important general observations about the lessons of accumulated experience and anticipated needs for greater coherence in the implementation of the post-2015 development agenda. This OECD report highlighted the universal and transformative qualities of the new sustainable development agenda; the importance of integrating the economic, social, and environmental dimensions at all levels in its implementation; the need to mobilize resources from multiple sources; and the increasingly evident inadequacies of a donor-recipient paradigm as a framework for achieving ambitious SDGs.

The OECD report identified five distinct levels of policy coherence: between global goals and national contexts; among international agendas and processes; between economic, social, and environmental policies; between different sources of finance; and between diverse actions of multiple actors and stakeholders. These multiple levels of coherence, illustrated in Figure 2, broaden the focus from donor policies in particular sectors to the variety of contexts and policy communities in which sectoral and cross-sectoral synergies may be found.

Much of the OECD’s recent work in this area has now been consolidated in a Framework for Policy Coherence for Sustainable Development (PCSD). This new framework is intended to

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10. UN General Assembly, The Future We Want, 14–15 (paragraph 76).
11. UN General Assembly, Transforming Our World, Target 17.14, 27.
serve as a “self-assessment tool to design, implement and track progress on mutually supportive policies for sustainable development” and to provide “practical guidance for enhancing policy coherence in the Post-2015 context.”

It is organized in three modules that provide background information, checklists of issues, and recommendations with respect to constructing an analytical framework, strengthening existing mechanisms and

13. OECD, Framework for Policy Coherence for Sustainable Development (PCSD), 1–2. The PCSD Framework was prepared by the Secretary-General’s PCD Unit with a view to its consideration by the Ministerial Council in 2016.

developing a strategic approach, and tracking progress. The application of these generic modules is illustrated in the OECD document with examples of two particular sets of coherence issues—the first on the theme of illicit financial flows and the second on food security.

The OECD framework defines PCSD as “an approach and policy tool to integrate the economic, social, environmental and governance dimensions of sustainable development at all stages of domestic and international policy making” in order to increase governments’ capacities to achieve the following objectives:

1. Foster synergies across economic, social, and environmental policy areas.
2. Identify trade-offs and reconcile domestic policy objectives with internationally agreed objectives.
3. Address the spillovers of domestic policies.14

*Better Policies for Development 2015* includes an in-depth discussion of how PCSD and the OECD framework can contribute to the successful implementation of the 2030 Agenda for Sustainable Development. It describes how the framework can support efforts to design, implement, and track progress on mutually supportive policies. In particular, it explains how its recommendations and checklists can facilitate the institutionalization of consultation, coordination, and conflict resolution in furtherance of sustainable development.15 The interactions among the social, economic, and environmental dimensions of sustainable development that the framework seeks to support are illustrated in Figure 3.

An especially commendable aspect of the OECD’s PCSD framework is that it is not offered as a rigid prescription. Rather, it is intended as “a flexible tool adaptable to diverse national and institutional contexts.” This places it in the mainstream of analytical tools that reject a pretentious one-size-fits-all approach and instead encourage diverse users to apply them in ways that respect local ownership, systems, and capabilities.

As discussed previously, some countries have adopted policies and procedures such as interagency review of policy issues, in which the OECD three-step PCSD framework can be applied. To varying degrees, these policies and procedures are demonstrating political commitment to set coherent priorities. They are providing policy coordination mechanisms to foster coherence in policy formulation and implementation. And they are making use of systems for monitoring, analysis, and reporting on the results of enhanced coherence. However, few non-European countries have formal, operating PCSD systems to encourage optimum results at all the levels of policy coherence.

The UN Secretary-General addressed the issue of institutional coherence in his 2015 report on the ECOSOC high-level discussion on strengthening and building institutions for policy integration in the post-2015 era. He referred to the global architecture of UN institutions that is “intended to promote greater policy coherence and integration between the three policy dimensions of sustainable development” and observed the need for “innovative approaches to decision-making that explore and expand on the inter-linkages with other international institutions and processes.”

In this regard, the Secretary-General described the OECD framework for PCSD as being focused “on synergies across sectors, shifting from a ‘donor-centered,’ siloed and sectorial approach to policy-making.” He noted the challenge of learning how this approach could “set a results-oriented framework for monitoring progress.”16 With respect to European experience, he expressed the view that “aligning non-developmental policies with development objectives, both within member States and at the EU level, remains a challenge and the results so far have been limited.”17

16. UN Secretary-General, “Part III, Institutional coherence at the regional and global levels,” in Strengthening and building institutions for policy integration, 10–14.
17. UN Secretary-General, Strengthening and building institutions for policy integration.
The broad, multifaceted subject of policy coherence for sustainable development is obviously complex and difficult. But it is also important. The European Union PCD report for 2015 is not exaggerating when it states: “For the global partnership to succeed, all policies at [the] national and subnational level need to contribute coherently to the achievement of the SDGs both domestically and internationally.”

While some countries are making progress and experts from many countries are participating in ongoing discussions, there is a need for concerted action to establish effective systems for aligning existing mechanisms with the 2030 Agenda. Fostering coherence in implementing the SDGs is especially important in a global context where there are many competing priorities and demands—as discussed in earlier chapters.

There is a present opportunity for national leaders and the leaders of international coordinating bodies to reach decisions on how to make policy coherence an operating principle of SDG implementation. The OECD has collected examples of initial national efforts toward this end. An action plan to promote PCSD might include issues such as public awareness of the need for policy coherence; political incentives for addressing this subject; recommended mechanisms for subnational, national, and international coordination; common definitions and indicators; and follow-up mechanisms for monitoring, analysis, and reporting.

A high-level public undertaking to this effect would demonstrate the necessary commitment on the part of global leaders to integrate the post-2015 development agenda into national and international decisionmaking. Such an undertaking would elevate the status of sustainable development as a serious and urgent component of global policies across the board. This is a key political issue that may well determine whether the sustainable development goals will be regarded as a genuine commitment.

For their part, development actors need to join with other participants in policy deliberations, with all acting in the spirit of good governance of complex, polycentric systems. Incentives will be needed for qualities such as shared knowledge, communication, and collaboration and trust, with clearly defined boundaries and conflict-resolution mechanisms (as discussed previously with regard to global partnership). A related element is the need to build public understanding and support for policy coherence. This will be especially important when decisions emerging from multiparty, cross-sectoral deliberations are unpopular with particular constituencies.

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The 2030 Agenda for Sustainable Development, like the development process itself, has evolved through a history of iterative experiences and complex interactions. It draws on what has been learned over many years about human development and sustainability to present a universal, integrated, and transformative vision. It embraces the economic, social, and environmental dimensions of sustainable development and it is committed to leave nobody behind.

The Agenda’s centerpiece is the set of 17 highly ambitious, interrelated global goals. Together, they are commitments to end poverty and hunger, preserve the planet, ensure fulfilling lives, and promote peaceful, just, and inclusive societies. The bold goals for transforming our world are an inspiration. But achieving those inspiring goals will require fundamental changes in how we organize and carry out the efforts they demand.

This report’s review of the 2030 Agenda and the SDGs has identified a number of priority issues.

Adoption of the 2030 Agenda for Sustainable Development provides a unique opportunity to extend the global consensus beyond identification of goals to broad appreciation of their importance and agreement on the means for achieving them. Sound arguments exist for elevating the place of sustainable development on the world’s policy agenda. These arguments include the negative consequences of poverty, exclusion, and environmental deterioration, as well as the benefits of improved living conditions and sustainable patterns of production and consumption, supported by inclusive economic growth and capable, accountable governance.

A threshold challenge will be to broaden and deepen awareness of and support for the goals. The SDGs are well known in the international development community. But increased popular awareness and support from a broad cross-section of political leaders, civil society, and business communities throughout the world will give the goals needed recognition of their importance and urgency.

The collaborative initial steps already taken toward a sophisticated outreach strategy are no more than a good beginning. The United Nations should build on these initial grassroots-oriented steps and engage major multilateral development organizations together with other influential bodies such as the G20, IPCC, GPEDC, and g7+, a diverse selection of
regional and national leaders, as well as civil society and the private sector, in a comprehensive and sustained effort.

**Demonstrated solidarity in mobilizing support for the SDGs can help to establish momentum for the broader work of revitalizing the global partnership for sustainable development and shaping the architecture to guide implementation of the new agenda.**¹ A structure of coordinated networks can facilitate monitoring, communication, and learning and promote trust and confidence. Such networks, working together in a complex system with a sense of common purpose, should involve multiple and evolving arrays of actors and stakeholders with varying interests in a constantly changing global environment.

Within the global partnership networks, a wide variety of partnerships will foster inclusive sustainable development, deal with a wide variety of issues in many diverse circumstances, and address challenges at international, regional, national, and community levels. These partnerships should be guided by the principles of local ownership, focus on results, inclusiveness, and mutual transparency and accountability. And they should be inspired by a vision of development that integrates strong, sustainable, and inclusive growth; a greater role for local financing of development needs, with greater accountability to citizens for results; effective and accountable state and nonstate institutions; and increased regional and global integration.²

**Successful implementation of the new agenda will require that international cooperation proceed in new ways that transcend the traditional aid-centered paradigm.** The model of donor-driven initiatives with predetermined activities and projected outcomes has been largely discredited. There is growing recognition of the need to “do development differently,” with increased emphasis on local priorities, local systems, and experiential, context-appropriate approaches. There is growing interest in expanding the range of international support for development beyond the confines of donor-recipient relationships.

A change in the development cooperation paradigm from aid to partnership will place demands on local systems and local institutions to overcome the capability constraints that are repeatedly identified as impediments to sustainable development. Strengthening local capabilities in ways that respond to differing needs must be a priority for local leaders and for those who provide international support. Continued research and knowledge sharing will also be important for addressing this difficult challenge.

**Financing for development must overcome the tendency to regard official development assistance as if it were the principal instrument of development cooperation.** That anachronistic orientation necessarily affects the attitudes and expectations of actors

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¹ Solidarity among the UN, IMF, OECD, and World Bank helped to give initial impetus to the MDGs in 2000. See, for example, their joint publication: IMF, OECD, UN, and the World Bank Group, *A Better World for All.* In 2016, more broadly inclusive leadership will be needed.

² These are the principles and vision articulated in the 2011 Busan Declaration and reiterated in the precepts adopted by the ICESDF. Busan Conference, *Busan Partnership for Effective Development Cooperation*, 3, 9 (paragraphs 11 and 28); International Committee of Experts on Sustainable Development Financing, *Final Report*, 16.
who are identified as “providers” and “recipients.” Viewing development cooperation through a narrow donor-recipient lens risks undervaluing other contributions, such as in south-south cooperation, and can inhibit broadly participatory collaboration among international actors.

Moreover, concentration on ODA is inconsistent with the dramatically increased role of other kinds of international and domestic financing. The investments that the SDGs contemplate vastly exceed the limits of development assistance. As confirmed in the holistic vision of the Addis Ababa Action Agenda, a comprehensive approach to development finance needs to include all available sources and types of financing, expand domestic resource mobilization, and guard against diversion while conserving resources and increasing efficiency and effectiveness. Within this comprehensive approach, the essential role of ODA in poor countries that lack access to other financing and its importance as a catalyst in facilitating access to other international flows and mobilization of domestic resources should be given appropriate emphasis.

The sustainable development agenda needs to be cognizant of many factors, including those extraneous to usual development strategies, which will have an impact on progress toward achieving the SDGs. Examples include global population trends, technological change, international markets, and risks of pandemics, natural disasters, and conflict. Any of these factors can have a significant effect on efforts to achieve sustainable development. One way to address them is to seek to mitigate risks and encourage resiliency in development planning, recognizing that setbacks are inevitable.

SDG 17’s target 14 to “enhance policy coherence for sustainable development” is essential for managing conflict and fostering synergies between policies that can affect sustainable development. Systemic consideration of policy coherence for sustainable development should be a global standard. This implies a political commitment to the SDG 17 target and acceptance of the universal application of the sustainable development agenda. And it implies a willingness to give due weight to sustainable development objectives in the formulation, implementation, and monitoring of all relevant policies—not just development policies.

The 2030 Agenda deserves support. The High Level Panel of Eminent Persons on the Post-2015 Development Agenda expressed a compelling rationale for pursuing this people-centered and planet-sensitive agenda for global action through partnership:

Perhaps the most important transformative shift is towards a new spirit of solidarity, cooperation, and mutual accountability that must underpin the post-2015 agenda. A new partnership should be based on a common understanding of our shared humanity, underpinning mutual respect and mutual benefit in a shrinking world.\textsuperscript{3}

Vigorous, determined, and creative implementation of the 2030 Agenda for Sustainable Development in that spirit merits all our best efforts.

\textsuperscript{3} High Level Panel of Eminent Persons on the Post-2015 Development Agenda, \textit{A New Global Partnership}.  

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