

Governance Innovations for Implementing the Post-2015 Sustainable Development Agenda

Conference Report

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EXECUTIVE SUMMARY

In discussing possible governance innovations for implementing the post-2015 Sustainable Development Agenda, many ideas emerged in the four areas under discussion. We pulled out the most common or most powerfully argued views:

<u>Selected Priorities for Action</u>
Domestic Actions
<ul style="list-style-type: none"> • Create national processes to define country pathways to reach the sustainable development goals (SDGs) • Establish high-level coordinating committees in each country to secure whole-of-government implementation and policy coherence • Involve ministers and ministries of finance in goal-setting and goal-financing
Global Actions
<ul style="list-style-type: none"> • Create a U.N. Sustainable Development Council or strengthen the U.N. High-Level Political Forum to advise member states and the U.N. secretary-general on the pace of implementation • Designate complementary and supportive roles for the G-20 • Create mechanisms to align all international institutions in support of the SDGs
Financing
<ul style="list-style-type: none"> • Develop ambitious national SDG financing plans based on internally defined sustainable development pathways • Use bilateral and multilateral public financial instruments and mechanisms to de-risk and scale-up private investment • Mobilize adequate support from multilateral development banks, traditional donors and new development partners to scale-up investments in achieving the SDGs
Multistakeholder Engagement
<ul style="list-style-type: none"> • Make multistakeholder processes central to national decision-making in defining SDG pathways and strategies for each country • Make multistakeholder engagement in the implementation of the SDGs an integral part of strengthening the institutional capacity of all countries • Make multistakeholder involvement central to the monitoring and evaluation oversight of SDG implementation based on open data platforms for accountability

BACKGROUND

The Brookings Global Economy and Development program for many years has provided intellectual leadership on issues of international development and architecture, the global economy and global leadership, and on international institutional reform and global governance as these issues have gained increasing urgency since the financial crisis of 2008.

In the early 2000s, the Finnish government together with the government of Tanzania convened a series of workshops, seminars, conferences, and dialogues involving a wide range of participants, which became known as the Helsinki Process on Globalization and Democracy. Multistakeholder engagement became not only the methodology but also a mantra of the Helsinki Process.

Finland was seeking new answers to growing global challenges and new institutional processes for addressing them. By 2008, when the Helsinki Process completed its broader phase, it had anticipated major features of the emerging global landscape, including the need for global economic governance, the urgency of international institutional reform, and the importance of implementing global goals.

This prescience of the Helsinki Process in anticipating what turned out to be crucial global approaches to global challenges is the inspiration for addressing current global issues, especially during 2015, the pivotal year for global goal-setting with the development of a new set of global goals at the U.N. General Assembly in September, the critical financing for development conference in Addis Ababa in July, and the UNFCCC Conference of Parties' negotiations in Paris in December.

As a result, Brookings, with support from the government of Finland, made use of its expertise and experience to organize a multistakeholder conference on March 30, 2015 to focus the attention of the relevant communities on the importance of implementation. To elicit the greatest participation among leaders from a wide range of constituencies, a format was adopted using 10 roundtables of eight participants each to discuss four major issues and develop three "priority actions" for each issue from each table. A few Brookings staff then reviewed the 30 priority actions produced in each session and distilled them into the three representative priorities which appear in this report.

Each table had representatives from national governments, international organizations, civil society organizations, think tanks, and business. The interactions were lively, intense,

and productive, embracing the tension between the pluralism of the groups represented and the need for prioritization of ideas for implementation.

This report summarizes the substantive highlights from this brainstorming conference as a means of contributing to the ongoing workstreams in multiple venues that characterize this pivotal year.

CONFERENCE FRAMEWORK

It took many years in the early 2000s for the modalities and processes of implementation to be put in place to implement the Millennium Development Goals (MDGs). This time around, the world cannot allow there to be a gap between goal-setting and implementation. Hence, the purpose of this conference was to bring into the 2015 conversations, dialogues, and negotiations the palpable need to focus on implementation now.

The main priorities being advanced in 2015 are scaled ambitions for (1) investments in people as sources of growth and of inclusion, (2) investment in sustainable infrastructure that permeates all aspects of the Sustainable Development Goals (SDGs), (3) augmented roles for the private sector, business, investors, and financial institutions in the transformation agenda of post-2015, and (4) global efforts to address systemic challenges which impact peoples' lives, the planet, and the global economy on which all nations now depend.

As a result, the conference began with a focus on the locus of responsibility for public action since Monterrey, the countries themselves and their governments, and the governance innovations that comprehensive integrated strategies for sustainable development require.

The brainstorming then moved to how the complex global system of international institutions can be brought together in a catalytic and concerted way to support accelerated efforts to achieve sustainable development by addressing global systemic issues.

The conference focused next on the issues of mobilizing resources for sustainable development, knowing that fiscal constraints cannot become an excuse for failing to use public resources to leverage greater investment, and also knowing that the private sector has a greater capability and a growing willingness now in provisioning infrastructure,

institutions, and market mechanisms that enhance the social and environmental balance and sustainability on which the global economy depends.

Finally, as recognized by our Finnish colleagues in launching the Helsinki process, we discussed the crucial and ever greater importance of multistakeholder engagement for both mobilizing resources and policies but also support and accountability for public actions that advance the priorities embodied in the post-2015 agenda.

This conference report reflects the robust turnout for the conference, the diverse range of stakeholder interests and organizations that were represented, and the contributions made to generating ideas for further consideration on how to incorporate now practical and high-impact ideas on implementation into the ongoing discussions on the post-2015 agenda.

SELECTED PRIORITIES FOR ACTION

Domestic Actions for Implementing Comprehensive Strategies

1. The U.N. General Assembly post-2015 agreement in September should encourage all countries to have national multistakeholder processes to *enable each nation to develop their own sustainable development trajectory* toward 2030 and their own strategy to achieve the SDGs, to assure societal buy-in and national ownership.
2. An integrated economic, social, and environmental sustainable development strategy requires *the institutionalization of high-level national coordination committees in each country* to mobilize multisectoral, multiministerial, and multistakeholder approaches. Strong intergovernmental coordination is essential to secure whole-of-government implementation and policy coherence.
3. It is imperative that ministers and Ministries of Finance and Treasuries with national budgetary authority *assume central roles and take major responsibility*, while also engaging the responsible line ministries, for implementing sustainable development strategies domestically and for addressing the global systemic issues in the post-2015 agenda internationally.

Common themes identified as necessary conditions for implementing sustainable development strategies are the need for (1) strong leadership in both the public and private sector, (2) sufficient institutional capacity to manage interconnected agendas, (3)

outcome-driven strategies with credible bases in data, (4) independent monitoring and evaluation systems for tracking progress and assuring accountability, (5) mechanisms for continuity over time and from one government to the next, and (6) space for differentiation in national approaches based on cultural, institutional, and political differences while promoting use of best practices and comparable metrics. These crucial factors are more in the nature of necessary (but not sufficient) conditions for implementation rather than priority actions to achieve systemic transformation.

Global Actions: Leadership and Coordination of the Global System of International Institutions

1. Create a Sustainable Development Council (SDC) with effective inclusion of major stakeholders to advise member states and the U.N. secretary-general on the pace of implementation; Or, alternatively, ensure that the U.N. High-Level Political Forum (HLPF) has the political support, technical expertise and multistakeholder structure for credible monitoring of progress, utilizing country-based and U.N.-OECD-World Bank-IMF led system-wide reporting processes.
2. G-20 leaders should take a leadership role on SDG implementation in four specific ways: (i) Commit to SDG implementation in their own countries; (ii) Secure provision of global funding for SDG implementation; (iii) Account for impacts of the spillover of G-20 national policies on other countries; and (iv) Provide strategic guidance and support for effective implementation of SDGs by international financial institutions, multilateral development banks, and other multilateral organizations.
3. All international institutions (global, regional, bilateral; also, foundations and NGOs) should incorporate the SDGs into their vision statements, strategies, results, and monitoring and evaluations frameworks. Reporting of progress, impact, and coordination by all international institutions on both actions to support country-level implementation and address global challenges should be reviewed by agreed-upon processes in the U.N., the Development Committee, and the G-20 Ministers of Finance.

From the many imaginative ideas considered on how to take global action to accelerate the implementation of the SDGs and the post-2015 agenda, several are: (1) Since merit-based selection of heads of the major international organizations is vital to their legitimacy and effectiveness, the SDC could propose candidates to lead them; (2) The regional development banks and regional institutions could serve as means of connecting national ministries and leaders to the global dialogue on the SDGs; (3) A review could be undertaken of existing international coordination mechanisms and how to strengthen

them; and (4) A review could be undertaken of the multilateral development finance system taking into account the emergence of new players.

Financing for Development: Mobilizing Policies and Resources

1. National governments should develop country financing plans for implementation of SDGs.
2. To fully ramp up investment, bilateral and multilateral public institutions should leverage private capital, especially investment in sustainable infrastructure, through greater use of innovative and traditional risk-reduction instruments, new partnerships, and codes for blended financing.
3. Mobilize adequate and coherent support from multilateral development banks, traditional donors, and new development partners to scale up investments in people and in sustainable infrastructure.

The most frequently used verb in this set of 30 priority actions was “align,” which implies that communication, engagement, negotiation, and coordination among public and private stakeholders are keys to unlocking innovations for sustainable development results. In addition, however, common themes identified as necessary conditions for financing the implementation of national and global sustainable development strategies are: (1) generate political support for effective and efficient institutions and mechanisms for allocating public expenditures and mobilizing public revenues; (2) establish global guidelines for responsible private investment, to be developed by business associations in key sectors; (3) mandate economic/environmental/social and governance (EESG) reporting for large companies; (4) “capture domestic value” through transparency and regulation of illicit flows, cross-border tax erosion and other tax evasion practices; (5) have donors underscore the importance of more and better-targeted official development assistance (ODA).

Multistakeholder Engagement and Accountability

1. Strengthen multistakeholder processes, mechanisms and institutionalizations at all levels of governance to build implementation capacity for systemic transformation.
2. In addition, establish multistakeholder oversight processes in each country to engage national stakeholders in monitoring and evaluating sustainable development progress, reporting periodically to their public, parliament, and internationally.
3. Create open data platforms in each country incorporating stakeholder participation to generate adequate, credible, and accessible data on SDG trends for transparency and accountability.

New ideas for strengthening multistakeholder engagement and accountability as crucial means of accelerating SDG implementation are: (1) urge the OECD to encourage its members to come to terms with how the principle of universality of the SDGs applies to them; (2) designate specific multistakeholder partnerships to develop mandates and accountability mechanisms for sustainable development implementation in selected sectors; (3) establish peer review processes as incentives for national implementation; (4) establish regional reviews and rankings; (5) develop and adopt private sector sustainable development accounting standards; and (6) establish mechanisms for multistakeholder participation and social accountability to enable improved service delivery in social sectors as a way of resourcing communities to improve development outcomes and increase local ownership.

CONFERENCE ORGANIZERS

Amar Bhattacharya, Brookings senior fellow, former director of the G-24, and senior official of the World Bank, with longstanding engagement in financing for development and global governance.

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John McArthur, Brookings senior fellow, former manager and deputy director of United Nations Millennium Project, and recent chair of the World Economic Forum’s Global Agenda Council on Poverty and Development.

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Satu Santala, executive director for Nordic and Baltic countries at the World Bank.

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