



Silos or system? The 2030 Agenda requires an integrated approach to sustainable development

by Barbara Adams and Karen Judd

The 2030 Agenda goes far beyond previous development agendas. First, it recognizes that inequality and unsustainable consumption and production are by-products of economic growth and constitute a big challenge in a world of finite resources. This understanding would have been unthinkable as little as 10 years ago.

Second, it has put governments and the UN system on notice that the silo approach to development embraced by the MDGs does not work. Efforts to achieve any one of the goals entail attending to synergies, trade-offs and spillover effects previously unacknowledged or avoided.

Third, it may be the first truly post-colonial agreement in that it is universal, requiring all countries to measure and report on progress, not just developing countries and not only in aggregate or income terms. It also is an agenda for all countries on how to tackle inequalities and insecurities on a planet where some planetary boundaries already exceeded. Countries have to eliminate poverty and reduce inequalities without perpetuating the current unsustainable consumption and production patterns.

Fourth, at least two of the 17 goals—Goal 10 to reduce inequality within and among countries, and Goal 12, to ensure sustainable consumption and production patterns -- go further than previous global agreements and confirm the ambition and universality of the 2030 Agenda. So too does the stand-alone goal 17 on means of implementation which seeks to address long-neglected actions and long-ignored obstacles to achieving sustainable development, including finance, trade and ‘systemic issues’ such as policy and institutional coherence.

Fifth, the Agenda’s interlinked targets, both within and across goals signal the recognition of the need for a more holistic approach, avoiding the spillover effects that focusing on a single goal often have on the others. This is reinforced by the inclusion of implementation targets for each goal and when applied across-goals marks a shift from silo-minded programming towards integrated policy development.

From cross-linked goals to an integrated system

The significance of this integrated approach is analysed and emphasized by a UN DESA Working Group paper, *Towards Integration at Last?*, which examines the SDGs as a “network of targets.” Omitting implementation targets in order to highlight links among thematic areas, the paper finds that Goals 10 and 12 have the greatest number of linkages, making them the most significant departure from previous development approaches in terms of linking all of the goals into a system, requiring trade-offs and interdependencies.

As noted, this systemic approach is one of the most striking differences between the SDGs and the Millennium Development Goals (MDGs):

Insufficient understanding and accounting of trade-offs and synergies across the sectors have resulted in incoherent policies, adverse impacts of development policies focused on specific sectors on other sectors, and ultimately in diverging outcomes....” Citing the *UN MDG reports*, the study notes that many of the targets encapsulated in MDG 7, which relates to environmental protection, have not been achieved and have in some

cases been negatively impacted by policies and actions aiming to achieve other goals.

Arguing that sustainable consumption and production (SCP) has suffered from being “weakly integrated with other areas of work and addressed as an “add-on” in development policies”, the Working Group paper suggests that this will have to change:

In particular, the fact that resource efficiency is an integral part of SDG 8 on growth and employment can be seen as quite revolutionary, in that this fundamental aspect of SCP, rather than being seen in isolation from growth, may now be more systematically considered by strategies and policies aiming to spur growth and employment, which have both high priority everywhere and strong anchoring in institutions at all levels.

It concludes that the multiplicity of interlinked targets reflects Member State awareness of the importance of links among the goals, making “what could have been a collection of unrelated goals a system; in a sense, it grounds the political work that the SDGs represent firmer into a reality that is full of trade-offs and interdependencies.”

All governments and whole-of-government approach

The provision of a comprehensive and integrated policy framework offers an opportunity to break through the pick-and-choose approach that has been practiced by donors. This approach is also appealing to many governments as they develop strategies to implement the goals and seek external funding.

A commitment to domesticate policies and develop nationally appropriate indicators does not require equal treatment for all global targets. It does necessitate the integration of the SDGs into national policy and budget processes, with a whole-of-government approach, and by all governments not just those of developing countries.

High-level political leadership is needed to ensure that the 2030 Agenda is not captured by a single ministry. All policies including those promoted and led by trade and finance ministries must demonstrate accountability to the 2030 Agenda and the achievement of the SDGs in a democratic and transparent manner. This will require regular parliamentary hearings and reporting and meaningful consultation with civil society.

Every-one has staked their claim...

The scope and ambition of the 2030 Agenda have attracted attention across the board. From all social groups to the G20 which has put it on top of its own agenda to the head of Danish Pension fund that declared the SDGs a wonderful catalogue for investors.

But does universality of players translate to all policies and strategies? Universality and extra-territorial obligations are understood as having an impact on policies and financial flows, but what about the extra-territorial obligations of countries having a dominant say in shaping the rules of debt and trade and the spill-over of their tax policies on other countries’ ability to protect human rights and achieve sustainable development?

Challenging the conventional wisdom?

There are signs that some of the major champions of market-led growth are doing some rethinking, recognizing the link between unfettered markets, inequality and unsustainability. For example, a recent IMF study reiterates that inequality is a problem if growth is to be sustainable, and also focuses on the need for redistribution:

“Earlier IMF work has shown that income inequality matters for growth and its sustainability. Our analysis suggests that the income distribution itself matters for growth as well. Specifically, if the income share of the top 20 percent (the rich) increases, then GDP growth actually declines over the medium term, suggesting that the benefits do not trickle down. In contrast, an increase in the income share of the bottom 20 percent (the poor) is associated with higher GDP growth.”

Challenging the prevailing view that tighter regulation can hamper financial development, the study finds that some regulation is critical: “Better regulation is what promotes financial stability and development.”

Other IMF studies point to a correlation between income inequality and gender inequality. Using the multi-dimensional Gender Inequality Index (GII), which ranges from 0 (perfect gender equality) to 1 (perfect gender inequality), a 2015 study finds that increases in gender inequality are associated with increases in net income inequality.

The same study finds that gender inequality has a strong association with income distribution, especially in the top 10 percent income group, perhaps as this group is more affected by gender discrimination: “If the GII index increases from the median to the highest levels, the income share of the top 10 percent increases by 5.8 percentage points, which is the difference between Norway and Greece. Gender inequality also goes hand in hand with lower income shares at the bottom of the income distribution. As before, if the GII index increases from median to highest levels, the income share of the bottom 20 percent declines by 2 percentage points.”

Arguing that “redistributive policies can help lower income inequality directly and if not excessive be pro-growth” it concludes that “more targeted policy interventions are needed as a complement to redistribution.”

This approach also applies to trade and investment policy. In July 2016 the head of the WTO, Roberto Azevedo, acknowledged that international trade generally favours multinational corporations, pointing to need to target smaller firms. Addressing the widespread assertion that it is the private sector that creates the most jobs, he stated:

the reality of international trading is often harder and more expensive for Micro, Small and Medium Enterprises (MSMEs). The smaller the business, the bigger the barriers can seem. MSMEs are responsible for the largest share of employment opportunities in most economies, up to 90% in some countries, this is especially true when looking at equal opportunities for young workers and women.

This mainstream recognition that corporations are not in fact the major job creators also raises questions about the role of corporations in promoting and practicing sustainable development, and about the modalities for engaging them. Public-private partnerships (PPPs) have been a favoured mechanism, and the mantra of their indispensability has been examined during the negotiations over the 2030 Agenda and the Addis Ababa Action Agenda (AAAA). The findings include a number of risks of these partnerships, including:

- PPP financing costs are higher than public costs due to higher interest rates involved in private sector borrowing;
- Debt and fiscal risks, or contingent liabilities, of PPPs are often poorly accounted for, while the

public sector must take ultimate responsibility when a project fails or if the private partner goes bankrupt or abandons the project;

- Social and environmental regulation and enforcement, such as workers’ and women’s rights, tax regulation, transparency rules, and environmental safeguards, are often lacking in PPPs;
- Government budgets are constrained by payments required over longer PPP contractual periods (25-30 years in some cases), compared to conventional service contracts (e.g., for refuse collection, 3-5 years), from higher transaction costs and from legal constraints against payment reduction schemes.

Moreover, a World Bank evaluation of PPPs finds that the “PPPs are not a panacea”:

The literature points at the negative effects on public budgets because of contingent liabilities not being adequately assessed, insufficiently reported, or accounted for off-balance sheet. Furthermore, PPPs are reported as being more expensive due to high private sector borrowing costs and high transaction costs in general. There are also reports on PPPs having inadequate risk allocation due to lack of competition during bidding and on PPPs being subject to renegotiations which may put the public sector in a weak position and subsequently lead it to accept undue risks.

There is also increased attention to the efficiency of PPPs, including from the UN system. A 2016 DESA review of PPPs across a range of countries, concludes: “Overall, the evidence suggests that PPPs have often tended to be more expensive than the alternative of public procurement while in a number of instances they have failed to deliver the envisaged gains in quality of service provision, including its efficiency, coverage and development impact.”

Accordingly, the AAAA highlights the need to “build capacity to enter into PPPs, including as regards planning, contract negotiation, management, accounting and budgeting for contingent liabilities,” and to “share risks and reward fairly, include clear accountability mechanisms and meet social and environmental standards.”

These findings and analyses have important implications for the role of the state, particularly with regard to income redistribution and financial

regulation. Are they indications of the need for the transformation demanded to achieve the SDGs or are they indications of the depth of these “trying times”? How will we see it played out in agenda of new Secretary-General?

Clearly the state, and responsible state leadership, are essential to the long term planning and investment policies needed. These include the need to strengthen all levels of public institutions, many of which have been considerably weakened after years of neoliberal policy orientation. Will Member States and UN leadership take this challenge?

Measuring accountability as well as implementation

While a commitment to rigorous monitoring and accountability in 2030 Agenda failed to gain consensus among Member States, the Review and Follow-up Framework (paras. 72-73) includes a commitment to “promote accountability to our citizens”, while Goal 17 includes two targets under the heading “Data, monitoring and accountability”, including one on progress to develop alternative measures of progress to complement GDP. And in the context of governance under Goal 16, Target 16.6 calls on countries to “Develop effective, accountable and transparent institutions at all levels”.

These commitments are particularly pertinent in face of the weakening of public institutions including the UN, and an ongoing disconnect between the 2030 Agenda and the focus of global development agencies. A more systematic approach and implementation and accountability to core and extended/linked targets may contribute to needed reforms of the UN development system (UNDS).

An Independent Team of Advisors (ITA) appointed to support the ECOSOC Dialogue on the longer-term positioning of the UN development system found that “Increased earmarking of resources undermines flexibility and inter-linkages”.

In 2014, some 84% of UNDS expenditures were funded with voluntary and earmarked resources. These non-core resources – typically determined bilaterally at the country level and outside the intergovernmental mandates and processes of UNDS entities – have grown significantly faster than core resources. This represents a growing bilateralization of multilateral aid.

The funding challenges have also encouraged UN agencies to embrace the support of philanthropy and the corporate sector, which amplifies the risk of irrelevant or competing programme priorities. The head of WHO, Margaret Chan, who has witnessed this phenomenon, has stated that corporate influence “is one of the biggest challenges facing health promotion”:

Market power readily translates into political power. Few governments prioritize health over big business. [...] This is not a failure of individual will-power. This is a failure of political will to take on big business.

Private funding, along with a high degree of dependence on earmarked funds from all sources, can also exacerbate fragmentation, duplication and a tendency to operate in silos.

Yet the UN system is being challenged even more urgently to reform in order to be able to support the 2030 Agenda, starting with a unified vision and demonstrating integrated and “joined-up” policy and programme development. This also applies to data as the Secretary-General’s Report on the Transformative Agenda for Official Statistics (E/CN.3/2016/4) states: “The transformation process requires a shift from the traditional ‘silo’ approach whereby the collection and production of statistics is carried out in organizational units responsible for a single set of statistics”, adding that “the creation of an integrated statistical system calls for the transformation of institutional and governance arrangements.”

Governance, and a move away from the silo approach is also highlighted in the Summary/ Update of the ECOSOC Dialogue on the longer-term positioning of the UN development system, which concludes: “In the post-2015 era, the UN development system will also need governance capacity that can effectively balance agency and system-wide interests as well as the national and global perspective in decision-making....The composition of governing bodies should also help ensure strong political and performance legitimacy of entities of the UN development system.” Thus the “**overarching objective should be to strengthen the ownership of Member States, individual and collectively, of the work of the UN development system.**”

The DESA Working Group paper on integration referenced earlier makes clear why this is necessary: “In designing and monitoring their work, agencies concerned with a specific goals (e.g., education, health, economic growth) will have to take into

account targets that refer to other goals, which, due to the normative clout of the SDGs for development work coming forward, may provide stronger incentives than in the past for cross-sector, integrated work.”

There is deep resistance within development agencies, however, to move from specialized silos to a system. This can be seen in the ongoing effort to simplify and reduce the 2030 Agenda—starting with the goals, then going on to the targets and then the indicators. This despite the fact that one of the “drawbacks of the MDGs was that the ‘silo’ goals encouraged silo policies and did not make links and trade-offs across areas explicit”.

The 2030 Agenda is both a problem and a solution for the UN system. The UN, especially the UN development system, must be encouraged to return to its value-driven role in the public interest, grounded in the explicit adoption of norms and standards and delivered through programming that does not deviate from its core business. Otherwise it will find itself caught in a self-inflicted vicious circle of decline. “More of the same” will see the continuation of its shrinking role in global affairs at a time when so many challenges require international co-operation and resolve.

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