

A report from The Economist Intelligence Unit

Meeting the SDGs:



A global movement gains momentum



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About the report

Meeting the SDGs: A global movement gains momentum is an Economist Intelligence Unit report that explores progress towards the Sustainable Development Goals (SDGs). In 2015 more than 190 countries agreed to prioritise these 17 UN-backed goals as national targets. These objectives include improving education, economic growth, gender equality, infrastructure, health and industrial innovation.

The report examines how global human development efforts may engage the private sector; uphold standards of transparency, accountability and evaluation; and encourage the use of integrated approaches to today's major social and environmental challenges.

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The Economist Intelligence Unit would like to thank the following individuals who participated in the interview programme:

- David Kaimowitz, director of natural resources and climate change, Ford Foundation
- Elizabeth Thompson, former assistant secretary-general, United Nations, and executive co-ordinator, Rio+20
- Lise Kingo, chief executive officer and executive director, United Nations Global Compact
- Felix Dodds, senior fellow, University of North Carolina Global Research Institute
- Caroline Heider, director-general and senior vice president of evaluation, World Bank

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Introduction

To some, 2030 might seem far off. To those working to protect the planet and end poverty by this date, it looks alarmingly near. While many countries committed to meeting the Sustainable Development Goals may find these objectives challenging, the SDGs have proven to be a rallying point for governments, businesses and other organisations to advance the global development agenda. Partnerships among these diverse stakeholders have also begun to encourage greater accountability, collaboration and innovation.

Adopted by 193 United Nations member states in 2015, the 17 SDGs are a set of key objectives to address various issues including hunger, gender equality, universal access to education and environmental sustainability. The SDGs are ambitious and represent what former UN Secretary-General Ban Ki-moon called "a universal, integrated and transformative vision for a better world".

In many countries, progress towards this vision has been made. For example, the global prevalence of hunger has fallen from 15% for 2000-02, to 11% for 2014-16, according to a report from the secretary-general on "Progress towards the SDGs". Yet, as the report highlights, more than 790m people still lack regular access to sufficient sources of dietary energy. If current trends were to continue, the target of zero hunger by 2030 would be missed.¹

Few would downplay the hurdles the international community faces in meeting the SDGs. Designing policies that deliver economic growth and increased living standards while conserving the world's natural resources is complex and demands difficult trade-offs. Moreover, since 2015 the world has experienced sluggish global economic growth, dramatic political upheavals, natural disasters and migration crises. Some countries, such as the US, are turning their attention to narrow national interests, away from international co-operation and global development.

Given these obstacles, finding ways to help countries meet the SDGs has new urgency. Several key themes can help relevant stakeholders strengthen their efforts to encourage global human development, including the engagement of business; transparency, accountability and evaluation; and—hardest to achieve—holistic approaches that capitalise on the intertwined nature of the world's social and environmental challenges.

Progress towards the Sustainable Development Goals, Report of the Secretary-General, 2016 UN session. Available at: https://unstats.un.org/sdgs/files/report/2016/secretarygeneral-sdg-report-2016-EN.pdf

Harnessing business for good

"The role business has in creating real action on the ground and scaling up solutions to issues such as healthcare, water and energy is crucial."

Lise Kingo, CEO and executive director of the United Nations Global Compact When corporate leaders and government representatives were invited to participate in a forum in New York on July 18th, interest in the event was so high that organisers had to move the venue to the UN General Assembly Hall itself. With more than 1,500 delegates attending the SDG Business Forum to discuss progress towards meeting the SDGs, the message was clear: corporate leaders are increasingly keen to play a role in sustainable development.

Yet the private sector has not always participated in global development discussions with international organisations. The global development community has often viewed companies with suspicion. Businesses have faced wide-ranging criticism for actions such as polluting the environment or failing to address poor working conditions in overseas factories. Today, however, many recognise that the private sector can contribute to advancing the global development agenda. Many businesses offer valuable skills, resources and access to markets. And companies increasingly see that promoting sustainable development is in their best interests.

These ideas gained momentum in 2012, when the process of developing the SDGs was launched at Rio+20, the UN Conference on Sustainable Development in Rio de Janeiro. There, business leaders joined governments, civil society and citizens in shaping the SDGs. "The participation of the private sector at Rio was unprecedented for a UN conference," says Elizabeth Thompson, former UN assistant secretary-general and Rio+20 executive co-ordinator. "A lot of the change started there."

Indeed, achieving many of the SDGs demands business participation. Take Goal 8, "to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". Without the private sector creating well-paid jobs, this goal cannot be met.

Goal 9, "to build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation", is another target that puts business at the heart of progress, as does the promise to "ensure access to affordable, reliable, sustainable and modern energy for all" in Goal 7.

"If you look at the KPIs [key performance indicators] that define each of the 17 goals, about a third rely on the involvement of business," says Lise Kingo, CEO and executive director of the United Nations Global Compact, which was established to facilitate relationships between the private sector and the UN. "The role business has in creating real action on the ground and scaling up solutions to issues such as healthcare, water and energy is crucial," she says.

Ms Kingo argues that one of the private

sector's most powerful tools is its ability to adapt. "In the energy sector, it is encouraging to see how some companies that were built as oil and gas companies are now investing in more sustainable energy sources, including wind and solar energy," she says.

If the development community is now welcoming business into the fold, corporations have also recognised that participating in global development promotes the health of their commercial operations, such as by reducing the risk of natural resource depletion or fostering healthy communities that provide future customers and employees.

Investors, too, are increasingly putting their money into companies that demonstrate commitments to serving communities and the planet. "In recent years large global companies have realised that in order to maintain a social contract with all stakeholders, including investors and governments, they need to prove that they are a force for good and doing more than simply creating profit," says Ms Kingo.

Unilever, an Anglo-Dutch consumer goods company, is one example. Led by CEO Paul Polman, Unilever's goal is to halve its environmental impact by 2030 while continuing to expand its business. In 2007 Stuart Rose, chief executive of M&S, a UK retailer, launched Plan A to address environmental, social and ethical challenges. The strategy ranges from reducing carbon emissions to campaigns encouraging donation of clothing to Oxfam, a charity. "You have serious business leaders emerging as champions of the dialogue and the methodology of private-sector engagement—and that creates interest and excitement," says Ms Thompson.

This is not to say that securing business commitment to sustainable development is without challenges. At the SDG Business Forum, several participants suggested that the UN and its member states needed to do more to include business in their work. Moreover, the tendency of capital markets to maximise short-term shareholder value can hamper the long-term investments needed to tackle challenges such as poverty and climate change.

In part for this reason, in 2005 the Global Compact launched the Principles for Responsible Investment, a network of investors that have pledged to incorporate environmental, social and governance (ESG) factors into their investment and ownership decisions. ESG factors that investors might consider when making investments include climate change, waste and pollution, working conditions, health and safety, bribery and corruption, and board diversity.

Ms Kingo argues that aligning the goals of the investment community and the SDGs could unlock trillions of dollars from the capital markets to finance solutions to social and environmental problems. "This kind of money is there in the system," she says. "It just needs to be channelled into the themes of the SDGs."

Tracking progress

At another meeting this July, representatives from governments, the UN, civil society and the private sector gathered in New York. The second High-Level Political Forum (HLPF) on Sustainable Development-intended to advance the SDGs by scrutinising what is working and what is not—is among the measurement and evaluation mechanisms used to assess progress. The forum provides country delegates with the opportunity to report on their efforts to meet the SDGs. Forty-three countries agreed to present their voluntary national reviews to the HLPF in 2017. Many of these efforts have been compiled into an online review platform to share lessons learned across member states.

The Inter-Agency Expert Group on SDG Indicators, composed of UN member states, was established in 2015 to support monitoring and evaluation. "The group was set up to review the SDG indicators and determine whether they're the best ones for their associated goals," says Felix Dodds, senior fellow at the University of North Carolina's Global Research Institute and co-author of the book Negotiating the Sustainable Development Goals.

However, measuring progress towards meeting the SDGs will require more than UN and country-level efforts. Whether the goal is lowering carbon emissions or expanding access to healthcare, recent years have seen increased focus on measurement and evaluation by local governments, businesses, non-profits and international development organisations.

Some institutions have developed their own processes for conducting such assessments. "We have a number of different instruments," says Caroline Heider, director-general and senior vice-president of evaluation at the World Bank.

At the World Bank's Independent Evaluation Group, she explains, these processes range from evaluations of individual projects to high-level strategic assessments of the Bank's contribution to development goals such as advances in the provision of clean water supplies and sanitation. Evaluation methods include literature reviews, surveys and case study analyses, with use of both internal and external data sources and interviews with different groups of stakeholders. "And we have increasingly included the SDGs in these evaluations," she says.

Meanwhile, a wide range of sustainability standards and measurement tools has also emerged in recent years. Since 1997, the Global Reporting Initiative has offered businesses, governments and others standards on sustainability reporting and disclosure. CDP, formerly the Carbon Disclosure Project, also works with institutional investors to collect data on companies' environmental footprint, from their carbon emissions to consumption of water and other natural resources.

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> In addition to measuring progress on social and environment goals, Ms Heider sees evaluation as a way of learning from past experience. "We have 70 years of history in development, and there are so many areas where we should avoid making the mistakes that have been made many times over," she says.

Here, Ms Heider believes more must be done, particularly with respect to human resources. "The evaluation practice has grown very rapidly over past couple of years because of astronomical demand for it, without necessarily growing the profession," she says. "But we are catching up and now have many more people who are experienced in evaluation."

Mr Dodds sees a need for more and better data, particularly when deciding whether the SDGs have the right indicators to enable assessment of progress on each goal. "Everyone accepts that the indicators are imperfect because people haven't invested in data collection in the past," he says.

One mechanism supporting more widespread data collection and analysis is the World Data Forum, whose first meeting took place in Johannesburg in January 2017. The forum is a UN effort to explore how big data and other analytical tools can be used to measure progress and inform policy decisions on the sustainable development agenda. The forum led to the launch of the Cape Town Global Action Plan (CTGAP), a global framework designed to help countries shape the statistical capacity-building measures they need to achieve the global goals.

But while technology may allow problems such as hunger and climate change to be measured in new ways, Ms Heider warns against over reliance on digital sources of information. "You need the combination of man and machine," she says. "Automation can really help systematise and reduce human error. But you also need people who have a strong grasp of what's going on from different perspectives."

Joining the dots

"The things you need to do to slow climate change are the same things you need to do to address poverty and inequality."

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David Kaimowitz, director of natural resources and climate change at the Ford Foundation If measurement and evaluation must accommodate a wide range of perspectives, there is also a growing recognition that because many SDGs are closely connected, tackling them will require a more integrated approach. "If we don't get the linkages right we're missing the boat," says Ms Heider.

Take clean energy. Investing in solar and wind power or other forms of renewable energy is a means of cutting greenhouse gas emissions and helping meet Goal 13 on climate action. However, these investments can also create jobs, contributing to Goal 8 on decent work and economic growth.

Some non-profits and non-governmental organisations (NGOs) have started to recognise this principle. For example, WWF—a conservation organisation established to protect endangered species and the natural environment—now connects this mission closely with economic development and poverty reduction.

Oxfam, a UK-based charity established to fight poverty and injustice includes combating climate change among its most prominent campaigns. Indeed, the world's poorest communities are often disproportionately affected by rising sea levels and unpredictable weather patterns.

However, David Kaimowitz, director of natural resources and climate change at the Ford Foundation, sees a gap. While efforts are being made to help poor communities adapt to climate change, he believes insufficient attention is paid to the relationship between poverty and climate change mitigation. "The things you need to do to slow climate change are the same things you need to do to address poverty and inequality," he says.

In his work, Mr Kaimowitz focuses on helping rural communities and indigenous people to secure land rights. Such actions give communities an incentive to protect lakes, forests and ecosystems while generating income from timber and other natural resources. "There's solid evidence that, to the extent that forest communities get better land rights and greater support from government, that's a very cost effective way to mitigate climate change," he says. "And those things can provide communities with income that's not welfare."

He argues that these communities need to be treated not as merely recipients of assistance but as productive members of the economy. "For these holistic approaches you need to see the entrepreneurial potential of these rural groups," he says.

In some cases, companies are playing a role. In Brazil, for example, where social inequities persist and natural resources are under severe pressure, Natura, a cosmetics company, works with rural communities and NGOs in the sourcing, manufacturing and sales of its cosmetics products. This strategy helps Natura ensure it has a supply of the raw materials needed for its products while giving local communities a role as suppliers to the company, providing them with financial incentives to protect the ecosystems from which those materials are sourced.

While some organisations are adopting this more holistic approach to sustainable development, co-ordination efforts are often challenging. "These areas of integration and connective tissue are hard to achieve when institutions are focused on the little silo that they're accountable for," says Ms Heider.

Ms Thompson agrees and argues that this could have been addressed during the development of the SDGs. "The multilateral system missed a huge opportunity at Rio by not including a nexus approach to the SDGs," she says.

A "nexus approach" involves looking at the links between different goals—such as the connection between water, energy and food security—and promoting cross-sector and multi-stakeholder partnerships. As such, a nexus approach with respect to the SDGs seeks opportunities when working on one target to incorporate objectives from other goals. A clear example of this is the links between education, gender and health. Educating women and girls gives them more economic, social and political power. By contrast, early marriage, early pregnancy and child labour forces some girls to drop out of school, creating the reverse effect. And when girls have access to education, they are more likely to go on to get well-paid jobs, helping them afford better food and healthcare for their families.

This approach was not built into the SDGs, in part, she says, because countries felt that they were already taking on many new objectives and simply did not have sufficient bandwidth to include another commitment. "Yes, there is recognition of the need for multi-sector approaches at the intellectual level but not at the level of action."

However, Ms Thompson believes that given the compelling arguments for an integrated approach to meeting the SDGs, it will eventually be adopted. "At some point in the future the nexus approach will be accepted by the multilateral community as the most effective, not only philosophically but also in terms of practical application," she says.

Conclusion

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> If promoting sustainable development requires an integrated approach that marshals the resources of all sectors, there is one critical mechanism without which the SDGs cannot be met: partnership.

Fortunately the appetite for multi-sector partnerships has been growing steadily. As the development community has turned to business for its expertise and resources, companies are pursuing responsible business strategies and collaborating with community groups, NGOs and UN agencies to implement them.

In some cases, new alliances are addressing gaps left by governments. For example, in the wake of US President Donald Trump's decision to pull out of the Paris climate agreement, American states, cities and corporations were quick to pledge their commitment to meet the carbon reduction targets in the agreement. This is not to say that successful partnerships are easy to achieve. Institutional and cultural differences make collaborations between different types of organisations challenging. The swift decision-making found in the private sector, for instance, is often at odds with the slower, more bureaucratic operations of development institutions.

Collaboration will nevertheless provide an essential tool in meeting the SDGs. Such partnerships include not only companies working with NGOs and governments but also companies working with other businesses, including their rivals. The world's social and environmental problems cannot be solved by one actor or industry alone. For many, the collaborative approach must be driven by a sense of urgency. As Ms Kingo told delegates at the SDG Business Forum in July, "The SDGs honeymoon is over; it is time for action." Whilst every effort has been taken to verify the accuracy of this information, neither The Economist Intelligence Unit Ltd. nor the sponsor of this report can accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in the report.

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