

**Talking points for Mr. Bernstein
Expert Group Meeting
2015 and 2016 ECOSOC Cycles
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Session II: What's Needed: Institutional Structures and Behaviours for Transformation.

Thank you for inviting me to this important session.

There is no need for major reform or new institutions. The work to be done is on coordination, mainstreaming and coherence; building better linkages to rule-based parts of the system, especially major economic institutions; facilitate means of implementation and especially national capacity building; and robust mechanisms of monitoring and review at global, regional and country levels, with a major focus on accounting for whether we're making progress on what we've already agreed to do. I'll talk about institutional needs primarily at the global level, while recognizing that most of what is needed is at regional and country levels (hope others cover) – so global institutions should support those levels. I'll address 5 themes:

1. Coherence

This is perhaps the central mandate of the SDGs. Institutional arrangements to support their implementation should ensure they remain universal in focus – relevant to all countries – and that coherence means countries and international institutions should not be pursuing policies at odds with SDGs or that contradict one another. This includes coherence among donors and recipients of aid, and perhaps some recognition of zero goals or targets, levels beyond which no country should be left behind. Concretely, then, one focus of the Sustainable Development Report could be to identify where policies are contradictory and where gaps are for countries who are excluded or are finding it difficult to benefit from existing institutions (such as trade rules and facilitation) or arrangements. In other words, gap analyses can be an important focus.

2. Partnership for Development and Finance for Development:

This is where coherence hits the ground globally. ECOSOC is the primary political platform for policy coherence across the UN, Bretton Woods institutions and other economic institutions (e.g., WTO). However, while HLPF's first session under the UNGA successfully attracted IMF and World Bank leaders, mostly lower-level officials from economic institutions attended HLPF-2. Greater convening success may require stronger signals from ECOSOC that HLPF meetings are as important for coherence as its own joint meetings with the IMF, World Bank and WTO under the finance for development initiative. Sessions within the HLPF could be devoted to means to operationalize the SDGs so they are relevant for the work of the Bank, for example, which has created cross-cutting solution areas, and could provide mutual benefits for learning and analysis of how to incorporate targets or modalities, such as, say, climate accounting or sessions on implementation. This task also requires joint –interagency - work on operationalization also involving stakeholders. Similarly, greater interaction and coordination

with OECD, for example, on its experiences might be useful. Moving joint meetings (with IFIs/WTO) to coincide or directly precede or follow HLPF is also a good idea.

While there has been a great deal of focus on means of implementation – SDG 17 – institutionally it is not clear how this connects back up to macroeconomic issues. Trade rules, for example, are extremely important, but without adequate trade facilitation, targets in SDGs will be inadequate –and don't really address – necessary instruments to take advantage of trade rules. Helping countries best leverage trade rules to help achieve SDGs, as many lack capacity to properly use rules or formulate own policies and strategies. There's a lot of expertise in the World Bank and UN system, these could be better integrated with WTO and requires joint presence at meetings to encourage collaboration.

There is also the reality that what is happening in trade is contradictory to the SDGs, because the system is increasingly not universal – bilateral, regional, and plurilateral preferential agreements – and greater attention to these issues should be part of monitoring and reporting on SDG 17, for example. Issues such as market access – including for environmental goods and services, subsidies, and reduced funding for aid for trade were all highlighted by the expert committee on SD financing and work needed on indicators for these elements. Currently the focus is heavily on partnerships – important – but only half the equation – structural, institutional, and policy capacity are other half.

A similar set of observations could be made on finance re lack of coherence, especially given imbalances between where private investment flows and where long-term investment is needed to address many aspects of the SDGs (green growth, infrastructure development, etc.).

3. Interagency Coherence and Coordination

At the interagency level, there might be some consideration to creating additional sub-groupings for different SDGs as in UN Water and UN Energy, although not every SDG requires one.

Re changing mindsets, although a name change is a small thing, perhaps re-naming the UN Development Group the UN *Sustainable Development* Group could help reinforce that mindset within the UN family to better reflect a more coherent post-2015 agenda and help build that into guidance for Delivering as One and other mechanisms of UN delivery to incorporate SDGs and improve consistency. Changing mindsets can support stated goals of streamlining delivery and reporting related to SDGs, including on environmental and other agreements directly related to achieving the SDGs. Another important focus would be support for countries to develop their own national sustainable development planning processes, strategies, and frameworks. Countries in less need of assistance – with strong technical and policy capacity – could still be encouraged to create national sustainable development councils or similar policy/planning bodies.

Mainstreaming the SDGs in the operations of agencies throughout the system should also be a priority. I'm unsure where things are with the Framework for Advancing the Environmental and Social Sustainability in the United Nations, but my sense was it lacked a political champion in the system – the HLPF could serve that role if the initiative becomes one of the agenda items –

or part of review of international institutions mandated in the review mechanism. It could also be a focus of the UN's joint inspection unit.

Finally, taking a lesson from the private sector, one way to get buy-in around the goals and integration into all aspects of operations and activities could be tie performance on SDGs to senior manager evaluations, (i.e., how well their organizations produce results related to SDGs in appropriate ways for the institution).

4. Science-policy nexus, especially monitoring and reporting

Administratively, the UN Statistical Commission provides guidance and advice on measurement for targets and indicators as the focal point for statistics in the UN system, but the UNDP, as it did for the MDGs, can provide the institutional link to national level monitoring and SDG reports, which reflects the importance of country ownership.

In addition to all the good work already being done on what is needed for statistics and monitoring, emphasis should be placed on creating systems to evaluate indicators more systematically, with sensitivity to signals of systemic transition and linkages among multiple parts or processes of a system (e.g., food, water, jobs and energy when monitoring intensification of agriculture); linkages across distances; and linkages among stakeholders to understand their different interests and perspectives. Such monitoring will be too expensive for single organizations, so mechanisms must be put in place to collect and synthesize information from multiple sources and then organized in the spirit of learning and openness to mutual adjustment.

There are serious issues of capacity both at the country level – which should be assessed and resources mobilized, or where resources exist, directed to gather and disaggregate data relevant to targets/indicators – and at the UN level. A lot of focus has been on the Sustainable Development Report, but as far as I know the office that handles that is very small with almost no independent analytic capacity. Most of the data gathering will be through other processes and agencies – but making it usable and systematic requires analytic capacity (even developed countries have gaps). UN can provide frameworks, reporting modalities and standards, and also learning opportunities. IEA and OECD are examples of organizations that do this well – plotting trends and comparisons – but they have greater analytic capacity.

This is different than annual ministerial reviews through HLPF – which should be more focused. Lots of models are being considered – but one idea (originally suggested to me by Marc Levy) is to focus on countries facing common challenges (e.g., large coastlines, resource dependency, coping with megacities or running out of water). Such reviews would provide systemic evaluations rather than focus only on specific goals, and would maximize learning.

One new idea to consider that could be an element of the reviews: “stress tests” on institutions or countries just as we do now for financial institutions, but related to sustainable development indicators. This idea has gained some traction in the climate change scientific literature, for example. Such tests require linking monitoring systems to indicators and analytic work on tipping points or stress points in the system, and evaluations of tolerable and intolerable risks.

5. Means of Implementation

Earlier I spoke about broadening the MOI discussion, but returning to partnerships, HLPF is in a unique position to promote review, accountability and learning among partnerships and voluntary commitments – which is where most of the resources are being mobilized (leaving aside whether that *should* be the case).

If ECOSOC/HLPF is to serve the purpose of steering partnerships and other transnational initiatives towards SDGs, it has to think more along the lines of incentives. Think about why they would want to work with the UN. Here, *endorsement* can be a powerful tool, inviting partnerships and initiatives that have best practices in terms of multi-stakeholder participation, accountability and performance to side events, workshops, and other learning opportunities. Better publicize the sustainable development knowledge platform and make it a one-stop clearing house as a way to let parts of the decentralized approach know what others are doing. It could facilitate identifying gaps in the world of activities, catalyze identification of synergies, helpful redundancies and inefficient redundancies, and encourage experimentation. It should also better coordinate with groups like NRDC and its cloud of commitments, or the UN Global Compact platform, to encourage accountability and provide clearer and consistent direction to those trying to do the right thing.

The learning platforms and the web platforms, working together, could specifically disseminate best practices, especially since research shows that truly multi-stakeholder partnerships with review mechanisms and clear benchmarks, which SDGs could inform, perform best.

Haven't said much about regional level – but much of the translation and learning will go on in regional commissions, not at the UN level, so many of the same lessons apply. The point is not to duplicate, but to ensure learning and review (including possibly peer country review at regional level – mentioned in SG Synthesis Report) at appropriate level occurs and feeds back into ECOSOC and HLPF.

I also haven't said much about country level coherence, but hope others will. Mainstreaming of SDGs in governance processes is key, as are capacity building and building organizational frameworks at the country level.

Final General Comment:

I apologize for being, perhaps, a bit undiplomatic, but I worry the unclear division of labour between HLPF and ECOSOC and limited autonomy for the HLPF could undermine a strong voice for sustainable development in the system. I confess to not understanding the politics at work here, though I can see a dilemma. On the positive side, a closely integrated agenda and the unparalleled convening power of ECOSOC are beneficial for the HLPF and its mandate. However, despite the close relationship between the post-2015 agenda and SDGs, sustainable development may still require an institutional champion, leadership, and forum with some autonomy from the extremely wide mandate of ECOSOC or the UNGA in order to generate and articulate the widest political commitment and clear mindset on a transformative agenda, even as it must work through ECOSOC and UNGA to provide political guidance to interagency and

other systemic processes, encourage coordination, learning and coherence, etc. Whatever countries decide is the appropriate division of labour should minimize duplication and be based on which platform can bring the relevant parties together – economic, social, and environment ministers/parts of government, parts of the UN system as well as stakeholders who need to be engaged and learn from each other for a transformative agenda to take hold.