Ethical CORPORATION

# Sustainable Development Goals: the bar just got higher

By April Streeter on Jul 8, 2015

The UN's 17 proposed Sustainable Development Goals are nothing if not ambitious, starting with the eradication of all poverty as Goal 1. If there is to be any hope of meeting them, the effort has to be global in every sense.

In a few short months, the world – or that portion of it paying attention to the work of the UN – will agree on a new set of global development goals. These goals are for the global public good. How will they be paid for? Who will take responsibility, and what expanded role does the business world have to play?

Unlike their UN predecessors, the Millennium Development Goals (MDGs, launched in 2000 and reaching their deadline in 2015), these new Sustainable Development Goals (SDGs) have the word "sustainability" in their title. That's a significant step. The goals are meant to be global, not just for the least developed nations. At the UN General Assembly meeting in September in New York, 193 member-state delegates will agree on the 17 goals and 169 targets (there were only eight MDGs), in the hopes of creating a more sustainable and just world.

With that addition of the word sustainable to all the goals, though, not just opportunities but also risks have arisen. The MDGs (see list) achieved some limited success: the number of people in extreme poverty has fallen by half; maternal deaths have been reduced; primary education is up. Yet, none of the goals was actually reached. For example, a billion people still live on $1.25 a day or less. Meanwhile, the dire straits of many of the world's ecosystems and indicators make the inclusion of sustainability an essential, yet also daunting, addition.


**The Millenium Development Goals (above) were more manageable, but less ambitious**

It is daunting for myriad reasons and three main ones. The first is scope creep – what were eight big goals with the MDGs have become 17 super-sized ones. The second is financing. Though absolute development cash is rising, the share of global development funds going to the least developed African nations has been falling. The developed nations seem averse to putting more money to direct aid, as well as demanding emerging middle-income nations to stump up more. And the third major cause for concern is the depressing possibility that expanding the goals within our current dysfunctional global structures – both governmental and business systems – may just entrench the inequality and poverty further.

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**MDGs v SDGs**

**Millennium Development Goals**

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases

7. Ensure environmental sustainability
8. Develop a global partnership for development

**Proposed Sustainable Development Goals**

1. End poverty in all its forms everywhere
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3. Ensure healthy lives and promote well-being for all at all ages
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5. Achieve gender equality and empower all women and girls
6. Ensure availability and sustainable management of water and sanitation for all
7. Ensure access to affordable, reliable, sustainable and modern energy for all
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
10. Reduce inequality within and among countries
11. Make cities and human settlements inclusive, safe, resilient and sustainable
12. Ensure sustainable consumption and production patterns
13. Take urgent action to combat climate change and its impacts
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

In June 2015, there were 169 proposed targets for these goals and 304 proposed indicators to show compliance.

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**Scope creep**

Originally, the MDGs were put together under the leadership of the then UN secretary general Kofi Annan, behind closed doors and with limited input from a larger global development constituency. In contrast, the UN worked quite intensively in this four-year SDG process to get wider participation and inclusion by member-states and other stakeholders for goal setting and what is termed the “post-2015 development agenda”.

Of course, that participatory process is part of what makes the new list of 17 goals unwieldy. Former Microsoft chief executive Bill Gates (he now leads the $4.4bn philanthropic Gates Foundation) says he preferred the health- and poverty-oriented MDGs to the much heftier SDGs. And Charles Kenny, a senior fellow at the Center for Global Development, describes the new expanded goals as “overwrought and obese”. An ongoing critic of the development community, economics professor Bill Easterly of New York University told Devex the goals’ use of the word sustainability so often and in so many different contexts renders it practically meaningless.


**Bill Gates has voiced concern about the 17 "hefty" SDGs**

But as Amina Mohammed, UN special advisor on post-2015 development planning has said, the MDGs were limited in that they addressed symptoms, while the SDGs seek to “fix some of the more difficult, politically charged causes of poverty and inequity”.

The SDGs are monumentally ambitious. Take, for example, Goal 1: “End poverty in all forms everywhere.” Or Goal 6: “Ensure availability and sustainable management of water and sanitation for all.” Or Goal 16: “Promote peaceful and inclusive societies for sustainable development.” And the new set of goals is meant to be for all nations, not just for the least-developed countries of the world.

This expanded scope of the SDGs has made many of those currently involved – from governments and NGOs to philanthropic organisations and businesses – realise that partnerships are even more important than they were during the MDG era.
The current UN secretary general, Ban Ki-Moon, has said that "policy integration must be the new operational standard" and "the importance of multi-stakeholder partnerships for delivering on the SDGs" is paramount. An example of these new partnerships is the Impact2030 initiative.

"The breadth and depth of the goals are such that no one sector, entity or industry can take them on," says Deirdre White, CEO of NGO Pyxera Global, headquartered in Washington DC. "You need the private sector as a driving engine, the NGOs being 'feet on the ground' and the public sector for scaling and enabling."

**Passing the buck(s)**

Development, sustainable or otherwise, doesn't come cheap. Bjørn Lomborg of the Copenhagen Consensus Centre, says the international community will spend $2.5tn on development during the SDGs' 15-year period, with national budgets contributing trillions more. Lomborg said the 169 targets accompanying the 17 goals are just too many, and that reducing them drastically down to nine would do the world the most good for the least amount of money spent. Lomborg's "smart targets" will generate, he says, $32 of social value for every dollar spent.

But though Lomborg's idea of finding the most bang for development buck may be smart, the release of what is called the "Zero Draft" of the SDGs in advance of the September meetings is a fairly clear indicator that the goals will stick as they are, and the targets won't change much between now and their starting period in January 2016.

**Bjørn Lomborg says his cheaper, more compact version would do most good**

That's unfortunate in the sense that many do agree that the current way we try to finance solving these global problems is inadequate. "Official development assistance" (or ODA) is the amount of money individual governments funnel into aid. The UN's 2020 target for aid money (0.7% of GDP) is currently met by only a handful of nations – Britain, Denmark, Norway, Sweden and Luxembourg. Though NGOs such as the One Campaign advocate that both developed and "upper middle-income" countries figure out how to funnel more money into aid, the development community seems to be concluding that most new money must come from the private sector in order to achieve the SDGs.

"Everyone involved in development, and particularly developing countries themselves, recognise that private flows are crucial to the success of the SDGs," says James Norris, executive director of the Sustainable Security and Peacebuilding Initiative at the NGO Center for American Progress. "This is not to lessen the importance of or continued need for traditional development assistance, just to recognise the huge volume of other channels – direct investment all the way to remittances – that is needed."

Concessional financing is a term being talked about to get more private financing to spark sustainable development. Concessional loans are by nature meant to have a grant portion and a long payback time – but critics say they can still lead countries into unsustainable debt loads.

There is consensus, as Norris says, that innovative forms of financing are needed and must go hand in hand with aid from traditional donor countries and from newly prosperous countries such as China and Brazil. Many of the world's major development banks have already pondered the private finance question and determined that with trillions of dollars required, financing through concessional loans, private investments and what the banks call a new "catalogue of financing solutions" must all be on the menu.

Paul Quintos of the CSO Partnership for Development Effectiveness (CPDE) worries that this shift, or "outsourcing" of government responsibilities for financing to the private sector is dangerous, because of what he calls "difficulties with private sector accountability". Quintos has stated that the profit orientation of the financial sector is a bad mix with the delivery of public services – health, water, food – that the SDGs are striving for.

**The private sector will have to help fund the battle against global warming**

Yet Mima Nedelcovych, CEO of the Initiative for Global Development, says that, in Africa especially, much of the private sector financing and investment will come from a new group of regional and medium-sized companies.

“It is the African born and bred businesses – those $30m regional businesses – that are going to going to deliver,” Nedelcovych says. “It is now understood, at least among the companies we at IGD are working with, that to really be focused on sustainable development really means investment, then re-investment and then further re-investment, and that’s where I see regional and local African-bred businesses coming through.”

**Partnerships and paradoxes**

There’s no question that businesses large and small see the Sustainable Development Goals as an opportunity, long underexploited, to reach the bottom-of-the-pyramid customers. Elaine Weidman-Grunewald, vice-president for sustainability and corporate responsibility at Ericsson Group, echoes the opinion of many in the private sector that companies play an instrumental role in the big and broad SDGs.

"I would say the role of the private sector has been totally underutilised when it comes to solving the problems the SDGs represent," Weidman-Grunewald says.

Especially in the technology sector, Weidman-Grunewald sees a wealth of opportunities for companies to speed up delivery of services such as mobile banking, which will foster financial inclusion for a vast number of people, and at a fraction of the cost of setting up traditional bank services.


**Technology could be key to achieving SDGs**

"Whichever of the SDGs you want to look at, whether it is health, education or women's empowerment, ICT can have a pretty transformative effect on the outcome," Weidman-Grunewald says. "We just see this enormous opportunity to achieve more of the goals faster when existing technology is brought into place."

Weidman-Grunewald says she understands the necessity for strong public-private partnerships to work on these goals, and Ericsson has experience with those. A challenge to educate more primary-school girls in Myanmar brought together Ericsson, the UK Department for International Development, the Earth Institute, and Unesco to work on a project to bring quality education to 50,000 girls over the next few years. "No one of these partners could do this on their own, and I'm not saying it is without hiccups but at the end of the day we are delivering real benefits," Weidman-Grunewald says.

Oscar Cordon, health director at Chemonics, an employee-owned health services company headquartered in Washington, DC, says that for the SDGs' health and wellness goals, diverse multi-sector partnerships are crucial.

"The leadership, know-how, capital and commitment [of the] business community will drive the changing partnerships to better reach SDG health targets," Cordon says.

As an example, Cordon points to a just-launched, three-year anti-malaria project in the Democratic Republic of Congo, which links Chemonics with another technology healthcare provider, a mining company and the local ministry of health. "Unlike traditional approaches," Cordon says, "international donor agency is involved. This is a purely private sector driven health programme with a vision towards reducing malaria through innovative technology, on-the-ground training and support, and mobile phone networks to deliver better care and better data."

It is also hoped that ICT can also help in an area that many see as critical for achieving the SDGs faster and more efficiently than the MDGs: collecting better data and using it more effectively for accountability and measurement of progress. Harnessing data from the major institutions – the World Bank, the IMF, and the UN itself – is of two-fold importance. In financing, development experts say it will help keep the international financial institutions more accountable so that development is more inclusive and more sustainable. In addition, a major criticism of the MDGs is that tracking their progress has been slow and uneven.

Partnerships, says Deirdre White of Pyxera Global, must get more intentional. White says she sees the private sector understanding the mutual benefits of multi-stakeholder, or what she calls "tri-sector" partnerships, but NGOs are a little slower. "NGOs are still very uncomfortable with the idea of these partnerships," she says. "I am worried that we also lack enough professionals that have experience with all three sectors."

White doesn't believe that it is as important for these partnerships to develop common goals as it is for every distinct group to get really clear on its goals but understand the art of compromise. "The private sector is more willing to have conversations about creating mutual benefit and shared value," she says. "More willing than the other two sectors."

There is a danger, however. The work of the UN Global Compact around the SDGs helps outline the risks. Last year the Global Compact carried out a series of surveys and focus groups on priorities for the post-2015 era. The conclusion was that the potential for the private sector is enormous. However, in the Global Compact's own words, this requires "the scale and intensity of corporate sustainability globally to be significantly enhanced. And it demands a new leadership paradigm that places collaboration and co-investment at its core."

Depending on profit-driven companies to rapidly increase their sustainability practices is the risk, and Paul Quintos of the CPDE pulls no punches in his criticism of the corporate sector's sustainability progress. "Green and inclusive policies are not even close to being the mainstream practice of the business sector," Quintos says in a briefing paper on the role of companies in the SDGs. "Out of the 82,000 multinational companies, only 3,000 or so are exploring inclusive models, according to the Harvard Business School … and some of these inclusive strategies are nothing but insidious ways of preying on impoverished people."

Quintos says that until corporations consistently pay living wages, eliminate tax evasion and tax avoidance through well-known and new strategies, and cease lobbying against the type of environmental, trade policy, and climate-change legislation that helps to save the commons, the post-2015 agenda is simply about furthering a model – a "neoliberal global capitalist model" – that hasn't thus far created sustainable development, or sustainability on any large scale.

In the end, perhaps it is the dire straits of ecosystems and the spectre of the profound consequences of climate change that may persuade all of the entities working on the SDGs of the importance of getting the whole globe involved in their execution. UN special adviser Jeffrey Sachs has identified the Addis Ababa meeting on finance, adoption of the SDGs, and a successful climate negotiation in Paris as "our generation's best chance to get on track".

Getting back on track, however, will mean finding ways to create financing, accountability and measurement, and partnerships that are inclusive not just in word but also in deed.

Deirdre White of Pyxera Global says that some companies, including Pyxera itself, have already mapped their own goals and initiatives against the SDGs in order to figure out how and where they can have an impact. There are also a number of NGOs working specifically to develop frameworks for companies to use to measure (and report on) their efforts with the SDGs.

Pyxera has decided it can usefully contribute to nine of the 17 goals. Even if companies are just coming to recognise the SDGs, though, White says there are ways to get involved, and well-designed employee engagement programmes are a fantastic first step.

"I think corporations are seeing that they have a larger responsibility to the world, they have a recognition of the limited resources of the world, and their employees are helping by demanding that they care and take action," says White. "What needs to happen now is that NGOs and the public sector also keep pace with that, because it's also not for the private sector to undertake without the other partners solidly at the table."