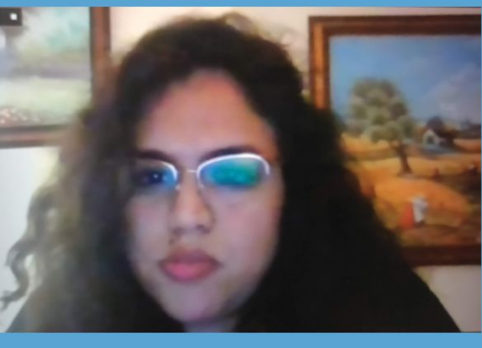
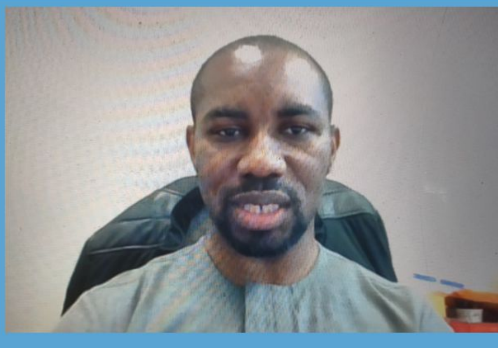
Governance *for* Sustainable Development

VOLUME 5

Implementing the 2030 Agenda for Sustainable Development: Governance Challenges





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New World Frontiers was established on the 28th of July 2015 when it launched its first Kindle download book *The Plain Language Guide to Rio+20* by Felix Dodds, Jorge Laguna Celis and Ambassador Liz Thompson. It has since published four volumes of papers by the Friends of Governance for Sustainable Development since 2015 and its first comic – Santa's Green Christmas: Father Christmas Battles Climate Change in 2017.

New World Frontiers is a publishing house that focuses on sustainable development around the intergovernmental process. It publishes papers and Kindle and Amazon downloadable books that advance the global understanding of how sustainable development can bring about change.

New World Frontiers is a collection of people who have engaged in the intergovernmental process at the United nations, its related Agencies and Programmes and its legally-binding Conventions.

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Foreword

Meriem El Hilali, Sungjun Kim, Samuel Victor Makwe, Ulrich Nicklas Cristina Popescu, David Banisar, Felix Dodds and Quinn McKew

The Friends of Governance for Sustainable Development were originally set up in 2010 to help Member States prepare for the United Nations Conference on Sustainable Development (Rio+20).

They were re-established during the Open Working Group for the Post 2015 Agenda in 2014. The Friends are coordinated by the governments of Germany, Morocco, Nigeria, Romania, and the Republic of Korea, with the technical support of the Tellus Institute and the secretariat being provided by ARTICLE 19 have tried to create an informal space for Member States to discuss governance related issues.

The Friends group have continued to host workshops on governance related issues on the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Paris Climate Agreement.

They recognise that the 2030 Agenda represents one of the most important sets of Global Goals that the international community has committed to. It is an unprecedented effort that embodies universal aspirations for achieving a more just, equitable, peaceful and sustainable future. It is an excellent example of successful multilateralism. Supported by the Addis Ababa Action Agenda and as a major action plan to help deliver the Paris Climate Agreement.

This ambitious and unique exercise represents a paradigm shift in policymaking for sustainable development. It gives a roadmap by which the UN, governments and stakeholders can work together to address the most pressing global challenges. In this context, the rule of law, as well as effective, robust, participatory and accountable institutions are of the utmost importance to achieve the 17 sustainable development goals (SDGs) and their 169 targets.

This is the fifth book that the Group of Friends of the Governance for Sustainable Development: ‘Governance for Sustainable Development Volume 5: Implementing the 2030 Agenda for Sustainable Development: Governance Challenges’ has produced to share widely the papers that were presented at the workshops for member States to discuss. The Group recognize that there is an inextricable link between good governance and sustainable development and that, as the 2030 Agenda is implemented, governance challenges will need discussion and action at all levels and by all institutions.

In 2020, during the pandemic the Group of Friends convened UN officials, experts, and representatives from government at four participatory workshops on relevant governance issues.

The workshops were organized in partnership with UN-DESA Office of Intergovernmental Support and Coordination for Sustainable Development focusing on advancing the 2030 Agenda into the HLPF’s Second Cycle, and lessons learnt from the first cycle.

The Group of Friends in 2021 will continue to be a place for discussions of the institutional architecture for the 2030 Agenda’s implementation, the Addis Ababa Action Agenda and the Paris Climate Agreement and their follow-up and review.

We expect the present publication to be a useful input for the ongoing discussions about the institutional architecture for the 2030 Agenda.

The first workshop looked at Implementing the 2016 QCPR resolution and this agenda has already captured the imagination of this generation.

The second workshop looked at the impacts of the COVID-19 pandemic on global governance and issues of transparency, responsive and accountability. With the upcoming High Level Political Forum how could the pandemic be reflected in Voluntary National Reports.

The third workshop looked at the imperative of combating corruption, illicit financial flows and recovering and returning stolen assets as a means for financing for development in the context of the COVID-19 pandemic.

The final one looked at climate change and governance preparing for the now 2021 Glasgow UNFCCC COP.

We know that sustainable development will only become a reality if we have the enabling environment for it to happen. Good governance will be pivotal for implementing, reviewing and improving the 2030 Agenda for Sustainable Development. We hope that this publication contributes to addressing the challenges we will be facing over the coming years to 2030.

Acronyms and Abbreviations

A4SD	Action for Sustainable Development
AAAA	Addis Ababa Action Agenda
ACC	Administrative Committee on Coordination
ACF	Advocacy Coalitions Framework
ACCF	the Africa Climate Change Fund
AfDB	African Development Bank
ADC	Africa Data Consensus
AI	Artificial Intelligence
APF	Asia Pacific Forum
APRM	African Peer Review Mechanism
ATPS	Africa Technology Policy Studies Network
AU	African Union
AWS	Alliance for Water Stewardship
CBD	Convention on Biological Diversity
CBDR	Common but Differentiated Responsibilities
CBHR	Corporate Benchmarking on Human Rights
CEB	Chief Executives Board
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
CGD	Citizen-Generated Data
CIVICUS	World Alliance for Citizen Participation
CoD	Community of Democracies
CHB	Complementary Housing Benefit
CJN	Climate Justice Now
CLEW	Climate Land Energy and Water
CO2	Carbon Dioxide
CR	Country review
CSA	Country self-assessment

CSD	Commission on Sustainable Development
CSO	Civil Society Organizations
DCF	Development Cooperation Forum
DEFRA	Department of Environment, Food and Rural Affairs (UK)
ECESA	Executive Committee for Economic and Social Affairs
EEAC	Environmental and Sustainable Development Advisory Councils
EITI	Extractive Industries Transparency Initiative
EMG	Environmental Management Group
ESG	Environmental, Social and Governance
FAO	Food and Agriculture Organization
FfD	Financing for Development
FSC	Forest Stewardship Council
GAVI	Global Alliance for Vaccines and Immunization
GBP	Green Bond Principles
GHG	Green House Gas
GN-NCSD	Global Network of National Councils for Sustainable Development and Similar Bodies
GPEDC	Global Partnership for Effective Cooperation
GPEI	Global Polio Eradication Initiative
GRI	Global Reporting Initiative
GSA	German Sustainability Award
GSDR	Global Sustainable Development Report
GWP	Global Water Partnership
HLPF	High Level Political Forum
HPC	Hybrid Parliamentary Committees
IACSD	Interagency Committee on Sustainable Development
IAEA	International Atomic for Energy Agency
IATF	Inter-Agency Task Force
ICT	Information and Communication Technologies

ICSC	International Civil Society Centre
IDEA	Institute for Democracy and Electoral Assistance
IAEG-SDG	Inter-agency Expert Group on SDG Indicators
IEP	Institute of Economics and Peace
IFI	International Financial Institutions
IFLA	International Federation of Library Associations
IFSD	Institutional Framework for Sustainable Development
IGES	Institute for Global Environmental Strategies
IIED	Institute for International Environment and Development
IMF	International Money Fund
INDC	Intended Nationally Determined Contributions
IOT	input-output tables
IPCC	Intergovernmental Panel on Climate Change
IPU	Inter-Parliamentary Union
IUCN	International Union for Conservation of Nature
JPol	Johannesburg Plan of Implementation
LAC	Latin America and the Caribbean
LDC	Least Developed Country
MDB	Multi-Lateral Development Banks
MDG	Millennium Development Goals
MDG-EIAG	Millennium Development Goals Expert Inter-Agency Group
MGoS	Major Groups and other Stakeholders
MID	Maurice Ile Durable (Mauritius)
MOI	Means of Implementation
MSP	Multi-Stakeholder Partnerships
NASA	National Aeronautics and Space Administration
NHRI	National Human Rights Institutions
NCSD	National Councils for Sustainable Development

NFFT	National Council for Sustainable Development (Hungary)
NOAA	National Oceanic and Atmospheric Administration
NPEAD	New Partnership for Africa's Development
NPoAs	National Plans of Action
NSDS	National Sustainable Development Strategies
NSO	National Statistical Offices
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OHCHR	Office of the High Commissioner for Human Rights
OI	Open Institute Kenya
OWG	Open Working Group
PA21	Philippine Agenda 21
PDP	Philippine Development Plan
PMO	Prime Minister's Office
PrepCom	Preparatory Committee
PRI	United Nations Principles for Responsible Investment
PPP	Public Private Partnerships
QCPR	Quadrennial Comprehensive Policy Review
REEP	Renewable Energy and Energy Efficiency Partnership
RNE	German Council for Sustainable Development
RTI	Right to Information
SAICM	Strategic Approach to International Chemicals Management
SAIIA	The South African Institute of International Affairs:
SAP	Strategy and Action Plan
SDG	Sustainable Development Goals
SEA	Social Emergency Aid
SBP	Social Bond Principles

SDS	Sustainable Development Strategy
SDplanNet	Sustainable Development Planning Network
SDTF	Sustainable Development Transition Forum
SEB	Skandinaviska Enskila Banken
SF	Stakeholder Forum
SHaSA	Strategy for the Harmonization of Statistics
SIDS	Small Island Developing States
SMART	Specific, Measurable, Achievable, Resource-Based, With Time Based Deliverables
SSI	Sustainable Stock Exchanges
TAI	The Access Initiative
UCLG	United Cities and Local Governments
URU-Fogar	United Regions Organization
UN	United Nations
UNCAS	United Nations Convention Against Corruption
UNCED	United Nations Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
UN ECLAC	United Nations Economic Commission for Latin America and the Caribbean
UNDESA	United Nations Department of Economic and Social Affairs
UNDPI	United Nations Department of Public Information
UNDP	United Nations Development Programme
UNEA	United Nations Environment Assembly
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESCO-IPDC	UNESCO International Programme for Development Communication
UNEP	United Nations Environment Programme
UNEP-FI	United Nations Environment Programme Finance Initiative
UNGA	United Nations General Assembly
UNICEF	United Nations Children's Fund

VI	Voluntary Initiative
VNR	Voluntary National Reports
WB	World Bank
WBA	World Benchmarking Alliance
WHO	World Health Organization
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization

Biographies

David Banisar, Senior Legal Counsel at ARTICLE 19. He has worked in the field of information policy for over 20 years and was previously Director of the Freedom of Information Project at Privacy International. He has authored books, studies, and articles on freedom of information, freedom of expression, media policy, whistleblowing, communications security and privacy. He has also served as an advisor and consultant to numerous organizations, including the Council of Europe, the Organisation for Security and Co-operation in Europe, the UN Development Programme and the Open Society Institute.

Banisar was a research fellow at the Kennedy School of Government at Harvard University and Policy Director of the Electronic Privacy Information Center in Washington, DC. He has a Juris Doctor in law and public policy from The Columbus School of Law, at The Catholic University of America in Washington, DC.

Ms. Tonusree Basu, Deputy Director Open Government Partnership mobilizing partnerships and cross-country coalitions to promote sectoral reforms on issues like anti-corruption, civic space, digital governance working with OGP members and partners.

Tonu has consulted on international open government projects, including with Transparency for Development at the Harvard Kennedy School, UN Women, and the World Bank. She was part of the coalition leading India's grassroots Right to Information campaign and serves on the founding Board of Satark Nagrik Sangathan (Citizens Vigilance Coalition) India, that promotes citizen participation engaging marginalized communities. Previously, Tonu managed the media and civic engagement program of India's independent parliamentary research initiative – PRS Legislative Research, where she helped launch the Legislative Assistants to Members of Parliament fellowship. She also managed a global policy network, in collaboration with the UK Cabinet Office and World Economic Forum on social impact investing coming out of the G8 in 2013.

David Le Blanc, works in the Division for Public Institutions and Digital Government in the UN Secretariat, where he leads analytical work on public institutions and public administration in the era of the Sustainable Development Goals. From 2006 to 2017, he was in the Division for Sustainable Development in the UN Department of Economic and Social Affairs. While there, he worked in support of the Commission on Sustainable Development, the Rio+20 conference, and the high-level political forum on sustainable development. Before joining the UN, he worked at the World Bank as Senior Economist in the Urban and Housing Finance groups. Earlier in his career, he worked at the French National Statistical Institute (INSEE) as Head of the National Housing Survey and Head of Regional Studies in the Rhone-Alpes regional office of INSEE, and at CREST, Paris as a research fellow.

Ms. Cerqueira, most recently served as a Senior Advisor to the Special Envoy for Climate Change, later joining the Office of Global Change, both with the U.S. Department of State. In this role, she led U.S. engagement in strategic partnerships, such as the Climate and Clean Air Coalition, helped launch high profile climate deliverables for North America and the U.S. Chairmanship of the Arctic Council, and led the Department's engagement with sub-national governments on climate change, amongst other priorities. Prior to her work in the federal government, Ms. Cerqueira worked with developing countries on designing and implementing sectoral climate policies at a climate think tank, and spent four years in Southeast Asia working with local communities, governments and the private sector on environmental projects and promoting policy reforms.

Gillian Dell, Head of the Conventions Programme, Transparency International and has managed Transparency International's (TI) anti-corruption conventions programme for almost 20 years at its secretariat in Berlin, with a focus on the OECD Anti-Bribery Convention and the UN Convention against Corruption (UNCAC).

She is lead author of the 2020 edition of the Exporting Corruption Report and was co-author of ten previous editions. She also leads the TI Secretariat's international work on grand corruption and asset recovery.

In 2006, Gillian co-initiated the UNCAC Coalition, a global civil society network, and through 2018 acted as its convenor, leading a TI secretariat team that supported the Coalition. She is now TI's elected representative on the Coalition's board.

From 1999 – 2004, she led the TI secretariat team that organised three of the conferences in the International Anti-Corruption Conference (IACC) series.

Felix Dodds, Adjunct Professor and a Senior Affiliate at the Water Institute at the Environmental Science and Engineering within the Gillings School of Global Public Health at the University of North Carolina. He is also Associate Fellow at the Tellus Institute. He was the co-director of the 2014 and 2018 Nexus Conferences on Water, Food, Energy and Climate at UNC. In 2019 he was a candidate to be the Executive Director of UNEP.

Dodds was the Executive Director of Stakeholder Forum for a Sustainable Future from 1992-2012. He played a significant role in promoting multi-stakeholder dialogues at the United Nations and prosed to the UN General Assembly the introduction of stakeholder dialogue sessions at the United Nations Commission on Sustainable Development.

He has been active at the UN since 1990, attending and actively participating in UNFCCC, UNCBD, the World Summits of Rio Earth Summit, Habitat II, Rio+5, Beijing+5, Copenhagen+5, World Summit on Sustainable Development and Rio+20, while also attending the UN Commissions for Sustainable Development and UNEP Governing Councils.

In 2011, he chaired the United Nations DPI 64th NGO conference – 'Sustainable Societies Responsive Citizens'. From 1997-2001, he co-chaired the UN Commission on Sustainable Development NGO Steering Committee.

Dodds has written, or edited, twenty books the most recent is Stakeholder Democracy: represented Democracy in a Time of Fear (2019).

He is co-author of the Vienna Café Trilogy which so far has four books in its trilogy and counting, the most recent being ‘Negotiating the Sustainable Development Goals: A Transformational Agenda for an Insecure World’ written with Ambassador David Donoghue and Jimena Leiva Roesch. Other books are: Only One Earth: The Long Road via Rio to Sustainable Development written with Michael Strauss and Maurice Strong; From Rio+20 to a New Development Agenda Building a Bridge to a Sustainable Future and The Plain Language Guide to Rio+20 written with Jorge Laguna Celis and Elizabeth Thompson.

He is also an International Ambassador for the City of Bonn.

Zaheer Fakir, is Chief Director International Governance for the government of South Africa and has more than 29 years of experience in the world of international politics, negotiations, finance and development issues and is at the forefront of negotiations on a number of major multilateral outcomes most notably the Governing Instrument of the GCF and its operationalization, the Paris Agreement, the Sustainable Development Goals (SDGs) and Agenda 2030 and the Katowice and Madrid Climate Change Conferences and is a founding member and former Co-Chair and Board member of the Green Climate Fund (GCF). Zaheer is also the G77 & China coordinator for finance in the UNFCCCC process.

Zaheer has experience in bilateral relations and multilateral environmental agreements, international conventions, donor coordination, resource mobilization and management, liaising with foreign governments, the African Ministerial Conference of Environment, African Union, G20, World Bank, UN and other international organizations and is the Focal point for the Global Environment Facility, Green Climate Fund and board member the Climate Investment Funds Prior to joining the Department of Environment, Forestry and Fisheries, Zaheer worked for the Department of Trade and Industry in the field of international trade and investment for approximately nine years, four years of which he was the South African Economic representative in Germany and Scandinavia to promote South African exports and procuring investment for South Africa.

Mr. Navid Hanif, is the Director of the Financing for Sustainable Development Office of the United Nations Department of Economic and Social Affairs (UNDESA). He joined UNDESA in 2001; until 2003, he was Senior Policy Adviser in the Division for Sustainable Development and member of the team for the World Summit on Sustainable Development held in Johannesburg in 2002.

He later joined the office of the Under-Secretary General for UNDESA and focused on departmental initiatives in various policy areas. He worked as the Chief of Policy Coordination Branch in the office for Economic and Social Council (ECOSOC) support from 2004 to 2009.

In 2005, he was sent on a special one-year assignment to work as a Principal Officer in the Office of the United Nations Secretary-General. He worked there as a member of the team for the 2005 World Summit.

In 2010, he was appointed as Head of the newly established DESA Strategic Planning Unit. He served as Director of the Office for ECOSOC Support and Coordination (June 2012 – February 2018). MIA, International Political Economy, Columbia University, New York and M.A., English Literature, Government College University, Lahore.

Meriem El Hilali, is a Diplomatic Counsellor at the Permanent Mission of Morocco to the United Nations in New York. She works closely on 2nd Committee topics with a special focus on the 2030 Agenda for sustainable development, Climate & Environment Action, South-South Cooperation and Economic related topics.

Before moving to New York, Meriem worked at the Secretariat of the Union for the Mediterranean (UfM) with the objective to advance the regional euromeditteranean agenda of cooperation while developing regional initiatives and projects for the socio-economic integration between both shores of the Mediterranean. Her experience at the UfM was a key step to engage with the region’s most urgent needs especially the human/developement dimensions and their social and economic triggers. During her works on euromediterranean cooperation, Meriem has always given particular attention to cooperation schemes that provide youth & women with a stronger role in society, paving the way for youth empowerment and gender equality.

Meriem had also worked as Vice Consul in Strasbourg on cooperation between the Kingdom of Morocco and the Council of Europe, Europe’s leading human rights organization. This institution which is responsible for promoting human rights, democracy and the rule of law among its 47 member States has developed a strong Partnership with Morocco, as a a neighboring country in the fields of democracy and local governance.

Mathias Huter, he is the Managing Director of the UNCAC Coalition. He has more than ten years of experience working on transparency, access to information and anti-corruption. He has campaigned for a right to information and more transparency in Austria with Forum Informationsfreiheit, worked as a consultant for NGOs and international organizations, including in Timor-Leste, Kenya, Ghana and Ukraine, and spent five years in Tbilisi with the watchdog-NGO Transparency International Georgia.

Mathias holds a degree in Journalism and Media Management from the FHWien – University of Applied Sciences Vienna and an MA in International Relations from Johns Hopkins University's School of Advanced International Studies (Bologna and Washington, DC).

Paul Clements-Hunt, founded The Blended Capital Group (TBCG) in March 2012. For eight years the company has worked with sustainability focused entrepreneurs, companies and projects – a number in Sub-Saharan Africa - to assist with strategy, growth and capital/finance raising. Clements-Hunt is currently an Investment Advisor for UNDP. In an advisory capacity, TBCG has worked with, inter alia: the Executive Office of the United Nations Secretary General; the International Forum of Sovereign Wealth Funds (IFSWF); SOS SAHEL, the oldest French NGO working on food security and nutrition in Sub-Saharan Africa; as well as a range of UN agencies including UNCTAD, UNDP and UNFCCC.

For 25 years Paul Clements-Hunt has been central to break-through developments in responsible investment and sustainable finance. In 2011-2012, as a UN official he supported Former UK Prime Minister Gordon Brown in his work on financial stability and sustainability. While Head of www.unepfi.org from 2000-2012 his team delivered: the Principles for Responsible Investment (2006); the Principles for Sustainable Insurance (2011); and the Natural Capital Declaration (2012). In 2021 the PRI is backed by 3200 investors (AuM USD 100 trillion). Clements-Hunt was a UNPRI Board member for six years (2006-2012).

Paul is the Chair of the Board of Trustees for the UK Charity Future-Fit Foundation and from 2016-2020 was the Chair of the International Advisory Committee for SOS Sahel. Clements-Hunt established one of the first environmental strategy and technology consultancies for Southeast Asia while based in Bangkok (1991-1998).

Hindou Oumarou Ibrahim, is an environmental activist and member of Chad’s pastoralist Mbororo community. A Champion for Indigenous Peoples against Climate Change and President of the Association for Indigenous Women and Peoples of Chad (AFPAT), Conservation International Senior Fellow and a United Nations Sustainable Development Goal Advocate. Hindou began advocating for Indigenous rights and environmental protection at age 16, founding the Association for Indigenous Women and Peoples of Chad (AFPAT) to introduce new income revenue activities for women and collaborative tools such as 3D participatory mapping to build sustainable ecosystems management and reduction of nature-based resource conflicts. Her vision is to grow support for both traditional knowledge and science to improve resilience to climate change especially for rural communities.

Mohamed Khalil, is currently the Advisor to the Minister of Environment of Egypt for External Affairs and Multilateral Agreements. He was the Head of environment and sustainable development affairs in the Department of Multilateral Economic Affairs of the Ministry of Foreign Affairs of Egypt from 2014-2016.

Mr. Khalil was one of the main negotiators of the Group of 77 in China, particularly in the negotiations related to: RIO+20 Conference, establishing the High-level Political Forum, and the Technology Facilitation Mechanism. He was an active member of the UN General Assembly's Open Working Group on sustainable development goals, which developed the SDGs.

He is an active member of the African Group of Negotiators and the Arab Group of Negotiators on climate change, and he participated in UNFCCC negotiations from 2011 till now. He actively participated as one of the African Lead Negotiators in the negotiation of the Paris Agreement on climate change in COP21 in 2015, as well as in the negotiation of the Paris Agreement Work Program in COP24, in 2018.who some of you will know when he was here in New York for the Mission of Egypt and who oversaw the negotiations for G77 and China the resolution establishing the High-Level Political Forum and who has been part of the Egyptian team at the UNFCCC**.**

Verena Klinger-Dering, counsellor for environment and sustainable development at the Permanent Mission of the Federal Republic of Germany to the United Nations. Prior to her posting in New York, she served as policy officer for the German Ministry for Environment, Nature Conservation and Nuclear Safety (BMU) starting in 1992 in the area of public relations, focusing later in international coordination, global nature conservation policy, EU environmental policies and global water policy since 1992.

From 2008 to 2012, she was seconded to the Permanent Representation of Germany to the European Union in Brussels with a focus on environmental policies, legislative initiatives and strategies in the environment area at the EU level, and on international environmental agreements. During her following assignment until 2017 with BMU, her priorities were the promotion of international water cooperation and the mainstreaming of water issues into global initiatives and programs, i.e. the promotion of the water-energy and food security nexus in the follow-up process to the Bonn2011 Nexus Conference. During this period, she contributed i.a. to the works of the German Government on the Sustainable Development Goal on Water and Sanitation (SDG6), its indicator framework and the promotion of partnerships between the German Environment Ministry and the UN to facilitate the implementation of the water-related goals and targets of the 2030 Agenda.

Georgios Kostakos, is Executive Director of the Foundation for Global Governance and Sustainability (FOGGS) based in Brussels. He previously served as Senior Adviser and Acting Deputy Executive Secretary of the UN Secretary-General's High-level Panel on Global Sustainability, as well as in other positions at UN Headquarters in New York, UN field missions, the Hellenic Foundation for European and Foreign Policy (ELIAMEP), the University of Athens and NEEMO EEIG. He holds university degrees in Mechanical Engineering (MSc-equivalent) and International Relations (MA, PhD).

Geoffrey Lipman, President SUNx Malta - Strong Universal Network and the Co-founder of SUNx Strong Universal Network - a legacy project of Maurice Strong. This is a global initiative to support Climate Resilience, related SDG’s and Emergency Response through Climate Friendly Travel ~ Measured: Green: 2050proof.

He was Formerly Executive Director IATA: First President WTTC: Ass. Secretary General UNWTO.

He played a key role in emergence of Tourism as a serious socio-economic sector. As Executive Director at IATA in the 1970's helped drive a new liberalization agenda, responding to airline deregulation. As first President of WTTC throughout the 1990's, he worked to pioneer new systems of measuring the sector, creating CSR Certification and supporting China’s efforts to open Tourism markets. As Assistant Secretary General of UNWTO, in the first decade of this millennium, he spearheaded new development support systems, including the ST-EP Program, led the Davos Climate Summit and launched G20 Summit recognition program.

He served on public / private sector Boards in Africa, Europe, Middle East and Canada: Tourism Envoy to UNDP Administrator; Member EU Commissions on Airline Liberalization and on Tourism Employment: Environment Advisor to the Governor of Jeju Island, Korea: President ICTP (International Coalition of Tourism Partners). Worked closely with the World Economic Forum since the early 90's on its Competitiveness and Smart Travel activities.

Geoffrey has written / lectured widely on tourism strategy, sustainability & liberalization; co-author/ editorof two books and numerous journal articles on Green Growth & Travelism as a visiting Professor, Victoria U. Australia and Hasselt U. Belgium. Co-author two major EIU studies on airline liberalization.

Santiago Lorenzo, is head of Sustainable Finance Climate Action Network. He is Member of the GGKP Fiscal Instruments Research Committee since November 2014 and member of the Mexican Advisory Board on Green Finance.

His previous appointment was as Climate & Finance Head for WWF Global Climate and Energy Initiative from 2012 to 2018.

Formerly he was the Deputy General Director of Multilateral Environmental Agreements in the International Affairs Unit of the Mexican Ministry of Environment and Natural Resources. From 2001 to March 2007, he was Director of the Legal and Environmental Analysis in the Mexican Ministry of Finance. He coordinated the development of environmental fiscal instruments and the review of perverse subsidies.

Charlene Lui, is the Research and Knowledge Management Analyst for the United Nations Development Programme’s Global Anti-Corruption Project, Anti-Corruption for Peaceful and Inclusive Societies (ACPIS). She provides research and analytical support for UNDP’s policy and programme support to countries on anti-corruption, develops anti-corruption knowledge products across thematic areas, and contributes to global advocacy and awareness on anti-corruption in the context of the 2030 Agenda for Sustainable development.

Charlene's background is in research and data analysis, where she has worked on topics including poverty alleviation, women's empowerment, social policy, economic development and public administration. Prior to joining UNDP, she worked as a field researcher with a microfinance organisation in Malawi and in London, United Kingdom. She also has experience working in financial advisory services in the private sector. Charlene is from Singapore, and holds a MSc in International Development from The University of Edinburgh, and a BSc (Honours) in Economics from the University of Warwick in the United Kingdom.

Samuel Victor Makwe, is a Counsellor (Desk Officer for 2nd Committee and ECOSOC issues) at the Permanent Mission of Nigeria to the United Nations**,** New York. He is saddled with bringing Nigerian, indeed, African perspectives to international discuss, particularly on issues related to the Macro-economic questions, the 2030 Agenda for sustainable development, Agenda 2063, the Addis Ababa Action Agenda, and the Paris Agreement. Since joining the Mission in 2018, he has shown commitment toward the advancement of the work of the General Assembly and has served as either the Coordinator or a Co-coordinator/Facilitator for the following resolutions: A/RES/73/222, A/RES/73/231, A/RES/74/206, A/RES/74/199, and A/RES/73/336. He was one of the immediate past Vice Coordinator of the African Group (2nd Committee) in New York. Prior to his posting to New York, Mr. Makwe was First Secretary (Political, Education, and Cultural Affairs) and Head of Chancery/Charge d'Affaires (a.i.) at the Embassy of Nigeria in Cairo, Egypt. He has also served at Nigeria's High Commission, Kuala Lumpur, Malaysia where he handled Consular and Educational matters. At Nigeria's Ministry of Foreign Affairs in Abuja, he has served as a Protocol Officer, Consular Officer and a Human Rights Desk Officer. He has attended several high-level meetings in the course of his diplomatic career.

Quinn McKew, is Executive Director of ARTICLE 19, an international freedom of expression and information NGO. Quinn leads ARTICLE 19's global programs on ICTs, protection of human rights defenders and the campaign to incorporate transparency and good governance in the Post-2015 Development Agenda. She is responsible for global operations and governance at ARTICLE 19 including the integration of the 8 regional offices and 50+ regional partner organisations. Prior to joining ARTICLE 19, she worked for the largest non-profit management consultancy in Europe, and was a campaign manager for leading environmental organisations in the United States. McKew has a Master of Business Administration from Georgetown University focusing on global non-profit management and a BA in International Relations and the Environment from Stanford University.

Claire Mellier-Wilson, is a facilitator and researcher. She was part of the facilitation team at Climate Assembly UK and one of the accredited researchers who observed France's Convention Citoyenne pour le Climate.

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Over a 25-year career Gordon has worked in investment management, banking, industrial relations, and as a political adviser and trade union official. In 2019-2020 Gordo. As the previous Director of Investments and Economy at the Association of Superannuation Funds of Australia, Gordon was responsible for investment strategy and stakeholder relations, focusing on issues such as financial system stability, infrastructure, innovation, capital markets and fixed interest markets.

Gordon worked with the United Nations Principles for Responsible Investment and founded the Responsible Investment Academy with the Responsible Investment Association Australasia, an online training platform that educates investors on incorporating environmental, social and governance issues into investment processes that is now the PRI Academy.

Luciana de Rezende Campos Oliveira, is a professor of contemporary international politics at UFGD and holds a PhD in international relations from PUC-Minas, her thesis built on her experience with Delivering as One initiative in Vietnam at the WHO's Hanoi office. Luciana has held multiple positions as senior researcher and project coordinator, also engaging in consultancies within and outside the United Nations.

Luciana has a solid background and extensive knowledge and publication record on intergovernmental processes and international development cooperation forward by international organizations, particularly at and of the United Nations system. She had conducted thick qualitative research, engaging with multiple stakeholders and contributing to well-informed decision making by offering credible data gathered through innovative approaches committed with the higher methodological and ethical standards. This includes, but is not limited to, assessments of the institutional framework behind UN system-wide coherence; the political economy of UN operational activities; the coordination of UN entities at the Country Level and their relationship with host and donor countries; the Agenda 2030 and the Repositioning of UN Development system.

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Her professional contribution is focused on bringing the national and the European vision to the current debate on supporting fulfilling the Sustainable Development Goals globally. The UN has to deliver on the 2030 Agenda – the universal framework document setting up 17 SDGs and 169 targets – and the Member States and the UN bodies have to ensure that humanity fully engage on a sustainable and resilient path, ensuring that no one is left behind.

Cristina Popescu had previously worked within the Embassy of Romania to Italy and the Embassy of Romania to the Czech Republic, in charge with the European affairs portfolio, she worked in various political directorates of the Ministry of Foreign Affairs of Romania and as an expert within the Department of European Integration, the Government of Romania.

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After an initial stint with an investment bank, Pooja moved to working in the development sector. She is based in India and has previously led policy engagement efforts on tax at the national, regional and global levels in different capacities. Pooja has closely tracked issues of tax in global norm-setting processes in the G20, OECD and particularly the United Nations (UN) where she has worked extensively in processes such as the Financing for Development. Pooja has a Masters in Social Policy and Development from London School of Economics where she graduated with the Titmuss Prize for Outstanding Performance.

Prof. Catalina Spataru, expertise is the in the field of global energy and resources, from theoretical investigations to implementation research and practice to support policy makers and sustainability agenda. She is the Founder and the Head of the UCL Islands Laboratory, a unique initiative that support sustainable solutions for island nations and island cities worldwide. She has an impressive portfolio of research and consultancy projects, on energy and resource use worldwide (Europe, Africa, Asia, South America, Canada) funded by EPSRC, British Council, Innovate UK, EC, Belmont forum, and industry. She is the PI of the whole consortium of the Belmont Forum International research Project Governance of Disaster Risk Reduction and Resilience for Sustainable Development. She leads several projects on topics related to climate change, disasters, resource nexus, low carbon transition and scenarios, circular economy. She published more than 100 papers, wrote 2 books Whole Energy Systems Dynamics and Transitioning island nations into sustainable energy hubs and co-edited few others (e.g. Routledge Handbook of the Resource Nexus). She delivered talks and lectures worldwide, engaged with media; and regularly act as expert review panel for research council in UK, France, Germany, Brazil, and examiner for Phd students (in UK, Sweden, Finland, etc).

Ruzanna Tarverdyan, is the Founding President of 'The Geneva Consensus Foundation' PhD economist with 30 years, progressively responsible experience in research and development cooperation Ruzanna is currently actively engaged in the implementation of UN Sustainable Development Agenda 2030. As an economist-mathematician, she served the government of Armenia for ten years, holding senior positions in the ministries of finance and economy as Director of Trade and Investment Department, Ministry of Economy, and Head of Audit Department, Ministry of Finance.

Anga R. Timilsina, Anga is currently the UNDP's Global Programme Advisor on Anti-corruption. Anga is responsible for coordination of UNDP's anti-corruption support at the global level and provides overall supervision and guidance to the UNDP's Global Anti-corruption project titled is UNDP's flagship initiative for policy and programme support to UNDP programme countries. Anga has provided governance and anti-corruption technical support to to more than 40 countries, including support for strengthening the capacity of government institutions, business sector, CSOs, media, youth and women's networks to prevent and combat corruption. Anga also coordinates UNDP's anti-corruption efforts wit"Anti-corruption for Peaceful and Inclusive

Societies (ACPIS)", which h donor partners to promote global advocacy and awareness, research and analysis, donor and partner coordination. Anga has also edited, authored and co-authored more than two dozen of publications on governance, conflict prevention and peacebuilding, sustainable development, transparency, accountability, and anti-corruption.

Anga was previously with RAND Cooperation, a U.S.-based nonprofit institution, where he worked on issues ranging from post-conflict reconstruction to health and education reforms in many developing countries. Anga has A Ph.D. in Policy Analysis from the Pardee RAND Graduate School and a master's degree in international development from the International University of Japan. He also brings his experiences working for various non-governmental agencies in Nepal.

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Prior to joining the UN, Irena was part of the Croatian foreign service and supported Croatian presidency of the UN Economic and Social Council, was a vice-chair of the UN General Assembly Second Committee and a vice-chair of the UN Commission on Sustainable Development.

Back to the Future: Inciting the relevance of Quadrennial Comprehensive Policy Review through continuous engagement

By Luciana de Rezende Campos Oliveira,

What is the QCPR relevance today?

The Quadrennial Comprehensive Policy Review (QCPR) is a strategic driver of UN system-wide policy coherence and operational cohesiveness by underlining and following up common programmatic priorities and coordination instruments that align UN complex network of entities, promoting the impact and relevance of their deliverables. Its primary function is to identify and tackle inefficiencies stemming from UN system decentralization – such as duplications of projects, competition for funds and inconsistent policies – and request and review initiatives created to addresses them and improve the performance of UN operational activities (A/RES/44/211). Accordingly, the QCPR is the main intergovernmental instrument to trigger, back and assess system-wide reforms, by sharing member states vision of how to position UN operational activities and setting benchmarks and soliciting steps to be undertaken by those in charge.

Today, the definition of the current QCPR's agenda is structured by the implementation of the Repositioning of UN Development System, which frames the debates over the institutional governance behind UN operational activities, and the Agenda 2030, which set the normative background in which these changes take place (72-279). While the former introduced a horizontal paradigm that focus on the interdependence of Sustainable Development Goals achievement, the latter intends to forward a more cohesive institutional structure of the UN system to overcome the fragmentation between individual agencies and build on their complementarities. This is a particularly positive and demanding context for the system-wide mandate of the QCPR, since the focus on the interconnections among SDGs requires and legitimate an intertwined approach within (and outside) the UN system, giving momentum for reforms.

The repositioning of UNDS has set the tone towards much needed adaptations, introducing novelties and deepening initiatives that intend to bring this system-wide vision into UN routine, improving UN operational activities performance and relevance. The new Resident Coordinator system and the Funding Compact embody the institutional and material dimensions of this new era and have the potential to unlock UN's contribution for the achievement of the benefits promised by the Agenda 2030 new horizontal paradigm. To do so, the QCPR is fundamental to shed light on how this can be accomplished, offering member states the opportunity to require feedbacks and accompany ongoing and expected outcomes of reform initiatives.

Accordingly, building on the authors' research[1] and analysis of the implementations of previous reforms topics that present reforms encompass, this chapter briefly introduces reflections over their

[1] Mainly researches of Delivering as One initiative in its pilot countries from 2006-2017, in which appropriate methodological approaches compensated small-n case studies and permitted general inferences presented here.

present status and offer some insight to what the QCPR should address. The chapter cast attention on 3 subjects that are central for structuring a system-wide approach to UN activities by effectively promoting common agendas and practices that strategically position UN to be impactful, which are *system-wide institutions, the funding of UN operational activities* and *system-wide data.* The *system-wide institutions* set a shared framework that result on a common governance to UN entities, while the *funding* of their activities implies incentives that might reinforce or undermine the system cohesiveness, the gather of *system-wide data* being fundamental to build knowledge on the dynamics behind *system-wide institutions* effectiveness and estimate the impacts of their *funding* pattern, enabling the necessary learning to forward the vision of an integrated UN system.

The *system-wide institutions* range from headquarters to country level and from bureaucratic to intergovernmental, such as UN Chief Executive Board and the own QCPR to the shared leadership and actions plans of UN entities country level presence expressed by the Resident Coordinators and the UN Sustainable Development Cooperation Frameworks. These *system-wide institutions* amass an otherwise diffuse set of endeavors by UN individual agencies. The *funding of UN operational activities* correlates to the alignment among UN system, the core and non-core imbalance being object of fierce debates that recently culminated in the Funding Compact, whose voluntary character demands attention on how to unravel its potential. Finally, the there is the need to pitch in favor of gathering *system-wide data*, which is scattered given the historical divide between thematic areas and individual agencies, what curbs the intent to pay due attention to the relation among them. Together, these subjects structure a vision for the UN system’s future by structuring its governance, financing and developing the knowledge how to achieve them.

1. System-wide Institutional Pillars

The institutional framework that constitutes the UN System is formed by *system-wide institutions* the connect the funds, programs, specialized agencies and related organizations, serving as pillars put in place to incite coherence among these organizations. These institutions were introduced by successive reform cycles in the expectation that agencies would behave as a collectivity and avoid diverging policies and duplicated activities. However, the effectiveness of these system-wide institutions has been object of growing scrutiny, inspiring their revision and the introduction of new modalities.

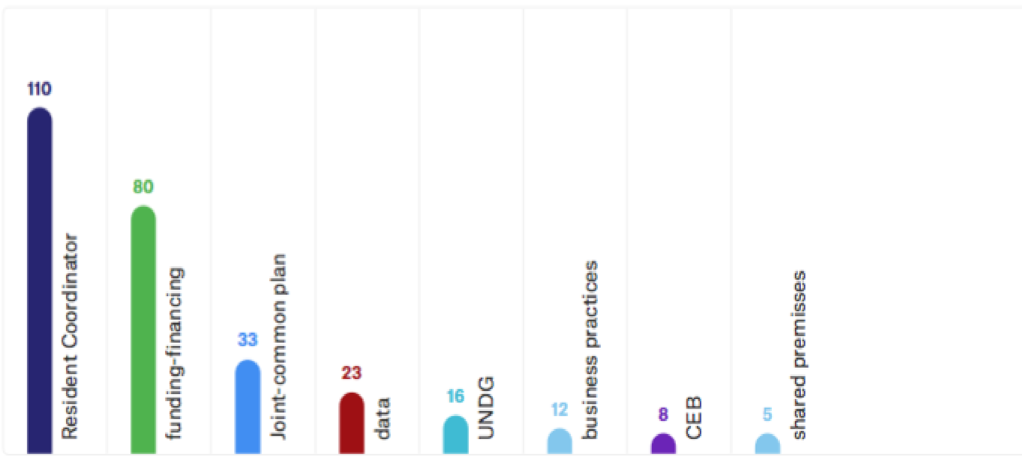
Ongoing reforms focus on advancing changes and refining institutes whose implementation and impact have defied multiple rounds of reforms, such as the common leadership, planning and harmonized business practices that structure the UN system presence at the country-level. The contribution of QCPR decisions is central for their efficient implementation by accompanying developments and defining and requiring how they should be assessed and reported. This is fundamental to identify trends, problems and issues and propose corrective actions, ensuring that the investments and validation of member states in favor of reforms continues and deepens.

The most dramatic innovation is the *new RC system* hosted at the secretariat and detached from UNDP that until this reform managed this system with its resident representative accumulating both functions. Now hosted at UN Development Coordination Office (DCO) and financed by a

Special Purpose Trust Fund, its added-value and financial sustainability are still open to analysis. On top of this new leadership, the common plan shared by UN entities working in a given country was formalized as the single most important instrument for planning and implementing activities on the ground. Under an empowered leadership and now renamed *UN Sustainable Development Cooperation Framework* – in substitution for the previous UNDAF, One Plans and other similar documents –, they intend to incite the teamwork of UN agencies and bolster a *new generation of UN Country Teams*.

Below we reflect on the status of these institutes targeted by current reforms to expose lessons from previous reforms and shed light on existing dynamics that are necessary to acknowledge to truly advance a *new generation of UN Country Teams*. Since the QCPR is an instrument by which member states not only hold accountable but also are direct and are informed by the secretariat and its reports over reforms implementation, the intent is to stimulate a more balanced reflection on UN's system-wide pillars and topics (figure 1).

Figure 1: Frequency of UN's system-wide pillars and topics in QCPRs:



source: elaborated by the author based on 2012, 2016, 2020 QCPRs using Atlas.ti software [1].

1.1. Common Plans

The application of the idea of shared plans by UN agencies have encountered challenges related to the complexity to converge not only UN entities individual agendas but also adapt them to national specificities and to the priorities of host governments and donor countries. Accordingly, *common plans* that are evaluated positively as drivers of UN system cohesiveness by participating UN agencies, RC and national governments alike were successful due to the achievement of better divisions of labor among UN agencies activities, while promoting national ownership and serving as guides to donors' contributions (Campos, 2018c).

[1] For disaggregated data and full analysis consult the author.

Common plans and better divisions of labor

The common plan strategic function to develop a common agenda and action plan warrants better divisions of labor among UN system by settling their divergences and encouraging their collaboration. For instance, UN agencies have different perceptions on how to divide activities among them, with large funds and programs with extensive filed presence perceiving operational capacity as the main criteria, while specialized agencies and smaller programs and funds advocate in favor of their thematic mandates (Campos, 2018a). This leads to duplicated endeavors and the competition for funds to fund projects specially in cross-cutting issues, such as gender equality and environmental protection. These inefficiencies are effectively overcome in common plans that rely on agencies mandates and operational capacity alike to assess their comparative advantage in a given country and divide their responsibilities over plans' outcomes, what is verified by the implementation of One Plans in some countries that have pilot Delivering as One Initiative (Campos, 2018c).

This distribution has been made under the leadership of the RCs and in agreement with agencies that have recognized the added-value of common plans even when most of its activities were conducted in parallel with them (Campos, 2018c). The participation in common plans decision-making promotes agencies' awareness of each other's activities, what constrains the development of similar individual projects given the higher risks of duplications not to pass unnoticed and tarnish their reputation. By defining responsibilities and augmenting the visibility of ongoing and planned initiatives, common plans promote an enabling context for partnerships within UN, in which agencies can better explore the complementarities of analogous activities that inherently stem from their overlapping mandates. This implies that common plans have a spillover effect beyond their internal results matrix that incites informal accountabilities among agencies regarding their individual activities, underling the gains of their inclusiveness.

Common plans and national ownership

The delivery of activities more in line with host governments expectations of UN country presence is other positive output of common plans, which are especially relevant to channel genuine efforts to tackle protracted appeals for greater focus on long-term solutions to development problems in the place of agendas that disproportionally prioritize short-term humanitarian interventions. The introduction in common plans of outcomes dedicated specifically for development issues promote this adjustment between UN agencies and national agendas by specifying outputs that inspire the development of concrete actions. This is illustrated by the addition of the *economic development* outcome in the UN's Operational Plan[1] in Mozambique and the creation of interagency joint programmes under this outcome, such as the Youth Employment and the Effective Trade Policy,

[1] Mozambique's 2007-2009 Operational Plan substituted the 2007-2009 UNDAF following the implementation of Delivering as One Initiative, preserving the outcomes Governance, Human Capital and HIV-AIDS and adding this forth.

what has broadened activities beyond the focus on humanitarian issues that were seen as excessive by the local authorities (Campos, 2018c).

This programmatic adjustment to national governments demands resulted not only from the addition of development-related outcomes to but also from common plans that better explore the humanitarian-development nexus (Campos, 2018c). Bridging together the agenda of agencies that usually concentrate on one or the order theme, common plans have become means for assimilating humanitarian interventions to more strategic development planning. The integration of humanitarian agendas to the longer-term rationale of common plans prospect convergent agendas in favor of host governments demands for more sustainable solutions for local problems. For instance, the aforementioned Youth Employment joint programme has advanced the agenda of economic integration of refugees and persons of concern under UNHCR mandate, pressing for and validating its engagement and adaptation to local specificities[1].

Joint Programmes (JP) are important means to materialize and institutionalize the divisions of labor and programmatic priorities contained in common plans and tailored to and in support for national priorities. The creation of Joint Programmes under common plans outcomes have explored the complementarities of UN agencies and fostered their collaboration by the development of joint activities on top of or alongside existing individual agendas. They have proven track record of harmonizing the country-presence of UN system, promoting its impact and relevance, despite the considerable challenges faced due to the different operational capacities and business procedures of participating agencies (Campos, 2018c). This is illustrated by the JP on Child Nutrition of FAO, WHO and UNICEF in Vietnam, which has averted duplications in a topic prone to them in consequence of overlapping mandates; while the JP on Food Storage of UNDP, WFP and FAO in Mozambique offered more durable solutions to avoid harvest losses and its impacts over each of this agency's complementary mandates regarding food security.

Common plans as reference to donors

The ability to develop well-crafted common plans, with clearer and localized goals and division of responsibilities, has a demonstrated record of guiding donors' contributions to UN operational activities funding (Campos, 2018b). Previously agreed and strategically developed system-wide activities have lured and convinced donors to invest in them, accommodating earmarked contributions to pre-determined action plans. This is reported by representatives of UN agencies when asked about common plans positive outputs and is verified by donors' investments on JP and pooled funds, such as One UN Funds and the MDGs Achievement Funds (Campos, 2018b; Campos, 2018c). This points to the fact that there are internal ways for the UN system to tame the negative influence of the current funding pattern over its cohesiveness, not depending solely on the significant modifications in the predominance of non-core earmarked contributions.

[1] This joint programme was lead by UNDP-UNCDF and other participating agencies were ILO, FAO, UNESCO, UNHCR, UNIDO.

Common Plans in the SDG era and the normative-operational nexus gap

The effort to integrate Agenda 2030 to the joint planning of UN local activities had undermined, to some extent, the positive records of tailored common plans, since many plans started to be structured under outcomes that almost literally reproduce individual SDGs and their indicators, in detriment of translating them to local circumstances (Campos, 2018a). This unintended consequence sheds light on the need of more refined approaches to this normative-operational nexus in order to create outcomes that represent global norms and local specificities alike, furthering a bottom-up approach that avoids outcomes that automatically replicate SDGs. Accordingly, UN system is not positioned to do everything everywhere and common plans must identify its comparative advantages in a particular context, which must be reflected by its outcomes.

On the other hand, well-crafted common plans have exerted influence in favor of national bureaucracies' internal alignment in previous reform cycles (Campos, 2018c), what expose their potential to profoundly contribute for the advancement of the Agenda 2030. National governments associate their experience in negotiating UN interagency plans with greater concertation among their own ministries. Given the line ministries division into thematic agendas, they consideration of linkages among their agendas is not always considered. The engagement of UN agencies in the exercise of planning activities and acting if not together in a coordinated matter have made local governments to see the advantages of such approach and motivated the its adoption by national authorities. The interdependence among development cooperation and public policies issues areas is not new, but their mainstreaming in the era of Agenda 2030 stimulates and is supported by horizontal policies and institutional structures.

1.2.Common leadership

The record of UN agencies' common leadership contribution of their cohesiveness is mixed, leading to the grievances that led to its detachment from UNDP, but also encouraging the weighty investments on the new RC system – which now need to be politically and financially sustainable on the long run. The appraisal of the new RC system implementation is under the QCPR mandate, but what should be assed and is less clear and debates over previous reforms can shed light on this.

Building an RC system from the scratch entails risks that should be openly addressed, the cost of not doing so being the reversal of the expected results of reforms into the same inefficiencies they were created to cope with. The history of UNDP, which has emerged to coordinate the fast-growing Development agenda implemented by UN agencies but stared to offer its own projects, is a reminder of the risk of the new RC system to develop its own agenda detached from its coordination mandate. Accordingly, the depart of the system from UNDP does not end concerns over RC's partiality. To avoid speculations over the agenda of the new RC system, the rationale behind the development of its internal structures needs to be straightforward, what could be better understood by greater transparency of the Special Purpose Trust fund destinations. This allows member states and UN agencies alike to improve their knowledge over the new system, facilitating their timely contribution in favor of or in support for potential course corrections.

Besides the RC's, the team of their offices (RCO) should be able to back interagency collaboration, conflict management and collective accountability, helping to deliver well-crafted common plans and support their implementation. Recently, the hires for RCOs have prioritized senior economists and related positions and the cost benefit of this for the new system should be addressed. On the one hand, this has the potential to create duplications, since some UN agencies already have professionals with this profile, such as UNDP and UNIDO. On the other hand, many agencies have underlined the need for extra administrative support to effectively engage in interagency activities given their country offices limited resources (Campos, 2018c), what could be more efficiently cover by RCOs staff rather than by their regional or even headquarter offices. The mainstreaming of Agenda 2030 might have influenced those hires, attaching decisions over UNDS repositioning to SDG advancement, which are intertwined but different agendas.

Despite the greater attention received by the RC system, its effectiveness is inseparable of other drivers of UN cohesiveness, such as common plans and adequate funding, what should be acknowledge by more balanced and investments among them. Accordingly, the funding of the new RC system is central should reflect this and be channeled to fund the integrated approach needed for inciting coherence among entities. This could be done by reserving RCO budgets to the negotiation and implementation UNSD Cooperation Frameworks as well as for supporting and following up joint programs and funds.

1.3. Harmonized business practices

The harmonization of business practices across UN entities is necessary to promote UN system alignment. Despite the development of standard business operations procedures by UNSDG, they are layered on top of extant and diverse practices of a wide array of organizations. These multiplicity of business operations are embedded on agencies organizational cultures and present great challenge for advancing common business operations among them. Accordingly, the preferable term is to *harmonize* procedures without displacing their institutional core individuality but to an extent that sufficient to forward common activities efficiently.

Due to the administrative nature of this topic, the QCPR usually limits it-self to to request and follow initiatives taken by those in charge to advance them, such as UNSDG push for common back offices and common premises. For instance, the *Mutual Recognition Statement* of the UNSDG' Business Innovations Group operationalize the principle of *mutual recognition* of best practices and procedures underscored by the 2016 QCPR (A/RES/71/243, prg.52).   This enables agencies to resort to each other's policies and practices without accumulating demands of their diverging business processes, such as additional requirements in the areas of human resources, procurement, facility services, logistics. This reduce transaction costs for collaboration across agencies and between them and governments, who denounce the draining process of dealing with multiple agencies procedures. The QCPR reiterated support encourages agencies participation and should request the assessment of its implementation, such as its impact over Business Operations Strategies at the country level.

More ambitious reforms aimed at business harmonization among UN agencies and followed by the QCPR is the establishment of common back offices and joint premises to reduce costs and incite their collaboration. While sharing premises might facilitate the development of common back office services and UN teamwork, they are not a necessary condition for the former and neither a guarantee for the latter. This is illustrated by UN common premises in Brazil and Vietnam, since, despite the fact the UN House in Brazil was inaugurated before the Vietnamese Green One UN House, the UN operations in Vietnam have presented greater harmonization.

The inauguration of the UN house in Brazilian in 2012 was not preceded nor followed in the short-term by robust common plans, in accordance with the then default approach of UN system to this plans that were based on loosely defined common agendas. On the other hand, the Vietnamese house was opened in 2015, after almost a decade of adopting the system-wide approach of the Delivering as One initiative, when shared agendas gradually transformed common plans into action plans with clear collaboration lines among UN entities, which have come a long way by overcoming their initial insulation and the fragmentation of their activities (Campos, 2018c).

Left the UN House in Brazil, right the Green One UN House in Vietnam:

credits: UNIC-Rio and UN-Viet Nam.

In Vietnam, almost all UN agencies reside in the common premises after the recent relocation of the International Labor Organization, which have classified this as a proactive gesture taken in favor of ongoing reforms after dully assessing the impacts over its activities efficiency and integrity (GB.335/INS/10, prg. 26). On the other hand, the majority of UN entities working in Brazil have offices outside the UN House, what corresponds to roughly the double of those sharing facilities (see table 1). Representatives of UN agencies with experiences in these countries stating that working in the same space without jointly planning their activities – individual or collective – was not as significant to promote their synergies and harmonize their procedures as being part of a strong common planning decision-making and implementation process (Campos, 2018c). This sheds light on how integrating country-level services is not detached from the appropriate development of effective common plans.

Table 1: UN system's agencies residence in Brazil and Vietnam.[1]

UN system's agencies residence	In today	Out today	Non-resident
UN-House Brazil (2012)	IFAD UN-Women UNEP UNDP UNAIDS UNFPA	UNICEF UNODC (moved out) UNESCO WHO ILO UNHCR WFP UNOPS UNIDO UN-HABITAT UNIC	OHCR
One UN House Vietnam (2015)	FAO UNICEF UNIDO WHO UN-HABITAT IOM UN-WOMEN	IFAD	UNCTAD AIEA ITC

[1] Place of residence refer to main offices, since agencies often have offices in more than one location nationally where their projects are implemented.

UNESCO
UNODC
UNAIDS
UNDP
UNFPA
ILO

Source: elaborated by the author.

2. UN System operational activities funding

The reflections over the funding of UN operational activities is dominated by the debates over the imbalance of core and non-core contributions, overshadowing UN's potential to internally develop forms to adapt to this funding pattern and conditioning the solution of its deleterious effects to its reversal. The UN operational activities have always been financed by voluntary contributions, what have changed is now donors earmark their destinations for specific projects, countries and themes, taking out from within UN decision-making power over resources allocation and inciting the duplications of projects and the competition for funds among UN agencies.

However, the nuances among the different types of earmarked contributions and the power of *system-wide institutions* to integrate UN agencies can be better explored to cope with those inefficiencies. The different degrees of rigidity of earmarked funding is acknowledge and UN agencies recognize that some have even driven their cohesiveness, such as the strategic use of pooled funds (Campos, 2018b). *System-wide institutions* compensate, at least partially, the fragmentation effect of earmarked contributions, since effective common plans and leadership at the country level promote better divisions of labor and programmatic coherence among UN agencies, settling divergences and curbing duplications while also serving as guides for the allocations of donors resources (Campos, 2018c).

The bids to reverse the dominance of non-core funding are recurrent in QCPRs since their outset, systematically following short of their fulfilment, such as the non-operationalization of the concept of critical mass, what pressures the commitment of the *funding compact* to reach 30% share of core resources of voluntary funding for development-related activities by 2023. On the other hand, the *funding compact* ratified new avenues to deal with current funding patterns, calling for the raise of the share of non-core resources that are more softly earmarked, such as interagency pooled funds and single agency thematic funds, which are more predictable and offer strategic contributions to finance activities (RES/A/74/73).

The quality and flexibility of earmarked funds relate to their alignment with UN Operational activities geographic, thematic and programmatic priorities lay out in the QCPRs, such as least developed countries, gender equality and cross-agencies endeavors. The secretary general report on the implementation of the previous QCPR point out to an increase of contributions to interagency pooled funds and agency-specific thematic funds, corresponding together to a 10.5% share of non-core resources (RES/A/75/79). Despite the fact that this is a significant share, there are room for improvements and QCPR could address how to fulfill these funding modalities potential and trigger investments in them that are lagging behind, such as the lack of contributions for the Joint SDG Fund.

The debates that precede QCPR negotiations are contexts that enable stakeholders to identify the reasons for disinvestments, allowing the development of strategies to address them and attract donors. This includes shedding light on reforms funding and assessing the balance of commitments channeled for different pillars of reforms agenda. Accordingly, there is a need to support and assess the allocation of contributions not only for the Special Purpose Trust Fund, but also for interagency pooled funds, which have a proven record of empowering RCs and inciting UN agencies engagement with reforms.

Interagency pooled funds function as selective incentives that drive UN agencies teamwork, being fundamental to truly characterizing their presence on the ground as a team (Campos, 2018c). The Delivering as One initiative implementation have exposed that RCs formal authority and mandate to coordination UN agencies is not sufficient to engage individual agencies and frame their behavior into a collective vision. Accordingly, the resources of the MDG Achievement Fund and the One UN Funds in countries that have pilot that initiative have granted RCs the necessary material clout to reaffirm their role, overcoming resistances, financing joint activities and materializing integrated operations of UN agencies that have enacted a system-wide culture within them.

Therefore, the QCPR can advance debates over the funding for UN operational activities beyond the request for more balanced of core and non-core contributions by casting attention and requesting investments on mechanisms that foment agencies cohesiveness by curbing earmarked funding deleterious effects.

3. System-wide data

The gather and analysis of system-wide data is fundamental not only to build trust through transparency, maintaining and inciting further engagements and investments in reforms by member states and UN bureaucracies alike, but also to create and embed a system-wide organizational culture across UN agencies. Accordingly, there must be a systematic gathering of system-wide data instead of the current demand-driven paradigm, such as the requests of QCPR for reports to be deliver in very short notice in time for the next ECOSOC operational for development segment and UN General Assembly. The effort to develop tools that continuously raise these data lead to efficiency gains in the long run. Reports based on readily available data can concentrate on their analysis rather than on juxtaposing and organizing scattered data.

The lack of common definitions and shared classifications among UN system entities defies the gathering of system-wide data, their quality depending on the alignment of categorization methodologies across UN agencies, while their analytical added value is contingent to their repositories accessibility (Campos, 2018d). Thus the QCPR should incite and welcome initiates that forward standards for agencies reporting of their activities, such as the data cube initiative forwarded by UNSDG and CEB that improve the quality of UN financial information. On the other hand, is necessary to continuously revamp existing databases and create new one in line with emerging demands. For instance, providing desegregated data of the Special Purpose Trust Fund expenditures would help assess the added value of its allocations.

The available data of the new RC system expenditures informs the amount that remains in the DCO and the allocations by country, but disaggregating by the nature of expenses, such as with staff and personal or other general operating cost, can be informative. This could be easily done by breaking down expenditures under UNSDG budget categories. The access to this data contributes for the assessment and development of this new system, being relevant to avoid and address imbalances of investments in reforms, since the effective performance of RCs in favor of UN cohesiveness is not isolated from other system-wide institutions and funding modalities that also need investments to be effective.

Accordingly, the QCPR should request an approach to data that allow the continuous assessment of the overall status of UN system institutional framework and the performance of its operational activities, addressing the relation between them, what includes but is not limited to the implementation of the Repositioning of UNDS. This systematize information and clarifies UN added value as a system, engaging member states and individual agencies that are not fully aware of the advantages of a system-wide approach. In this effort, credible data is fundamental to maintain reforms momentum, being better understood if presented alongside practical examples of existing inefficiencies reforms intend to tackle and efficiency gains they have promoted.

Final Remarks

This chapter builds on research of the implementation of previous reforms of UN system to present pervasive dynamics behind UN operational activities that should inform the assessment of current reforms by the QCPR. The chapter underlines that *system-wide institutions* that structure UN system reinforce each other and that the effectiveness of the common leadership for harmonizing UN country-presence, materialized by the new RC system, is attached to well-crafted common plans and interagency pooled funds, which, however, are not receiving the same attention and investments.

Robust common plans have had significant positive outputs, from better divisions of labor among UN agencies to promoting national ownership of UN operational activities and guiding the allocation of donors' contributions. Better divisions of labor have settled divergences about using agencies operational capacities or thematic mandate as the criteria to distribute responsibilities, avoiding duplicated projects and inciting collaborations among UN agencies through joint programmes. The alignment of common plans outcomes to national governments agendas fostered their ownership, unravelling the development-humanitarian nexus of UN operational activities by inciting adaptations of the prolific humanitarian agenda of UN agencies to host countries urge for developed-related activities. Clearer structured action plans have attracted donors, which have financed joint activities developed under common plans outcomes and taming earmarked contributions deleterious effects. However, such potent plans demanded draining procedures, agencies with little resources struggling and resorting to their regional or headquarters bureaus for back office support, which sometimes was provided by RCs, previously backed by UNDP.

The Agenda 2030 and the UNDS Repositioning have introduced incentives that have hinder some of these previous reforms positive records. On the one hand, the integration of the Agenda 2030 to common plans have often resulted in outcomes that automatically reproduce SDGs, weakening their tailoring to national specificities. On the other hand, the funding of the new RC system concentrates high investments, while contributions to interagency pooled funds, such as SDG Fund, are below expectations, what contrasts with their proven record to incite coherence by providing material clout to empower RCs and serving as selective incentives to engage UN. Against this backdrop, in order to assess the possibility of the new RC system to address these gaps, the chapter suggests that the QCPR requests quality data over UN system operational activities and reforms, such as disaggregated data over the new system funding, raising more specific topics in the body of the text.

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North-South and South-South cooperation: comparative advantages in accelerating the implementation of the 2030 agenda for sustainable development
By Meriem El Hilali

Since the advent of the 21st century, the international community has realized that different forms of international cooperation are essential to accelerate sustainable development and to implement policies adapted to various regional and national needs. These forms of cooperation include North-South cooperation (NSC), but also include South-South cooperation (SSC) and triangular cooperation (TrC) that involve a bigger range of stakeholders from the Global south.

In fact, triangular cooperation was first conceived in the context of dissatisfaction with what was seen as a paternalistic model of North-South development assistance, while recognizing the strong developmental value of technical cooperation among developing countries. At its core was the need for mechanisms that would harness the comparative advantages of both NSC and SSC as perceived by developing countries, while reinforcing principles of ownership, voluntary contributions and solidarity among actors of the global South. As such, it enables linking international actors from developed and emerging economies, in order to cross fertilize experience, reinforce technical assistance and diversify the logic of cooperation from different protagonists.

Therefore, South-South and triangular cooperation does not necessarily constitute an alternative to North-South cooperation, which remains complementary to it and continues to be a major source of funding and technical assistance. In doing SSC cooperation, countries of the South identify to partnership among equals, based on solidarity and guided by the principles of respect for national sovereignty and ownership. These principles are nowadays seen as very important in scaling up international cooperation towards the global emerging South.

International gatherings such as the United Nations High-Level Conference on South-South Cooperation of 2009 in Nairobi - Kenya[1], and the Second High-Level UN Conference on South-South Cooperation known as BAPA+40 in Buenos Aires-Argentina[2], have recognized the potential of SSC and TrC to achieve and accelerate the implementation of the sustainable development goals. The outcomes documents of both UN conferences invite developed countries to expand their participation in triangular arrangements. It also encourages developing countries to assess the effectiveness of SSC and TrC and to promote the development of methodologies and statistics to enhance national coordination mechanisms and to share lessons learned to that end.

In order to illustrate the richness of this cooperation and the diversity of forces and actors that it involves, it is relevant to look closely at Morocco's cooperation with countries of the South, and its approach to make of SSC a driver for the emergence of a new Africa. Through its SSC schemes, Morocco also interacts more widely with Latin America and benefits from its expertise, particularly in the field of social policies.

First African investor in West Africa and Second African investor in the continent, Morocco has been expanding to African markets[3]. Sectors such as banking, insurance, telephony, mining, construction and social housing are illustrative of this dynamic.

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[1] Nairobi Outcome Document https://www.un.org/press/en/2009/dev2781.doc.htm
[2] BAPA+40 - UNOSSC - United Nations Office for South-South www.unsouthsouth.org › bapa40
[3] 2020 Economic and financial report accompanying the Moroccan finance bill for the 2020 financial year. Morocco's exports to the continent grew by 13% on an annual average to reach 2.1 billion euros.

Moreover, Morocco has been focusing increasingly on policy support and strategies for sustainable development through the "Plan Maroc Vert", with projects on Blue Economy and the Modelling System for Agricultural Impacts of Climate Change namely through initiatives such as the AAA (Adaptation of African Agriculture) and SSS (Sustainability Stability Security). The country's support for SSC in Agriculture and Fisheries in various countries of the Sahel region through public-private trust funds, aims to end hunger in various African countries especially in the Sahel, by supporting sustainable agricultural production and improving natural resources management.

Concerning migration for development, Morocco has been pursuing a holistic migration policy for several years, reinforced by the adoption of the UN Global Pact for Migration in 2019, known as the Marrakech Compact. As a bridge between Europe and sub-Saharan Africa, Morocco uses North South, South-South and triangular cooperation to strengthen Morocco's relations with its 5 million nationals living abroad and to promote the integration of over 800 000 migrants at national level[1]. This Moroccan migration policy goes hand-in-hand with increasing South-South mobility.

Owing to its migratory South-South and triangular cooperation, Morocco has mobilized 148 million euros to address irregular migration and another 182 million euros to support job creation and other services. As more sub-Saharan African migrants find themselves stuck, those unwilling or unable to return to their origin countries and those who have failed to reach European borders have become a familiar presence in many Moroccan cities, most living in irregular status.

On a more global level, the last two decades have been marked by the two biggest economic recessions since the Second World War. The collapse of the international financial system in 2008 followed by the COVID-19 multidimensional crisis in 2020 imposed international austerity policies, leading to reconsidering more than sixty years of solidarity and development aid by the countries of the North towards developing economies.

International economic crises often have social and political implications inside countries and impact profoundly development aid cooperation. As such, they contribute to the reduction of the North-South predominance which prevailed before. Under conditions of austerity, development partners face a difficulty in meeting their commitments to finance an increasing number of development projects in the South.

For all these reasons, the exponential development of South-South and triangular cooperation enable to diversify sources of financing, when developed countries are not as generous in transferring funds for development programs in favor of countries of the South.

Over the years, several countries of the South have also accumulated national expertise in several areas of economic governance and public affairs, coupled with a political ambition that gives them the means to build enhanced cooperation with other countries of the South. Although it is difficult to properly measure the level of aid between countries in the South, indicators show that emerging providers of development aid such as China, Brazil, India and Russia pay special attention to building infrastructure and investing in production sectors in developing economies.

Unlike donor countries in the North, most countries in the South do not impose political conditionalities. At the same time, aid from southern countries is far from being disinterested despite emphasizing the principle of non-interference, which is well established in cooperation between southern countries. As a result, South-South cooperation is often attached to different

[1] National Survey on International Migration 2018-2019, July 2020 - HCP

conditions, including incentives to purchase equipment from the supplier country, the use of its workforce and the use of its national companies.

It is clear that the multipolar world of today depends on the weight of economic and financial relations, which de facto establishes the rules of interrelationships that the societies of the North maintain with the societies of the South. This accelerated globalization is inevitable and it is not limited to economic interdependencies. Global trends are also changing and ecological concerns are making new generations rediscover the interlinkages between economic growth, human development and nature.

To sum up, South-South cooperation is not in a trajectory of total rupture with the practices of North-South cooperation, because economic and political interests are almost always linked to the granting of Development Assistance. At the same time, North-South, South-South and triangular cooperation, whenever they are well managed and oriented towards productive fields, they tend to generate very positive results to accelerate the implementation of the 2030 agenda for sustainable development away from the old logic of assistantship and development from above.

An Unhealthy Silence: Openness and the Error! Use the Home tab to apply Document name to the text that you want to appear here.

By David Banisar

"This is a time when, more than ever, governments need to be open and transparent, responsive and accountable to the people they are seeking to protect."[1]

UN Secretary-General António Guterres, April 2020

Ensuring the public's right to information is a necessary response to the COVID-19 pandemic. Governments across the world are making difficult decisions about how to respond to the COVID-19 outbreak. Being open helps ensure public trust and accountability in the government's actions. It also makes the public more aware of the situation and act accordingly to protect themselves and their communities. Furthermore, it enables people, scientists and other experts to scrutinise and propose improvements to these decisions; journalists and elected representatives to examine official statements and actions from a more informed perspective; and countries to share and learn from each other's experiences.

However, instead of being open, in responding to the COVID-19 outbreak, many governments have taken measures that limit access to information held by public bodies relating to the pandemic and other crucial areas of public interest. The secrecy is everywhere: deaths, infections and lack of equipment for health care workers have been covered up and statistics manipulated, subsidies for large companies have been closed from public scrutiny, contracts for vital equipment have been given to politically-connected groups and key terms of vaccine contracts are hidden, shadowy groups have been offering science advice, and telecommunications companies and new mobile apps are collecting information on people without revealing what they are collecting and how the data is being used.

At the same time, right to information and other open government laws have been hobbled and state leaders trying to deflect criticism are claiming information about the crisis is classified. Whistleblowers and journalists have been harassed and arrested for revealing problems, accused of releasing "fake news" in the absence of government transparency.

These limitations violate international rights law's obligations on access to information and public health. Complicating the problem is a gap in the international level is the International Health Regulations, where the default is on public secrecy between states, and a lack of guidance and recommendations on how states should make information publicly available from the World

[1] UN, We Are All in This Together: Human Rights and COVID-19 Response and Recovery, 23 April 2020, https://www.un.org/en/un-coronavirus-communications-team/we-are-all-together-human-rights-and-covid-19-response-and

Health Organisation. While the WHO and World Health Assembly have more recently sought to address some of these gaps, much more needs to be done.

Why Access to Information is Important

The reduction in the public's right to know about the activities of their governments is counterproductive to the effort in combating the COVID-19 outbreak – the right to information is crucial for ensuring public awareness and trust, fighting misinformation, ensuring accountability as well as developing and monitoring implementation of public policies aimed at solving the crisis. It is crucial that the right to information is maintained during the emergency as much as possible.

When the public knows what the government is doing to address the pandemic, it builds trust, brings more awareness, and opens a dialogue with the institutions that will result in better behaviours from society. This is extraordinarily important because intrusive measures to limit free movement and association and prevent social gatherings are not be accepted unless clearly explained to the public.[1]

Public access to information facilitates the public's ability to evaluate and debate decision-making processes that affect their lives by encouraging informed participation and debate. Ensuring this external accountability is essential. The UN Secretary-General has said, "Authorities need to be open and transparent in their decision-making and willing to listen to and respond to criticism."[2]

Billions of dollars are now being committed by governments worldwide to purchase goods and services, vaccines, and to support businesses and communities. Transparency about the justification for, allocation of, and the results of this extraordinary expenditure is essential to provide oversight, ensure that it is used fairly and wisely, and to avoid corruption.

Reliable, accurate, and accessible information about the pandemic is also essential to reducing the risk of transmission of the virus especially when there is no available treatments and a lack of equipment so more of the burden of prevention is based on public response and cooperation.

It is an essential precaution against the dangers of disinformation, whether malicious or merely ill-informed. Disinformation can dangerously harm such groups even further because they do not have the necessary information to regulate their conducts accordingly. The UN Secretary General and the Director General of the WHO has warned that misinformation about the virus, equipment use, and vaccines has become an "Infodemic" which threatens to undermine the efforts against it.[3]

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[1] See e.g. French, Enhancing the legitimacy of local government pandemic influenza planning through transparency and public engagement. Public Administration Review, 71(2), 253–264. (2011); Ölcer, S., Yilmaz-Aslan, Y. & Brzoska, P. Lay perspectives on social distancing and other official recommendations and regulations in the time of COVID-19: a qualitative study of social media posts. BMC Public Health 20, 963 (2020). https://doi.org/10.1186/s12889-020-09079-5; Ryan MJ, Giles-Vernick T, Graham JE Technologies of trust in epidemic response: openness, reflexivity and accountability during the 2014–2016 Ebola outbreak in West Africa BMJ Global Health 2019;4:e001272.

[2] Ibid, We Are All In This Together.

[3] WHO, Statement, Call for Action: Managing the Infodemic, 11 December 2020. https://www.who.int/news/item/11-12-2020-call-for-action-managing-the-infodemic

Openness Requirements and Gaps in International Law

The right to access to information is a fundamental component of the right to freedom of expression, as enshrined in Article 19 of the Universal Declaration of Human Rights[1] and Article 19 of the International Covenant on Civil and Political Rights.[2] This encompasses the right of individuals to seek, receive, and impart information. The UN Human Rights Committee in General Comment 34 has specified that states should proactively publish information of public interest and take steps to facilitate access to information held by public bodies, including by passing freedom of information legislation.[3]

International human rights law on the right to health also imposes requirements on states to ensure public access to information.[4] Article 12 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) states that everyone has the right to "the enjoyment of the highest attainable standard of physical and mental health." [5] The UN Committee on Economic, Social and Cultural Rights declared in General Comment No 14 that the right to health is "closely related to and dependent upon the realization of other human rights … [including] … access to information," which it considers as addressing "integral components of the right to health." States are obliged to "provide education and access to information concerning the main health problems in the community, including methods of preventing and controlling them."[6] The Committee noted in a footnote that "This general comment gives particular emphasis to access to information because of the special importance of this issue in relation to health." The UN Special Rapporteur on the Right to Health has found that states have an obligation to inform the public in public health emergencies that "an effective emergency response system requires the public to be provided with useful, timely, truthful, consistent and appropriate information promptly throughout."[7]

Experts from the UN, the Inter-American Commission for Human Rights (IACHR), and the Organization for Security and Co-operation in Europe (OSCE) Representative on Freedom of the Media have also stressed the importance of the relationship between the two, stating that: "Human health depends not only on readily accessible health care. It also depends on access to accurate

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[1] UN, Universal Declaration of Human Rights, Article 19, https://www.un.org/en/universal-declaration-human-rights/

[2] Office of the High Commissioner for Human Rights (OHCHR), International Covenant on Civil and Political Rights, Article 19, https://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx

[3] UN Human Rights Committee, General comment No. 34, https://www2.ohchr.org/english/bodies/hrc/docs/gc34.pdf

[4] ARTICLE 19, A healthy knowledge: Right to information and the right to health, 27 September 2012, https://www.article19.org/resources/healthy-knowledge-right-information-right-health/

[5] UN, International Covenant on Economic, Social and Cultural Rights, Article 12, https://treaties.un.org/doc/Treaties/1976/01/19760103%2009-57%20PM/Ch_IV_03.pdf

[6] OHCHR, Committee on Economic, Social and Cultural Rights (CESCR) general comment no. 14: The right to the highest attainable standard of health (Art. 12), 11 August 2000, https://www.refworld.org/pdfid/4538838d0.pdf

[7] UN Human Rights Council, Report of the Special Rapporteur on the right of everyone to the enjoyment of the highest attainable standard of physical and mental health, Anand Grover. Addendum: Mission to Japan, A/HRC/23/41/Add.3, 31 July 2013, https://www.ohchr.org/Documents/HRBodies/HRCouncil/RegularSession/Session23/A-HRC-23-41-Add3_en.pdf

information about the nature of the threats and the means to protect oneself, one's family, and one's community."[1] The UN Special Rapporteur for Freedom of expression says "In certain circumstances, information saves lives… censorship can kill, by design or by negligence."[2]

However, a significant transparency gap still remains in the leading agreements on health. Under the International Health Regulations, adopted in 2005, governments are required to provide information to the WHO in a crisis, without any equivalent obligation to inform their own citizens. The WHO can only make this information public if they receive the information from additional sources or consult with the Member State.[3] Even after several pandemics in the last two decades, the WHO has no publicly available guidelines on what states should publish, which has led to vast discrepancies and confusion between states as they report on testing, infection and mortality rates, using different definitions and criteria for reporting.[4] To say nothing of guiding states on what they reveal about their health spending. At most, the WHO Risk Communication guides give advice on good public relations techniques without giving any guidance on what should be transparent.[5] This needs to be incorporated in international law. Further, the WHO's own access to information policy prohibits disclosure of information given in confidence or which "may adversely affect WHO's relations with a Member State or other intergovernmental organization" - without any consideration of the public interest and no external appeal.[6] This is in stark comparison to other international obligations, such as the recently adopted Minamata Convention which requires Member States to make public information on mercury risks.[7]

There has been some slight progress since the pandemic began. In response to many of these concerns, the World Health Assembly in 2020 called on Member States to:

[1] OHCHR, COVID-19: Governments must promote and protect access to and free flow of information during pandemic – International Experts (David Kaye, Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression; Harlem Désir, OSCE Representative on Freedom of the Media; and Edison Lanza, IACHR Special Rapporteur for Freedom of Expression, 19 March 2020, https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25729&LangID=E; See also Report of the

[2] Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression, Disease pandemics and the freedom of opinion and expression, A/HRC/44/49, 23 April 2020.

[3] See International Health Regulations, Article 11 (3).

[4] For how this impacts state reporting, see P O'Malley a, J Rainford b & A Thompson, Transparency during public health emergencies: from rhetoric to reality, *Bulletin of the World Health Organization* 2009;87:614-618. doi: 10.2471/BLT.08.056689

[5] WHO, Risk Communication and Community Engagement (RCCE) Action Plan Guidance COVID-19: Preparedness and response, 16 March 2020, https://www.who.int/publications-detail/risk-communication-and-community-engagement-(rcce)-action-plan-guidance

[6] WHO Information Disclosure Policy, March 2017. http://www.who.int/suggestions/InfoDisclosurePolicy.pdf

[7] Minamata Convention on Mercury, Article 18.

> Provide the population with reliable and comprehensive information on COVID-19 and the measures taken by authorities in response to the pandemic, and take measures to counter misinformation and disinformation and as well as malicious cyber activities[.][1]

In September 2020, a joint statement by WHO, UN, UNICEF, UNDP, UNESCO, UNAIDS, ITU, UN Global Pulse, and IFRC called for member states to:

> develop and implement action plans to manage the infodemic by promoting the timely dissemination of accurate information, based on science and evidence, to all communities, and in particular high-risk groups; and preventing the spread, and combating, mis- and disinformation while respecting freedom of expression.[2]

The UNGA also included a similar call in its Omnibus Resolution on COVID in September 2020, stating that it

> ...re-emphasizes the importance, in the context of public health, of ensuring public access to information and protecting fundamental freedoms, in accordance with the international human rights obligations of States and national legislation, recognizing therefore the important contribution of the promotion and protection of the safety of journalists in this regard, and recognizes the importance of the free flow of information and knowledge, while taking steps to counter the spread of misinformation and disinformation online and offline, including through the dissemination of accurate, clear and evidence- and science-based information, bearing in mind the right to freedom of opinion and expression and the freedom to seek, receive and impart information and ideas of all kinds.[3]

While these are positive steps, a further binding regulation and practical guidance are clearly needed.

The Country Response: Secrecy and Censorship

In comparison to the uplifting worlds of the UN Secretary General and the World Health Assembly and the urging of the UNGA, the situation in countries across the world have been less positive. Many countries, regions, and cities across the world have declared states of emergency or invoked extraordinary powers to reduce the transmission of the virus. Many of these measures have an impact on existing human rights obligations, including the right to information.

Since the pandemic began, many jurisdictions have had a significant gap in public knowledge as public and private bodies often have not accurately and proactively informed the public about the situation. As noted by a letter from nearly 100 civil society groups around the world: “Emerging

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[1] World Health Assembly, COVID-19 Response, 18 May 2020, A73/CONF./1 Rev.1. https://apps.who.int/gb/ebwha/pdf_files/WHA73/A73_CONF1Rev1-en.pdf

[2] Managing the COVID-19 infodemic: Promoting healthy behaviours and mitigating the harm from misinformation and disinformation, 23 September 2020. https://www.who.int/news/item/23-09-2020-managing-the-covid-19-infodemic-promoting-healthy-behaviours-and-mitigating-the-harm-from-misinformation-and-disinformation

[3] UNGA Resolution 73/306, p.29.

areas of concern include health system capacity and delivery, public procurement, violations of health and safety and labour law, inequitable and ill-prepared global supply chains, unfair competition practices and market abuses, and significant violations of personal privacy rights at scale through the digital tracking of individuals."[1]

A number of countries have introduced emergency legislation that affects the public right to information.[2] These vary from waiving or extending deadlines for responses to requests to more extreme limits on the laws' functions. In some countries, overbroad restrictions have already been suspended by the courts or regulators.[3]

Billions have been spent on procurement of equipment, services and vaccines but many of the underlying contracts remain secret.[4] Numerous investigations have found money given away to politically connected and unqualified individuals and companies, fraud, and mismanagement.[5] A need for quick actions does not eliminate the need for quality and efficiency.

Many intergovernmental, national, and local governments have closed meetings of their councils, committees, boards, and commissions. Some limits to open-meetings requirements during the pandemic are unavoidable. Nonetheless, the need for accountability requires that governments maintain their open-meetings laws to the fullest possible extent during the crisis, especially because in many cases open meetings are a legal requirement for adopting deliberations. Many are now conducting virtual meetings, including public hearings. Similar problems arise for courts to ensure open justice requirements.

Those who have attempted to reveal these many problems – whistleblowers- have often faced serious retribution for their revelations. Health care workers are particularly impacted by the current crisis, with many expressing concerns about their exposure to the virus, poor planning, and

[1] CISLAC, Coalition to make whistleblowing safe during COVID-19 and beyond, 27 April 2020, https://cislacnigeria.net/coalition-to-make-whistleblowing-safe-during-covid-19-and-beyond/

[2] For an international survey, see Toby McIntosh, Governments delaying access to information because of pandemic, 25 March 2020, https://eyeonglobaltransparency.net/2020/03/25/governments-delaying-access-to-information-because-of-pandemic/; and US Congressional Research Service, Freedom of Information Act (FOIA) processing changes due to COVID-19: In brief, 27 March 2020, https://crsreports.congress.gov/product/pdf/R/R46292

[3] Brazil, Suspensa norma que restringe acesso a informações públicas, 26 March 2020, http://www.stf.jus.br/portal/cms/verNoticiaDetalhe.asp?idConteudo=440207;Argentina, Agencia de Acceso a la Información Pública, Resolución 70/2020, 14 April 2020, https://www.boletinoficial.gob.ar/detalleAviso/primera/227825/20200415

[4] Open Contracting Partnership, Findings and recommendations for better emergency procurement from 12 countries. https://www.open-contracting.org/resources/action-research-lessons-covid19/; UNODC, COVID-19 vaccines and corruption risks: preventing corruption in the manufacture, allocation and distribution of vaccines, December 2020. https://www.unodc.org/documents/corruption/COVID-19/Policy_paper_on_COVID-19_vaccines_and_corruption_risks.pdf

[5] See e.g. UK NAO, Investigation into government procurement during the COVID-19 pandemic, 26 November 2020. https://www.nao.org.uk/wp-content/uploads/2020/11/Investigation-into-government-procurement-during-the-COVID-19-pandemic.pdf

the lack of adequate equipment and protections. They have been risking their careers, liberty, and often even their lives to expose mismanagement, wrongdoing, and corruption.[1]

Recommendations

The national and international response to the pandemic has revealed a significant transparency gap between what the public in the countries need and the information provided by the bodies.

- *Member states should make available information and data to all communities about key areas including cases and results, policies and decisions taken, testing, equipment and facilities available, scientific research, budgets and expenditures, and contracts.*[2]
- *Member states should ensure that national access to information and open meetings laws are not abrogated; public interest whistleblowers are fully protected; information collected for health purposes should not be used for other purposes; Other crucial human rights including freedom of expression, assembly and association should be fully protected.*
- *Amend the International Health Regulations to require that Member States provide comprehensive information about pandemic impacts and responses in a regular and timely manner. The WHO should issue guidance for Member States on information and data that should proactively make available.*

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[1] See Samantha Feinstein, COVID-19: The largest attack on whistleblowers in the world, 8 April 2020, https://whistleblower.org/blog/covid-19-the-largest-attack-on-whistleblowers-in-the-world/

[2] See ARTICLE 19, **Error! Use the Home tab to apply Document name to the text that you want to appear here.** for a detailed list of data to be published. https://www.article19.org/resources/ensuring-the-publics-right-to-know-in-the-covid-19-pandemic/ ; Pria Group, Governance Statistics in the COVID-19 Era: A PRAIA CITY GROUP GUIDANCE NOTE, September 2020. http://ine.cv/praiagroup/wp-content/uploads/2020/09/PRAIA-GROUP-Guidance-Note-Governance-Statistics-in-Covid-19-Era-FINAL.pdf

Resilient institutions in times of crisis: transparency, accountability and participation at the national level key to effective response to COVID-19 (UN-DESA Policy Brief #74 May 2020)

By Aránzazu Guillán Montero and David Le Blanc[1]

Summary

The coronavirus (COVID-19) pandemic presents a risk to key dimensions of national institutions highlighted in Sustainable Development Goal 16 (in terms of limiting transparency and access to information, eroding safeguards to accountability including integrity violations, fraud and corruption, and restricting participation and engagement). However, these institutional dimensions are also critical to providing a resilient response to the crisis. In many countries, governments, accountability institutions and civil society are innovating to mitigate institutional disruptions while ensuring an effective response to the pandemic. In the aftermath of the crisis, drawing lessons in terms of the resilience of national institutions will be a key undertaking in order to ensure effective and accountable government.

Introduction

National institutions are strongly impacted by the coronavirus (COVID-19). The pandemic has disrupted to vary- ing extents the regular functioning of state institutions, such as parliaments and justice systems, and affected key government functions and processes, undermining the effectiveness of government action. The need to respond quickly and with drastic measures has also created additional risks for institutional processes and organisations. Beyond individual institutions, the pandemic has increasingly affected whole institutional systems and the way public institutions interact with people.

This brief discusses the challenges of the COVID-19 emergency along key dimensions of national institutions highlighted in Sustainable Development Goal 16 (transparency, access to information, accountability and anti-corruption, participation and engagement). It also explores how government institutions and civil society have innovatively responded to ensure that transparent, accountable, responsive and equitable mechanisms continue to govern the functioning of government processes and organizations, thus increasing the resilience of institutions to shocks such as the coronavirus pandemic.

The Coronavirus Epidemic has Impacted Key Dimensions of National Institutional Systems

The coronavirus pandemic has affected national insti- tutions through different channels. In response to the epi- demic, temporary changes in rules and processes have been implemented by governments in order to protect people at risk and ensure the delivery of critical functions while the crisis lasts. Such changes impact the relationships be- tween people and the government in multiple ways.

[1] (Available online here at: https://www.un.org/development/desa/dpad/publication/un-desa-policy-brief-74-resilient-institutions-in-times-of-crisis-transparency-accountability-and-participation-at-the-national-level-key-to-effective-response-to-covid-19/)

The pandemic has created major disruptions to the functioning of governments as a whole and of specific public functions, including policy making, the provision of basic services, law enforcement and the functioning of the justice system.

The imperative to limit contagion affects the capacity of the state to deliver its functions. Restrictions and social distancing measures can challenge the working methods and processes of institutions such as parliaments or courts, where face-to-face meetings are required, creating obstacles for the regular conduct of business and there- fore, potentially undermining legislative oversight and law-making, limiting judicial enforcement or affecting citizens' access to justice, among other consequences. Specific institutions of government (such as the police or the education system) may be directed to adapt their procedures in response to the crisis. Restrictions taken in response to COVID-19 can also negatively affect the possibilities for public institutions to engage with civil society. Emergency responses as well as measures to limit the economic impact of the COVID-19 crisis, such as stimulus packages, can also increase risks to accountability and integrity, including through greater opportunities for fraud and corruption.

Finally, in the context of the epidemic, some governments have effected broader, structural changes in the political and institutional systems (such as the adoption of emergency laws that allow to rule by decree, and the suspension of individual liberties), which may have longer-term negative consequences for public institutions and human rights, particularly of marginalized groups.

Among other effects, such changes have modified balances that existed prior to the coronavirus pandemic in terms of accountability, transparency and participation.

Using the Institutional Principles of SDG 16 as an entry point to Strengthen Institutions in times of Covid-19

Transparency

Transparency is critical for accountability and for public trust in government. For citizens to trust institutional responses to the COVID-19 crisis, they must know what governments are doing and have access to reliable information, including: the facts about the virus; the data on the spread of the epidemic and its impacts; and the public policies in response to the crisis as well as the assumptions and scenarios on which they are based. In the Republic of Korea, for example, the government provided two daily briefings to explain the evolution of the epidemic and the government's responses.

In many countries, websites are providing real-time, localized information on the evolution of the epidemic. Depending on the country, these websites can be managed by the government, academia, or civil society; many result from collaboration among different actors, including the private sector. In France, in addition to a comprehensive daily bulletin issued by the government, which contains key figures on the number of people who tested positive, were hospitalized and died of COVID-19, a government data innovation hub – Etalab – has developed an open source platform with data visualizations down to the local level. In other countries like Bulgaria, Indonesia, Mongolia and South Africa, governments have developed online resource portals to enhance transparency by providing a single-entry point to information and resources on COVID-19. In many countries, both governments and non-governmental organizations have taken steps to prevent misinformation on the pandemic.

Effective transparency requires proactive communication strategies that reach vulnerable and at-risk populations with the information they need in accessible formats. The Government of Mexico, for example, has created a microsite to provide information on COVID-19 to people with disabilities. In other countries, non-state actors are working to make information on the coronavirus accessible. In Argentina, the Civic Association for Equality and Justice in collaboration with University Torcuato di Tella and University of Buenos Aires have launched an initiative to make legal information on COVID-19 accessible to vulnerable populations.

Transparency is also important at the international level to better coordinate global responses, share experiences and lessons learned, and support countries to tailor responses to their own circumstances. Since the epidemic began, international organizations and networks have been active in this regard. For example, the WHO/EU Health System Response Monitor documents various facets of responses to the crisis for a sample of countries with very little time lag, and facilitating comparison across countries. The UN COVID-19 Data Hub makes relevant data on responses readily available as geospatial data web services, suitable for maps, data visualizations and analyses, and in multiple formats.

Access to information

In several countries, response measures have impacted the national framework that regulates the right of access to information and its enforcement. Civil society has been monitoring these changes and exceptions to transparency and access to information legislation.

Although such exceptions have generally limited the right of access to information, in some countries, government institutions have fought those limitations. In Argentina, after the government passed emergency decrees which suspended administrative deadlines, the Information Commissioner issued a resolution lifting or cancelling that suspension in relation to access to information and privacy. In Canada, the Information Commissioner issued a message on the importance of respecting the right to information in the current circumstances, calling upon heads of federal institutions to set an example.

In the European Union, the Commission and the Council have maintained the 15-day deadline to respond to public information requests while acknowledging that delays may occur in the current circumstances.

Guidance and materials have been developed to support public officials and citizens in the implementation and exercise of the right to access information during the emergency. Georgia’s Institute for Development of Freedom of Information has published guidelines on public information that is recommended for proactive publication by government agencies during the Covid-19 crisis. In Spain, Access-Info has developed a guidebook to help citizens understand the effects of the declaration of the state of emergency and explain how to exercise the right of access to information.

Participation, engagement and representation

Strong legislatures are especially crucial in an emergency like the COVID-19 pandemic to balance power and ensure independent oversight, represent people's needs and demands, and pass legislation to deploy public resources to those in need. However, restrictions on large gatherings, social distancing and other containment measures have constrained the functioning of parliaments. Parliaments across the world have had to find innovative ways to work around this constraint. Legislatures in Albania, Colombia, the Maldives, and Mongolia have amended their plenary procedures to allow virtual discussions. A Remote Deliberation System has enabled, through video and a secure personalized app, the continuity of debates and votes in the Brazilian Senate. Legislators in different countries (e.g., Armenia, Indonesia) are using social media to provide updates on the pandemic and engage with their constituencies. The Interparliamentary Union (IPU) is supporting Parliaments by sharing country-by-country information on how Parliaments are responding; providing questions and answers for parliaments; developing guidance for legislators and technically supporting Parliaments on remote working methods.

The members of OPeN (Open Parliament e-Network) are crowdsourcing and sharing country data on citizen participation and open parliament paths during COVID-19 times. Parlamericas and Legislative Directory have published a paper on legislative good practices and recommendations during COVID-19 in the Americas. Legislative Directory has also developed several reports on how Congresses are working in the region.

As governments have been challenged to respond to the coronavirus emergency risks, collaboration with stakeholder groups and citizen engagement have generated innovative responses to COVID-19 and helped enhance public trust. Participatory response strategies, the development and use of new digital platforms and tools to enable engagement, including in the collective development of digital tools and solutions (e.g., through crowdsourcing, hackathons) and the use of social media to connect with people are some of the approaches used in different countries. In Slovakia, for example, the Ministry of Education, Science, Research and Sport has worked with civil society in developing a website to provide teachers, school managers, parents and students with up-to date information on matters related to education and educational resources during the closing of schools.

Civil society around the world has also mobilized and self-organized in response to the pandemic. Citizen led community responses have helped inform the public on the risks of the pandemic and provided essential services such as food and care. For example, in countries like Italy and Spain or in the City of New York, volunteer groups have self-organised to tutor children, provide mental health services and deliver food to vulnerable groups such as older persons or people with underlying illnesses. These responses can be leveraged by public institutions to ensure effective and inclusive responses to the pandemic.

Accountability and anti-corruption

Fundamental safeguards of government accountability can be challenged or disregarded by institutional responses to an emergency (for example, ruling by decree without legislative oversight). Moreover, emergencies and subsequent rapid responses as well as other measures focused on the longer-term economic recovery (e.g., economic stimulus packages) may create opportunities for integrity violations in public organisations, in the allocation and use of public resources, and in core government functions such as public procurement.

Health systems in many countries suffer from systemic weaknesses that make them particularly vulnerable to COVID-19-related corruption risks associated with emergency funding and procurement; price gouging and resale of pilfered supplies on the grey and black markets; substandard and falsified products entering the market; among others.

Legislative and judicial oversight can help mitigate the opportunities for integrity violations and maladministration. The Parliament of Kenya, for example, requested and received specific information from the Ministry of Health on the allocation and use of public resources to fight the epidemic, the distribution of medical resources and the procurement of medical goods and equipment, among other topics. In Uganda, the high Court ruled that legislators must pay back money received in their personal accounts as part of a package of 2.4 million euros approved to fight the coronavirus in their constituencies.

Internal and external auditors also play a critical role in identifying potential risks in public financial management and procurement systems, providing assurance on transactions, enhancing transparency and providing critical information and data for holding governments accountable. The General Comptroller of Costa Rica has developed an online platform to enhance transparency on the government responses to the coronavirus, including on public procurement. The Brazilian Court of Accounts has launched a special programme (Coopera), including a monitoring plan to identify risks, weaknesses and deviations in the government response to COVID-19.

Leading transparency and anti-corruption organizations have called on public authorities to ensure transparency to prevent corruption and to strengthen whistleblower protection during the state of emergency caused by the coronavirus pandemic. Civil society organizations, such as the Institute for Development of Freedom of Information, have also developed guidelines on transparency of public procurement related to Covid-19. Leading organizations working on accountability in Liberia have called for increased transparency and oversight of resources allocated to legislators as part of an emergency and economic stimulus package as well as of foreign aid resources received to fight the pandemic.

The experience from recent health and humanitarian emergencies (e.g., Ebola outbreak, hurricane Katrina) shows the importance of addressing corruption risks as well as integrity and accountability vulnerabilities, and provides valuable lessons for the present. In a recently published report, the INTOSAI Development Initiative (IDI) recalls lessons and examples from previous crises regarding the management of global health funds, corruption over health emergency aid, and anti-corruption approaches in the health sector.

Conclusion

The coronavirus pandemic has created unique challenges for transparency, participation and accountability. National and international actors have responded fast and forcefully to these challenges.

In some countries, accountability institutions, such as supreme audit institutions and access to information and privacy oversight bodies, have been monitoring and disseminating information about the impact of policies and regulations adopted by governments in response to the crisis. Civil society is self-organising and also playing a key monitoring role of government action and proposing innovative solutions - sometimes working collaboratively with governments - to strengthen the resilience of institutions. International organizations and networks are also playing a critical role, collecting examples of innovative practices and supporting countries in their efforts to sustain the essential functions of public institutions through different tools, including online repositories, discussion forums, guidance and knowledge-based products.

Most countries are still striving to limit the spread of the epidemic, manage immediate health risks and mitigate broader economic and social impacts. As countries transition from the immediate response to the crisis to longer-term recovery efforts, it will be critically important to take stock of how the COVID-19 pandemic has affected key dimensions of national institutional systems such as accountability, transparency and participation, in order to prevent reversals of progress on these critical institutional dimensions and to avert longer-term consequences on public institutions and human rights. Together with other key principles embodied in Sustainable Development Goal 16, these institutional dimensions can provide signposts for increasing the resilience of national institutions to external shocks in the future.

Impact of COVID-19: perspective from Voluntary National Reviews (UN/DESA Policy Brief #85 originally published in September 2020)

By Irena Zubcevic[1]

Summary

- COVID-19 is having a profound effect on the socioeconomic development of countries and the implementation of the 2030 Agenda for Sustainable Development undermining SDG progress and exacerbating already existing inequalities and exclusion.
- A variety of mitigation measures are being put in place, through great efforts and at great cost, to address the impact of COVID-19 and reduce the risk of future crises, especially for the poorest and most vulnerable people and countries. It is important to work in an emergency mode to respond to the health impact, but also to keep the focus on the longer term, building resilience and using the 2030 Agenda as a roadmap.
- Multilateralism and global solidarity are essential to build back better by responding to COVID-19 in a way that supports the implementation of the 2030 Agenda and SDGs, bolsters results and addresses gaps in sustainable development.

When countries expressed their readiness to present their voluntary national reviews (VNRs) at the 2020 High-level political forum on sustainable development (HLPF) in September 2019, trends towards the Sustainable Development Goals (SDGs) were uneven. There were some favorable tendencies globally.

In particular progress was being made towards eradicating extreme poverty, lowering child mortality rates, advancing gender equality in some areas or improving access to electricity in the poorest countries. These advances resulted in no small part from the impact of policies conducted by many Governments and their partners since 2015.

At the same time, many challenges remained, and even deepened, including the rise in hunger, the increase in greenhouse gas emissions, persistent inequality, the loss of biodiversity, inadequate means of implementation and weaknesses in institutions. The SDG Summit in September 2019 and its political declaration were very clear that we were not yet on track for realizing the SDGs by 2030 and that a major acceleration effort was needed in the coming ten years-the Decade of Action and Delivery for Sustainable Development.

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[1] (Available online here: https://www.un.org/development/desa/dpad/publication/un-desa-policy-brief-85-impact-of-covid-19-perspective-from-voluntary-national-reviews/)

Data intelligence platform

The Government of Bangladesh facilitated data-driven decision-making by creating a data intelligence platform to minimize fatalities. The analytics help to identify hotspots and high-risk cases, analyze and predict requirements for patient management and guide resource allocation (health workers, testing facilities, hospitals, isolation units, ICT, etc.). They thus guide the Government in developing timely policy responses. The platform integrates data of national helplines and hotlines, epidemiological data, COVID-19 test data, data of patients suspected of having COVID-19, citizen's self-reporting data, community health worker reports, mobility data, and other relevant data to generate insights for decision making and planning. Advanced-level technology is deployed (artificial intelligence, machine learning, big data analytics, cloud technology, etc.). Various data models are being used to monitor the situation, identify the concentration and risk zones, and take the necessary measures. The platform includes dashboards to assist healthcare providers and other stakeholders to make decisions, to exchange information and to raise awareness.

Source: Bangladesh VNR report, 2020

The VNRs provide the international community with insights on the implementation of the 2030 Agenda for Sustainable Development at the country level. They show that there has been a near universal response to the 2030 Agenda and the SDGs. They also show that country ownership of the 2030 Agenda is strong and that efforts to implement the Agenda are unwavering despite the impacts of the COVID-19 pandemic.

Many Governments have prioritized the integration of the SDGs into their national plans and policies. They have been creating the institutional arrangements that help drive and monitor progress towards the transformation needed in economies and societies in order to reach the SDGs.

Today, with the COVID-19 pandemic, many of the hard-earned gains towards the SDGs are in jeopardy and years of development progress might be reversed. Existing gaps and challenges might become more pronounced and difficult to overcome.

How covid-19 was reflected in 2020 VNRs

Forty-seven countries presented VNRs at the 2020 HLPF, out of which 26 were first time presenters, 20 were second time presenters and one country presented for the third time. Out of the 46 reports submitted, 39 countries explicitly mention the impact of the COVID-19 pandemic and many devote a separate section to the pandemic in their reports.

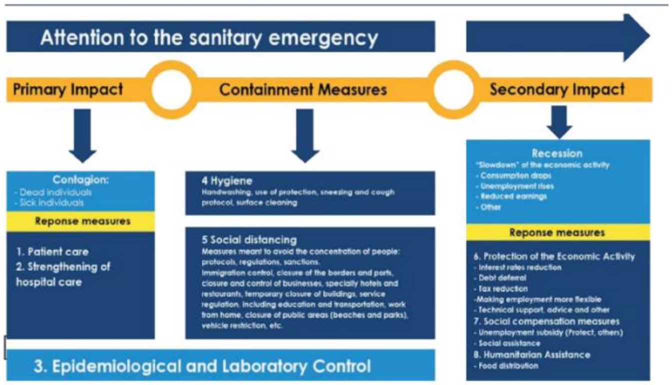
The findings below are based on these reports. They confirm that COVID-19 can undermine or reverse progress in the implementation of the SDGs and disrupt development efforts. The reports show that small, vulnerable, highly indebted, and tourism-dependent states are among the hardest hit. Many countries, especially developing countries and least developed countries, called for global solidarity, expressing their need for international assistance. A strong message was the necessity for a coordinate international response to the pandemic and for cooperation by all stakeholders.

The VNRs reports describe the health measures undertaken to combat COVID-19, the socio-economic impact of the pandemic and related measures as well as the roles of various stakeholders in combatting COVID-19. Countries also mentioned the impact of the crisis on the conduct of their VNRs, notably the consultations with stakeholders required for preparing the VNRs.

Some reports underlined a point also made by the Secretary-General, namely that, if we had been more advanced in SDG implementation, the impact of COVID-19 might have been less severe.

Health impact and measures

Figure 2
COVID-19 impact and care actions



The VNRs highlight a variety of measures in the area of health. Some countries have been making their national health systems more accessible and more resilient to adequately combat COVID-19. Some elaborated that measures include addressing the primary and secondary impacts of the pandemic. Regarding primary impacts, sick people are identified and provided with patient and hospital care and containment measures are implemented including promoting hygiene and social distancing. Regarding the secondary impact of COVID-19, countries such as Costa Rica report identifying its negative impacts and implementing response measures. These response measures include raising salaries for healthcare workers and providing them with adequate training and personal protective equipment; modernizing and ensuring timely delivery of medical equipment (e.g. artificial lung ventilators); increasing epidemiological and laboratory effectiveness; establishing modular hospitals, isolation centers and sanitary cordons as well as digitizing patient data for use by multiple health workers and providing data intelligence platforms to minimize fatalities. Measures also include providing health coverage and access to medicine for all (Argentina, Austria, Benin, Costa Rica, Panama, Trinidad and Tobago, Ukraine).

> **Assistance to unemployed in the tourism sector**
>
> Part of the national response to COVID-19 in Micronesia was the recently passed economic stimulus package, which allowed businesses within the hard-hit tourism industry to apply for wage subsidies and receive gross tax revenue rebates, via the Tourism Sector Mitigation Fund.
>
> **Source:** FS of Micronesia VNR report, 2020

Other countries report implementing measures to trace and isolate persons who have been in contact with COVID-19-positive patients, accommodating these people in hotels and providing them with quality and safe food, creating health corridors and disinfecting public transport (Armenia, Bangladesh, Mozambique).

Socioeconomic impact and measures

Economic measures

The Bulgarian government has introduced a variety of economic measures to mitigate the negative impact of COVID-19, with a special focus on small and medium enterprises (SMEs) and the sectors that have been hit the hardest. Grants are provided to SMEs under the Operational Programme "Innovations and Competitiveness", funded by the European Union (EU). Whereas preferential credit measures are mainly aimed at providing liquidity for SMEs, large enterprises are also eligible for financing under the programme. The "Financing for Urban Development" programme can direct funding to public-private partnerships and companies that have been struck by the crisis. Self-employed persons and agricultural producers are also eligible for financial support. The Bulgarian National Bank approved a moratorium on private payments of credits related to COVID-19 on April 10, 2020.

Source: Bulgaria VNR report, 2020

The VNR reports underline the severe impact of COVID-19 on the economy and society, indicating that the pandemic exacerbated inequalities and widened divides, with the most detrimental impact on those who are already at risk of being left behind (Argentina, Austria, Bangladesh, Comoros, DR Congo, Georgia, India, Niger, Nigeria).

The pandemic affected macroeconomic stability and, in many countries, made the debt situation more acute. A number of countries described the impact of the pandemic on particular sectors of the economy. Agriculture, food security and nutrition, education, tourism, trade, transport are some of the sectors that have been the hardest hit, especially in the least developed countries and small island developing States. Therefore some countries provided economic stimulus packages targeting specific sectors (Gambia, Micronesia, Samoa, Seychelles, Ukraine).

The project "Teleschool"

The project "Teleschool" was created during the pandemic and offers TV lessons to those school children who do not have access to the internet or do not own a computer (mostly living in the rural areas). The program started on March 30, 2020. Television lessons are designed for each class by subjects and are conducted in both Georgian and ethnic minority languages – Armenian and Azerbaijani. The TV lessons are also simultaneously translated by sign language interpreters. In addition, sporting activities are offered to the students in between TV lessons. The proposed TV program also includes educational cognitive programs and film screenings.

Source: Georgia VNR report, 2020

Many countries created emergency assistance programmes and emergency response funds for employers and employees so as to support sustainable and continuing economic development and provide macroeconomic stability – some with support from the World Bank, IMF, WHO or UNICEF. This involved supporting individual economic entities in countries' priority sectors to address the liquidity-related risks expected due to the spread of COVID-19. Measures also included providing assistance in refinancing personal and business loans, including student loans, lowering taxes for some sectors, providing interest rate subsidies, supporting small and medium enterprises (SMEs) and providing lump-sum grants to preserve jobs (Argentina, Armenia, Brunei Darussalam, Costa Rica, India, Micronesia, Moldova, Morocco, Nigeria, Panama, Russian Federation).

> **Leaving no one behind**
>
> Specific measures have been taken by the Government of Morocco, directly or with support from civil society, in favour of vulnerable categories including homeless children, persons with disabilities, the elderly and women in vulnerable situations. These measures focused on the provision of urgent and local services, protection from violence, psychological support, and the provision of advice and guidance. In this context, the prison population has been given special attention. A number of prisoners received a royal pardon whereas preventive measures were taken to protect prisoners from the spread of the virus.
>
> **Source:** Morocco VNR report, 2020

Some countries described the establishment of mechanisms, such as national committees or operational headquarters, to combat the pandemic and coordinate measures undertaken by different entities (Bangladesh, Bulgaria, Kenya, Kyrgyzstan, Morocco, North Macedonia, Papua New Guinea, Russian Federation). Many countries stressed the need for a coordinated approach and cooperation by all stakeholders. Some described how parliaments (Armenia, Bulgaria, Moldova) have passed some temporary laws, including on investment and taxation, to ease the burden of COVID-19 on the economy. Others stressed the role of volunteers, especially youth, who distributed food rations to households in need during the height of the pandemic (Brunei Darussalam). Some others described certain sectors coming together to improve the situation of their beneficiaries, such as educators providing classes to those families who do not have access to internet, especially in rural areas (Ecuador, Georgia) or delivering on other important activities in society (Liberia), including preventing violence against women and children (Moldova).

Social measures

> **Improving preparedness**
>
> The COVID-19 pandemic exerted strong pressures on the health system, including on surveillance, diagnostics, personal protective equipment, awareness campaigns, containment and treatment. This experience is being used to improve preparedness for future disease outbreaks by focusing on: (i) diseases surveillance, (ii) testing and other diagnostics, (iii) building community awareness, (iv) personal protective equipment and (v) case management and treatment.
>
> **Source:** Zambia VNR report, 2020

Many countries described social measures to provide support to vulnerable people, including students, families with children, pregnant women, persons with disabilities, older persons, migrants, workers in informal economy, etc. Examples of measures taken are: increasing the scope of social safety nets, including rental housing for migrant populations and the urban poor, building homes for homeless, assistance to unemployed families with children or through compensation or forfeiting tuitions fees for students, or distribution of free food items to low-income families (Bangladesh, Bulgaria, Gambia, India, Micronesia, Moldova, Morocco, Panama, Trinidad and Tobago, Uzbekistan).

Engagement and coordination of stakeholders

As the VNR process was conducted in a very challenging environment due to COVID-19, the Government of Malawi, through its National Planning Commission (NPC), used an assortment of consultation platforms to engage all stakeholders in the VNR, including those in the hardest to reach areas. As in-person workshops were not possible, virtual means were used to collect ideas from the general public. These included phone-in radio programmes and interviews with key informants among others.

Source: Malawi VNR report, 2020

also presenting at 2020 HLPF, joined the webinar and shared best practices and lessons learned on SDG implementation, especially in fragile and post-conflict situations, in order to inform the preparations of DR Congo's VNR.

Source: DR Congo VNR Report, 2020

Medium and long-term plans to strengthen economic, social and environmental resilience to COVID-19 and future pandemics.

Many countries reported that they have started to look at medium and long-term plans to strengthen economic, social and environmental resilience to COVID-19 and future pandemics. This includes creating economic stabilization and recovery plans, multisectoral preparedness and risk response plans, as well as developing national plans based on the Sendai Framework for Disaster Risk Reduction (notably on preparedness), national early warning and emergency operational centers, with the ultimate purpose to combat both the current COVID-19 pandemic and any future pandemics (Bangladesh, Ecuador, Liberia, Mozambique, Zambia). Many VNR reports underlined the importance of the use of technology, not only for virtual communication, but also for service delivery and doing business in general as well as in research and innovation (Armenia, Finland, Moldova, Nigeria, Zambia).

Impact on VNR preparations

The majority of countries reported that COVID-19 had disrupted the last phase of VNR preparations, especially in relation to stakeholder engagement which is an important dimension in carrying out a VNR. A number of countries therefore posted reports on the government's official websites to reach a wider audience. This enabled stakeholders and NGOs to submit proposals and descriptions of their efforts to implement the 2030 Agenda for inclusion in the VNR report. Some countries reported challenges related to ICT and tried to reach those in more remote areas either through interviews conducted over the phone or through community radio stations (Gambia, Liberia). Some, however, underlined that they had a good experience with virtual preparations, saying that they could reach a wider range of stakeholders, especially youth who are savvier with technology. They also indicated that these virtual meetings came at a lower cost than in-person meetings, thus freeing resources for other important matters.

Building back better

Almost all countries stressed that the current efforts to kick-start economic recovery and overcome the health crisis must be aligned with, and guided by, the 2030 Agenda and the SDGs. Many underlined that the pandemic can be an opportunity to find new solutions for building more sustainable economies, for sharing gains more widely, for creating more inclusive and equal societies with access to basic services and education opportunities for all, for better preserving the environment, and for strengthening measures to combat climate change (Austria, Comoros, DR Congo, Ecuador, Finland, Georgia, Liberia, Malawi). Most countries underlined importance of multilateralism and global solidarity to get the world back on track to recover from COVID-19 and achieve the SDGs.

The United Nations and the COVID-19 Global Emergency

By Georgios Kostakos

The context: A UN flattering impression of the UN and the world under COVID-19

The COVID-19 pandemic seems to have caught the UN system by surprise. From the competent body dealing with health issues, the WHO, to the political UN in New York and most other agencies around the world the pandemic created a storm that shook the whole edifice of multilateralism exposing its swallow foundations after years of rhetoric and process worshipping, substance and leadership scarcity, political squabbling and unpaid dues. Who would have thought that the angel of doom would arrive in the form of a tiny virus of the Corona family that would tear the world apart and shake multilateralism to its core?

The COVID-19 pandemic did not happen in a vacuum. With nationalist leaders reaching the highest levels of power in several countries, notably the US, the global commitment to multilateralism had started to wane well before the virus struck. The Trump Administration had already given formal notice of US withdrawal from the Paris Agreement on climate change, had left UNESCO, had defunded UNRWA and UNFPA. The fact that in July 2020, in the middle of the global medical emergency, the US Administration gave notice of leaving the WHO too should not really come as a surprise.

In the US and other my-country-first environments an apparent inability to consider the long-term consequences of events and incompetence in managing difficult situations was papered over by fervent rhetoric against anybody who would warn about the negative consequences or would advise in favour of painful but necessary measures. A pre-existing vilification of science for the bad news that it had brought about climate change intensified in view of the COVID-19 warnings, and the same fate was in store for collective response mechanisms, notably the UN system of organisations. All in the populist "logic" that if you shoot or outvote the messenger you make the bad news disappear.

The apparent origin of the virus in China invariably played into the US-China trade wars and geopolitical competition, with rekindled racism as a side effect. The fight for scarce resources like masks and personal protective equipment (PPE) at the start of the pandemic saw an ugly return to protectionism even within the single market of the European Union. After a slow start in taking the pandemic seriously border fences began to rise up within the EU and the world over, making for a cacophony of necessary but unilateral and often appearing as retaliatory travel restrictions.

In parallel, a race began to come up with one or more effective and safe vaccines primarily for one's own population in the shortest possible period of time. In the free-market, liberal democracy West this was pursued through deals with pharmaceutical companies, betting on the successful conclusion of their vaccine development process with often undisclosed amounts of taxpayer money involved. All kinds of seduction and arm-twisting tactics were used by governments to get precedence over others, so that their citizens and voters get vaccinated first. This is what the term "vaccinationalism" came to describe, a contribution to the debate by UN Secretary-General, Antonio Guterres, who warned against it in his address to the opening of the virtual high-level segment of the UN General Assembly in September 2021.[1] The ACT-Accelerator public-private partnership launched by WHO and partners in April 2020 and its vaccine pillar, COVAX, are supposed to help deploy the tests, treatments and vaccines needed to address the pandemic worldwide, with special provisions favouring low- and middle-income countries. However, the huge funding gap and the labyrinthine financial and governance arrangements don't allow for much optimist, for the short-term at least.[2]

While the developed and credit worthy countries of the West in particular were spending significant amounts to address the medical emergency and a lot more in supporting their failing companies and individuals because of the economic freeze brought about by the pandemic lockdowns, low- and middle-income countries were struggling to cope with their weak health systems and scarce financial resources. No fiscal space for them to print new money for their internal needs, for all the equipment and other supplies that they had to secure from abroad, and for servicing their debts. The IMF offered a USD 1 trillion lifeline to countries seeking liquidity,[3] an important but still small amount compared to what the US and the EU have been making available to their respective economies.

In January 2021, when this chapter was finalised, the situation remained volatile, with the EU, the US and Latin America continuing to have high rates of infection and death; new more aggressive variants of COVID-19 appearing in the UK, South Africa and Brazil; renewed lockdowns and bickering with pharmaceutical companies about priority access to vaccines among developed countries of the West. At the same time, countries in the Asia – Pacific region and big parts of Africa apparently suffered less from the virus and several were planning on making use of cheaper and more readily available vaccines from China, Russia and India, only tenuously connected to the COVAX framework, in another indication of a divided world.[4]

The rest of the chapter focuses on proposals put forward to the UN system by the Foundation for Global Governance and Sustainability (FOGGS) in response to the challenges presented by the COVID-19 pandemic. The proposals were originally published in a series of FOGGS papers that followed brainstorming sessions with country representatives to the UN, as well as global civil society representatives, academics, former and current UN system and other intergovernmental organization officials in the period April to August 2020.[5] This is the kind of proposals /

[1] See Antonio Guterres, Address to the Opening of the General Debate of the 75th Session of the General Assembly available online at https://www.un.org/sg/en/content/sg/speeches/2020-09-22/address-the-opening-of-the-general-debate-of-the-75th-session-of-the-general-assembly

[2] See "The Access to COVID-19 Tools (AC) Accelerator" on the WHO website: https://www.who.int/initiatives/act-accelerator (last accessed on 31 January 2021).

[3] "IMF says it's ready to mobilize its $1 trillion lending capacity to fight coronavirus" by Thomas Franck, *CNBC*, 16 March 2020 - https://www.cnbc.com/2020/03/16/imf-says-its-ready-to-mobilize-its-1-trillion-lending-capacity-to-fight-coronavirus.html

[4] See "Covid vaccines: Russia, China, India…Who is supplying Africa?" by Marie Toulemonde, *The Africa Report*, updated on 27 January 2021 - https://www.theafricareport.com/61188/covid-vaccines-russia-china-india-who-is-supplying-africa/

[5] See, inter alia, *The United Nations and the COVID-19 Global Emergency – Discussion Paper*, FOGGS UN2100 Initiative, April 2020; *The UN System and the World Post COVID-19 – Action Plan*, FOGGS UN2100 Initiative, May 2020; *Operating the UN System Under Crisis Conditions – Insights Paper*, FOGGS UN2100 Initiative, June

recommendations that we hope to see in the report that the UN Secretary-General will submit to the UN General Assembly by September 2021 as requested in the "Declaration on the commemoration of the seventy-fifth anniversary of the United Nations" adopted by world leaders on 21 September 2020.[1]

Establishing the facts and warning accordingly: a global early warning system

As expected, in view of the medical nature of the COVID-19 emergency, the initial response came from the WHO. Following official notification by China of a cluster of atypical pneumonia cases in Wuhan on 31 December 2019 the WHO procedures were set in motion. The declaration of a Public Health Emergency of International Concern (PHEIC), came from the WHO, in late January 2020. This delay and even the apparent delay in the original notification by China have given rise to accusations of WHO partiality and capitulation to Chinese interests, notably by the Trump Administration in the US.[2] A WHO team charged with establishing the facts about the origins of the pandemic was eventually deployed in the city of Wuhan in late January 2021, following extensive negotiations with the Chinese authorities. Whether there will be a clear and objective outcome remains to be seen, in view of the scientific challenges and geopolitical influences.[3]

Despite such complications, the UN system is uniquely placed to monitor vital metrics on all global challenges, from disease spread and climate change to food security and inequality. The diverse scientific and technical expertise of the various parts of the UN system offers the basis for doing that, with real-time updates and a system of alarms for impending crises. This would be a way for the UN to advance fact-based decision-making on all fronts – social, environmental, economic, human rights, humanitarian and governance-related – and attract media and the public's attention on a regular basis. Respected scientific establishments from around the world and grass roots organisations could also be integrated into the data gathering and early warning work.

Still, despite early warning functions spread around the UN system, each specialised organization with its own focus, process and intensity, there is no comprehensive data pooling and processing and no central node to compile a real-time complete picture of the state of the world as it confronts multidimensional and interrelated crises. If the political will were there such an early warning

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2020 – all available online at https://www.foggs.org/un2100initiative . Several parts of this chapter draw heavily on these FOGGS publications and on related research and writing that the author of the chapter did with his FOGGS colleagues, particularly Harris Gleckman and Richard Kinley. Their important contribution to the content of this chapter deserves to be acknowledged. Some of these ideas have also been included in the article by Harris Gleckman and Georgios Kostakos entitled "The Coronavirus vs. Multilateralism: Who Will Win", *PassBlue*, 4 June 2020, available online at https://www.passblue.com/2020/06/04/the-coronavirus-vs-multilateralism-who-will-win/ Of course, the responsibility for the selection of text and ideas to be included in this chapter remains with its author.

[1] "We request the Secretary-General to report back before the end of the seventy-fifth session of the General Assembly with recommendations to advance our common agenda and to respond to current and future challenges.", para. 20 of UN Doc. A/RES/75/1 of 28 September 2020 available online at https://undocs.org/en/A/RES/75/1

[2] See Tapio Kanninen and Georgios Kostakos, "Global Responses to the Pandemic: Assessing the International and National Actors", Part I, New Zealand Centre for Global Studies Blog, https://nzcgs.org.nz/international-advisory-panel/the-global-response-to-the-pandemic/

[3] See "Covid: WHO team probing origin of virus arrives in China", 14 January 2021, *BBW World* website,

center could be rolled out in a short period of time, using existing mechanisms, a dedicated internet site and a couple of other easy to meet requirements. In the meantime, the World Economic Forum's "Global Risks Report" stakes a serious claim on fulfilling that role, as it is more comprehensive, analytical and forward-looking than the fragmented reporting produced by the UN system, from the WEF's viewpoint, of course.[1]

To be effective, an early warning system has to be connected to mechanisms of early (re)action. Fact-finding missions to assess evolving medical, environmental or other situations should be possible to deploy swiftly, using standby expert capacities with "laissez-passer" prerogatives. From there the next step would be to set up a UN system early deployment force, in cooperation with regional organisations and states having the necessary capabilities, to provide expert assistance in cases of medical, environmental or other types of crises, helping to contain their effects at an early stage. This could be built on existing disaster management and humanitarian response capabilities but its systmetization and centralization could be a step too far for UN member states to take at the moment.

Convening the world to deal with the global emergency: global village (virtual) meeting(s)

Convening world leaders

The moral authority of the United Nations and the fact that the UN system addresses virtually all areas of human activity and encompasses the whole of humanity allows the UN to convene the leaders of the world to bring them before their responsibilities for addressing shared challenges. This has been done in the past but interestingly was not done in the case of the COVID-19 pandemic and the associated economic and social crises. The UN Secretary-General could/should have convened an online world summit at the early stages of the pandemic, as a symbolic show of unity as well as a concrete way to align the actions of states and ensure collective global action to "build back better". An often-sited set of virtual meetings on Financing for Development in the Era of COVID-19 and Beyond, co-convened by the Prime Ministers of Canada and Jamaica and the UN Secretary-General, in that order, would not qualify as such, thematically and politically.2 Nor would the virtual gathering on 21 September 2020 to celebrate the UN's 75th anniversary with pre-recorded leaders' speeches.

Convening scientists

Beyond the political leaders the UN Secretary-General could have also convened a group of renowned experts in health, economics, finance, information technologies, agriculture, public administration, business administration, global governance, etc. from around the world to advise the UN system and member states on an urgent basis on how to deal with the multi-faceted COVID-19 crisis. Such a "Global Emergency Task Force" could be supported by UN system experts, as well as specialised institutes, think tanks and civil society organisations from around

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[1] See the latest report in the series, *Global Risks Report 2021, 16th Edition*, WEF, 2021 available online at https://www.weforum.org/agenda/2021/01/global-risks-report-2021/

[2] For details on the meetings and the FFDI initiative see https://www.un.org/en/coronavirus/financing-development

the world and encouraged to put forward innovative ideas like the issuance of new Special Drawing Rights (SDRs) by the IMF or other body, swiftly deployable medical emergency forces, joint R&D for treatments and vaccines, etc.

Convening the UN system itself

Under normal circumstances the UN Secretary-General convenes twice a year the heads of UN system agencies, funds and programs in the context of the UN System Chief Executives Board for Coordination (CEB). In emergency situations like the pandemic a coordination meeting should have been scheduled exceptionally and visibly in support of the global effort against COVID-19. Eventually the first regular session of the CEB took place virtually in May 2020 but apparently did not lead to any tangible initiative.1 A UN system task force could have been established under the Executive Office of the Secretary-General, inviting the relevant organizations to send experts to advise on recovery design on the basis of the 2030 Agenda, peace, security, and humanitarian priorities. Perhaps next time?

Providing moral and intellectual leadership: a narrative of hope for the world

In the middle of the darkness brought about by the pandemic, one would expect from the UN, the one and only body entrusted with speaking for the common good of humanity, to articulate a hopeful message on the way out of the crisis. The UN Secretary-General's repeated calls to "build back better" were indeed in this direction. References to people's wellbeing and resilience, supporting the most vulnerable, reducing inequalities, respecting planetary boundaries and advancing the 2030 Agenda as a whole, despite the setback caused by the pandemic, have been a staple in the Secretary-General's statements.[2]

Nevertheless, a more complete "narrative of hope" still needs to be put forward, to engage leaders' and ordinary citizens' imagination and establish a coherent framework for action, including elements such as the following:

Health as a global public good, with affordable health care for all. Governments individually and collectively need to ensure that all citizens enjoy the global public good that is health and have access to affordable health services. Health infrastructures, information sharing, drug and vaccine development and medical supplies need to be secured worldwide through cooperation and mutual support, as the health of all depends on the health of the weakest link in the global system.

A resilient and equitable economic system as a core global public good guaranteed by every country, region and the world collectively, as it underpins the functioning and enjoyment of most

[1] See report of the 14 May 2020 CEB meeting in doc. CEB/2020/1 of 4 September 2020 available online at https://unsceb.org/session-report-260

[2] See recent UN Secretary-General statements, for example his "special address at Davos Agenda" on 25 January 2021 (https://www.un.org/sg/en/content/sg/statement/2021-01-25/secretary-generals-special-address-davos-agenda-delivered) and his remarks at the Handover Ceremony of the Chairmanship of the Group of 77 and China on 18 January 2021 (https://www.un.org/sg/en/content/sg/statement/2021-01-18/secretary-generals-remarks-the-handover-ceremony-of-the-chairmanship-of-the-group-of-77-and-china-delivered).

other public goods, health included. The economy cannot be seen as "something else", beyond the categories of good and bad, beyond comprehension by the average citizen and ultimately beyond control. Many of the problems of social and environmental sustainability are caused by a system that worships GDP-measured growth and prioritizes monetary profit and share value above all else, irrespective of the destructive effects that this single-mindedness is having on people and the planet. We need to return from a deification of homo economicus to the realignment of economic tools and rules towards generating sustainable wealth that supporting a decent life for all. This would mean combining the global and the local as necessary for human resilience and well-being, and allowing for redundancies that may make the difference between life and death in cases of crisis and supply chain disruption.

Cyberspace as a global commons that needs enforceable rules for universal, affordable and safe access, with public regulation of its management and human rights guarantees. This virtual space is for all intents and purposes a global commons, where people from all over the world meet to socialise and work, even more so when physical movement is constrained for legitimate reasons such as avoiding infections. This parallel world helps people stay sane, allowing meetings with friends and family without travel, distance learning, tele-working and online shopping. Not everybody in the world has access to this commons as of now, not even in the developed countries, so there is a digital divide that has to be bridged with affordable access to the necessary infrastructures and technologies. Proactive engagement of public authorities at various levels is needed to ensure that this public space is safe for all users, its use and its management are regulated through clear rules, all human rights are respected, and actual cyber-policing and public complaint recourse mechanisms are in place. The UN system should not shy away from addressing all this and should definitely work to avoid the splintering of the virtual space along the national and alliance lines of physical space, which is an unfortunate possibility if geopolitical competition turns a bit uglier. A narrative of hope should at least preserve human unity in cyberspace.

The need to relieve developing countries from their heavy debt burden and to deal with the root causes of the repeated occurrence of the problem. This is also connected to the need to rethink global trade in terms of individual well-being, community resilience and sustainable supply chains all around, as part of an equitable and resilient economic system, as described earlier.

A clearly articulated narrative of hope along the above lines, and concrete measures to advance all its elements, would allow the UN system to reclaim the intellectual and moral leadership it seems to have lost on the global stage, helping billions of real people in the process.

Ensuring the UN's own business continuity, coherence and effectiveness

The COVID-19 pandemic took the United Nations system by surprise. Despite the fact that the system had been dealing with disease outbreaks around the world like Ebola and SARS in the past, it was not prepared for an "attack" on its decision-making centres. A lot has been happening ad hoc since, with varied degrees of success, depending also on the organisation in question. It is obvious that a proper ***business continuity plan*** is needed for the UN system as a whole to emerge from the crisis more resilient, cost-effective, impactful and with a smaller ecological footprint.

For one, it should have been expected of the central, political UN to already have – or focus on quickly developing at the early stages of the pandemic – an electronic platform that would replicate in cyberspace all physical meeting servicing functions that the UN offers to the various deliberative bodies. Instead, a sort of denial prevailed, wishing for the physical constraints to go away and in the meantime relying on a mixed bag of existing commercial platforms often operated by the member state(s) chairing the respective intergovernmental bodies. Occasionally, a physical presence was required at UN headquarters, to cast ballots in elections (election of the non-permanent members of the Security Council and the General Assembly President) or to introduce the pre-recorded messages of leaders at high-level meetings.

The system keeps limping along like this but a long-term solution does not seem to be coming any closer. Such a long-term solution would involve a complete virtual UN Headquarters, connected to UN specialized agency and other body headquarters, offering meeting, voting, translation and interpretation services to all member states, even those cut off from Western internet applications. It would also ensure at least as extensive a civil society participation as in physical meetings, as well as the possibility of quieter bilateral or group meetings and consultations, side events, etc.[1] This would not only allow a smooth functioning of the intergovernmental machinery while the pandemic continues but would also help in case of other disruptions in the future, because of natural or human-made disasters, that will most probably come. Of course, a major internet / telecoms disruption could not be tackled with such a plan, but some arrangement should be made in the UN system's business plan for such an eventuality to be addressed too, so that the world can convene and reach collective decisions as necessary.

What is also markedly missing from the UN system, in the physical space as well as in cyberspace, is an authoritative intergovernmental body that could mount a "whole of government" response to the main global challenges of today, which are of a multi-dimensional, cross-sectorial nature. The current multilateral system, however, is composed of organizations whose legal and functional basis in limited to a single dimension. Take climate, for example: after the Paris Agreement further negotiations in the UNFCCC framework have been ironing out technical details but cannot command the authority to give guidance to and demand compliance from the international financial institutions, the international private sector, states or even other intergovernmental bodies which undertake actions that exacerbate the underlying crisis. A way has to be found to elevate select global challenges to another mechanism or body that would be able to make binding decisions like the UN Security Council does on matters threatening international peace and security. Matters that threaten the Earth climate system, or the lives of millions like a pandemic, should not be treated with lesser resolve or authority. The time may have come for the establishment of a Global Resilience Council, like a Security Council for non-classical security

[1] See FOGGS Briefing Note of 28 July 2020 entitled "Issues Associated with Hybrid and Virtual Working Methods of UN System Intergovernmental Bodies under COVID-19", available online at https://www.foggs.org/wp-content/uploads/2020/08/Briefing-Note-on-UN-system-working-methods-under-COVID-19-from-FOGGS-28-July-2020-Brainstorming-Final-3-Aug-2020b.pdf

threats. This is a proposal by the Foundation for Global Governance and Sustainability (FOGGS) currently being elaborated with academic and other partners.[1]

An UNflattering conclusion with elements of optimism

In a world that is so interconnected and interdependent, retreating to national frontiers and fighting for equipment and vaccine supplies is neither efficient nor effective. One might rephrase that by saying that it is actually immoral and self-destructive, in the medium- to long-term. For humanity to emerge victorious from COVID-19, the health emergency but also the associated economic and social crises, there is need for long-term thinking, planning and action. To abandon the boat of multilateralism and multilevel governance every time a difficulty arises would only lead to rediscovering its usefulness a bit later and at greater cost. Instead, we should use all tools that such a system puts to our disposal, in the best possible way and with the necessary adjustments and reforms to help ensure the survival, resilience and well-being of all.

That said, the multilateral system that we currently have, a product of World War II, needs an urgent transformation, so that it can operate efficiently under crisis conditions and effectively deliver on the tasks it can perform best. The proposals presented above are made with that in mind. They can hopefully be taken up or at least inspire the United Nations system and its member states to mount a more robust response to the COVID-19 multidimensional crisis, while not forgetting the ongoing climate crisis either, nor the food and water insecurity, or the threat from nuclear and conventional armaments. Much more than wanting to ensure another 25 years for the UN to celebrate its 100th anniversary, it is about ensuring that our world continues and improves on the record of relative peace and prosperity that have characterized the last 75 years of our shared existence.

[1] For updates in the Global Resilience Council proposal visit the FOGGS UN2100 Initiative page at https://www.foggs.org/un2100initiative

The UN General Assembly Special Session on Corruption: Opportunities and Challenges

By David Banisar

Twenty years ago, nations across the world came together to begin negotiations on the first global convention on fighting corruption. It only took two years for negotiations to complete and it went into force in 2005 with 30 countries. Today, that convention – the UN Convention Against Corruption (UNCAC) - has been ratified and joined by 187 countries. It requires (but too often only encourages) member states to take a large number of measures to adopt anti-corruption laws and practices and cooperate with other nations to

In 2018, the General Assembly, led by Colombia, Peru and Norway, as well as Nigeria, Belize and Saudi Arabia called for a Special Session on Corruption (UNGASS) in Resolution 73/191 to address "challenges and measures to prevent and combat corruption and strengthen international cooperation" with a mandate to "adopt a concise and action-oriented political declaration" while stressing the importance of the 2030 Agenda for Sustainable Development. The UNGA subsequently adopted Resolution 74/276 in June 2020 also recognized the regional efforts on anti-corruption, as well as the importance of the 2030 Agenda in setting out the modalities of the UNGASS.

The UN General Assembly Special Session on Corruption gives a unique opportunity for countries to review the Convention and assess where it has been working and where it needs further work.

Some problem areas

Review mechanism.

In 2009, the Conference of State Parties (CoSP) meeting in Doha agreed in Resolution 3/1 to create a review mechanism to assess Member States implementation of the Convention. The discussion was contentious with many states resisting efforts to make the process more effective or open. The agreement created a peer review mechanism where each country would submit a self-assessment of their implementation. Peer review countries will visit the country and make recommendations. A detailed country review report and executive summary are then produced by the review team in cooperation with the country. An Implementation Review Group was set up in Vienna for countries to meet to discuss progress. So far, nearly all countries have completed the first cycle of the review process, which covered measures on the criminalization of corruption and international cooperation. A second cycle on preventative measures that should be adopted and asset recover began in 2015 but is badly behind schedule and is in not expected to be completed for several years. There is no agreement so far on what will happen when it is completed and if additional review cycles will go forward.

The review mechanism has significant weaknesses compared with other anti-corruption including those operated by the Council of Europe, Organisation of American States, and the Organisation for Economic Cooperation and Development.

- A major problem is the lack of any follow-up mechanism. States are not required to implement the mechanisms. From the first cycle review, which ended a few years ago, there are some reviews that are now almost 10 years old that have nobody has ever gone back and looked to see if any of the recommendations have been actually implemented. There's no mechanism for that.

- The full reports are not required to be made public - only the executive summaries are required to be made public. In the first cycle, over 100 countries have not made their reports public. Only a dozen has made their self-assessments available. How can a country's assessment on how they have implemented an international convention be secret?

- Civil society engagement is limited. While Article 13 of the Convention requires states to cooperate with civil society, the review mechanism only give weak guidance to states. The UNODC reports that the overwhelming number of states have been involving civil society in the process, the process is superficial at best. At the international level, states have blocked civil society from even being allowed in the room of the Implementation Review Group.

- Another problem is the substantive weakness of the Convention itself. Approximately 40% of all of the provisions are not mandatory and most of the provisions are subject to being implemented "in accordance with the fundamental principles of its legal system" in which independence or even basic corrupt practices are not prohibited. So many are not implemented by countries. For instance, whistleblower protection in Article 33 is just a suggestion for countries. The impact shows when that only about 30 countries around the world that have comprehensive whistleblower protection laws.

- The Conference of State Parties (CoSP) held every two years has not yielded much benefits. The resolutions tend to be repetitive with little progress or advances and are not widely known or used. Only occasionally has there need any new concepts adopted such as recently on environment and sport.

- There is limited stakeholder engagement in the entire process. ECOSOC accredited organisations can get into some meetings, but not any of the working groups including the review mechanism. So the input is mostly limited to delegations and whatever they're being told by capital rather than trying to bring in broader stakeholders.

The COVID pandemic has exposed many of these weaknesses and raised the issues around why fighting corruption is important. Just to remind that the UN Secretary General in his report in April talked about how governments really do need to be more open and transparent and responsive and accountable to effectively fight COVID.

One area where this has been extremely apparent is around public procurement. At the Friends of Governance workshop on this earlier in the year, some of the issues that have come up around procurement has been how to ensure the traditional controls which are required by UNCAC and other agreements. In many countries, the controls around procurement have been weakened considerably. The oversight mechanisms, whether it's Parliaments not being able to meet, oversight bodies have not been able to obtain information, and public disclosure of information has been limited. Thus, there's been some real limitations on the traditional tools to fighting corruption because of the response to COVID. The results have been in billions of lost money, inadequate materials being produced and being given to people that don't necessarily protect them the way they should be, and resources funneled to places where they shouldn't be and not to the people that need the most.

UNGASS Big and Little Ideas

In the negotiations around the UNGASS, there have been some significant ideas have been raised by states and civil society.

Grand Corruption. In the text of the UNCAC, there is no mention at all of grand corruption, where those corrupt actors within a country are so powerful that the State's mechanism are not able to handle it. There has been some progress with the adoption of measures recently around "vast quantities of assets" because "grand corruption" was considered too controversial to say.

International Criminal Court. Another idea that hasn't gotten so much progress that was proposed by Columbia and other countries is around creating an international criminal court on fighting corruption that would address issues like grand corruption, where the state itself is unable to fight the corruption because the institutions aren't strong enough to fight whatever it is.

A possible solution would be for there to be an agreement that an expert working group be created that could discuss these ideas in more detail and come up with some frameworks that could be discussed by states for a protocol for the Convention in the future.

Action Ideas

A key idea that has been getting a lot of attention is around making the beneficial ownership of companies public. Beneficial ownership is a useful and practical idea. It's that that countries or jurisdictions like the British Overseas Territories that offer the creation of secret companies, that the people who actually control those companies have to be revealed and a huge amount of money goes through those secret companies. This is a main way that that that corrupt money is lost, that that money relating to transnational crime and terrorism is transferred. Making companies ownership public is a real possible way of fighting it. Unfortunately, the delegations seem to be mired in the idea that it's that it's sufficient that the countries themselves can share the information, but not make it public asset recovery and return. The best format would be for national-level online registers of beneficial owners of companies, foundations, trusts and other legal entities. These registers must be freely accessible to the public, timely, accurate, with effective verification, and sanctions for non-compliance.

Another is around enhancing public access to information. 121 countries have comprehensive access to information laws while over 60 do not. The released 2nd cycle reviews summaries from many countries report problems with this issue. All countries need to have a comprehensive law. This is already a commitment in the SDGs - 16.10, as well as under Article 19 of the International Covenant on Civil and Political Rights. There is strong synergy between anti-corruption, human rights and sustainable development. All have found the essential importance of access to information.

Use of new technologies to fight corruption. The resolution should focus on technologies that work like open data requirements and portals, rather than speculative ones like blockchain. The draft resolution should reflect this progressive policy than many countries have already committed to. But a strong legal framework is essential to ensure that the technical measures are not manipulated.

The review mechanism is also being considered. However, a lot of delegations don't like the idea of a peer review mechanism that actually could criticize them and which is a little strange because any number of these countries are also part of the Council of Europe GRECO process or the OECD process. So, you know, it's really quite crucial that the review mechanism actually work and have reviews and publicity and so on.

Transparent, e-procurement, whether it's open contracting or other means of making procurement information more public has been discussed quite a bit. For public **procurement and public contracts**, full public access to all documents and all information related to these agreements, from planning to implementation, should be granted. Best practice approaches are the use of the open contracting data standard, and the requirement to fully publish contracts and procurement documents online for a contract to enter into force.

Conclusion

The Special Session is a unique opportunity to move forward the fight against corruption. However, to achieve this, it needs to look beyond the limited visions of the Vienna processes and CoSP agreements and take into account larger, bolder ideas and processes.

The UNGASS 2021: Advancing the global anti-corruption agenda

By Mathias Huter

The UNCAC Coalition is a global network of more than 300 civil society organizations committed to advancing the monitoring and implementation of the UN Convention against Corruption (UNCAC), the sole global binding anti-corruption mechanism. The Coalition is based in Vienna, Austria, and works to facilitate civil society involvement in UNCAC fora and support CSOs that are contributing to the UNCAC implementation review in their country.

A concerted effort of governments with a strong involvement of civil society is needed to advance anti-corruption efforts on the global as well as on the regional and national level. The first-ever UN General Assembly Special Session (UNGASS) against corruption, which will take place in New York in June 2021, provides an important window of opportunity for the international community to make substantive progress in efforts to prevent corruption, investigate and hold those accountable responsible for corruption, and in recovering and returning assets stolen through corruption. Effectively tackling corruption is essential to reaching the targets of the Sustainable Development Goals.

Member States now need to commit to bold actions in order to tackle the corruption challenges we face around the world, which are further exacerbated by corruption risks linked to the Covid-19 response.

We have identified the following priorities where we expect governments to make substantive progress at the UNGASS 2021:[1]

- **Transparency of company ownership:** The direct and ultimate owners of companies and other legal entities need to be recorded in national registries that are freely accessible to the public online. This public access would not only facilitate domestic and international investigations – it would only take an investigator minutes to establish who is behind a specific company or entity, rather than it taking several months through a mutual legal assistance request. It would also empower government bodies and the private sector to conduct effective due diligence and easily establish whom they are doing business with. Furthermore, it would allow the public, including journalists and non-governmental organizations, to establish, for example, who controls legal entities that benefit from State contracts. The global standards we currently have through the Financial Action Task Force (FATAF) are insufficient to ensure adequate transparency. EU Member States have recently introduced such public beneficial ownership registries through the implementation of the 5th EU Anti-Money Laundering Directive[2]; the UK has found that up to three billion

[1] Detailed written contributions of the UNCAC Coalition and numerous other civil society organizations to the UNGASS are available at https://ungass2021.unodc.org/ungass2021/en/contributionsStakeholders.html.
[2] See: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32018L0843&from=EN.

GBP in public benefit are created by public access to the beneficial ownership information each year.[1]

- **Public procurement transparency:** Ensuring a high level of transparency throughout all stages will deliver large economic and social benefits: the World Bank estimates that up to 20 per cent of the overall procurement volume can be saved when countries move from a paper-based procurement system to a digital and transparent one.[2] Many countries have been piloting efforts to make information on public contracting easily accessible to the public, including by applying the Open Contracting Data Standard. Now, as countries around the world are facing an economic crisis and scare resources due to the Covid-19 pandemic, it is more important than ever to scale good practices, including mechanisms facilitating monitoring by civil society, and by implementing mandatory online transparency of contracting information in easily accessible formats. There are numerous good practise cases to learn from that have demonstrated the impact of transparency against waste, fraud and corruption, such as Georgia's and Ukraine's procurement portals, and Slovakia's model of requiring the full publication of a government contract online for it to be enforceable.[3]

- **Access to information:** Effective and timely citizen access to information held by state bodies is essential to prevent and detect corruption. States should thus commit to establishing or improving comprehensive access to information frameworks, recognizing the right to information, and set up independent authorities to facilitate and oversee the implementation of access to information provisions. There is also a need to advance the active publication of information to improve the transparency of government decisions and actions. This includes information on the budgeting process and the use of public funds and resources, to the award of grants, contracts and other State aid, as well as access to declarations of assets and interests of public officials. Tailored transparency and accountability provisions are also needed to tackle corruption risks around the financing of political parties and electoral campaigns and ensure the integrity of electoral processes.

- **Whistleblower protection:** Too often, those working to uncover corruption end up being persecuted, prosecuted and attacked, including journalists, government investigators, civil society activists as well as witnesses of corruption and whistleblowers. Comprehensive and effective frameworks to protect witnesses of corruption and whistleblowers are urgently needed to effectively uncover and investigate corruption and wrongdoing in the public sector, the private sector and within international organizations.

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[1] Gov.uk (2019): New report estimates value of Companies House data at up to £3 billion per year, https://www.gov.uk/government/news/new-report-estimates-value-of-companies-house-data-at-up-to-3-billion -per-year.

[2] World Bank (2017): Benchmarking Public Procurement, p. 28, http://documents1.worldbank.org/curated/en/121001523554026106/Benchmarking-Public-Procurement-2017-Assessing-Public-Procurement-Regulatory-Systems-in-180-Economies.pdf.

[3] See: Ukraine's public procurement platform Prozorro: https://prozorro.gov.ua/en; TI Slovakia (2015): Not in Force Until Published Online – What the Radical Transparency Regime of Public Contracted Achieved in Slovakia, https://www.transparency.sk/wp-content/uploads/2015/05/Open-Contracts.pdf.

- **Advancing asset recovery:** The UN Convention against Corruption (UNCAC) contains the principle that countries are entitled to have stolen assets returned to them. In practice, only a small fraction of the many billions of dollars stolen each year through corruption and moved abroad is recovered by other States and returned the country of origin. Only a few countries of the global North so far are returning assets on a substantive scale. In order to meet the Sustainable Development Goals, we need to see a strong increase in asset recovery – and a return of those assets in a transparent and accountable manner, based on the GFAR principles.[1] Civil society should be involved in the various stages of the process to help ensure that the funds are used to the benefit of the people, in particular, to repair the damage caused by corruption and to support its victims.

- **UNCAC review process:** To advance the implementation of the UN Convention against Corruption and the commitments the 187 States Parties to the Convention have made, we need an effective, transparent and inclusive process to review its implementation on the national level. The current review mechanism does not ensure adequate openness: the key documents of the review – the self-assessment filled out by the government under review, and the full country report – do not have to be made public and too often remain secret. Furthermore, governments are not obliged to involve non-governmental stakeholders, including civil society in the review process – even though many countries do so voluntarily. Also, there is no mandatory follow-up process that revisits the findings and recommendations made in previous cycles of the review process. 27 countries have already voluntarily committed to higher standards of transparency and openness in the UNCAC implementation review by signing the UNCAC Coalition's Transparency Pledge.[2]

It is evident that we need to advance discussions about how we can close gaps in the current international anti-corruption framework, establish or strengthen the mechanisms necessary to ensure effective international cooperation, including to end the impunity of powerful individuals in large-scale corruption cases and remove roadblocks that slow down asset recovery.

In all those discussions, civil society should have a seat on the table alongside other stakeholders, be able to contribute its expertise and share good practice. The Friends of Governance for Sustainable Development demonstrate what effective and constructive cooperation between governmental and non-governmental stakeholders can look like, that we need to see more of this inclusive spirit in anti-corruption fora such as the UNCAC and the UNGASS 2021. Only with a truly concerted effort and bold new approaches, we will be able to jointly make progress in tackling corruption and the disastrous impact it has on people and societies.

[1] See: GFAR Principles for Disposition and Transfer of Confiscated Stolen Assets in Corruption Cases, https://star.worldbank.org/sites/star/files/the-gfar-principles.pdf.

[2] For more information on the Transparency Pledge and a list of signatories, as well as a guide on good practice approaches to ensure transparency and inclusiveness in the UNCAC review process, see: https://uncaccoalition.org/uncac-review/transparency-pledge/.

Financial Accountability, Transparency, and Integrity for Sustainable Development

(FACTI4SD)

By Navid Hanif

The lack of financial transparency and integrity remains a major obstacle to the efforts to finance sustainable development. This is also one of the root causes of illicit financial flows. Scholars and experts have pointed out that such flows, if pre-empted or restituted, could release significant resources for financing the 2030 Agenda for Sustainable Development (Agenda 2030). Driven by this objective, the Presidents of the UN General Assembly (74th session) and Economic and Social Council (75th session) launched the FACTI Panel comprising seventeen high-level experts who were drawn from the fields of policymaking, academia, civil society, and from the public and private sectors.

The primary aim of the Panel is to help countries finance the 2030 Agenda. Covid-19 has made the work of the Panel all the more important and urgent. Building on the work done by the AU-ECA High Level Panel on Illicit Financial Flows from Africa (the Mbeki panel), the FACTI Panel is laying out a roadmap towards achieving the 2030 Agenda by addressing all the gaps and impediments in the current international frameworks related to financial accountability, transparency and integrity. We have identified three broad clusters: international taxation, cross-border corruption and dispute settlement. There are also cross-cutting issues such as capacity building; and the Panel is further considering the recent challenges posed by Covid-19 and the rapid digitalization of economies.

The first leg of the journey entailed reviewing the gaps, impediments and vulnerabilities in current international financial systems – an analytical work whose findings were published in an interim report released in September 2020.

In the first cluster, regarding cooperation in tax matters, the main challenge is that international tax norms are not well adapted to the needs of developing countries, often overwhelming them with demands that they don't have the capacity to meet. Rapid digitalization enables multi-national corporations to shift profits, and trade mis-invoicing leads to a great loss in revenue. Added to that, developing countries don't have a voice during negotiations, leading to the making of decisions and norms without their full participation.

In the second cluster on accountability, public reporting and anti-corruption, the interim report finds that there are serious gaps with the implementation of international norms and standards, including the United Nations Convention Against Corruption and the Financial Action Task Force's recommendations. Moreover, existing norms need to be enforced. Having countries have little incentive to block inflows from tax abuses, money laundering and corruption, and enablers of corruption and other financial crimes and abuses are able to profit greatly from them. Beneficial ownership information is plagued by weak compliance and difficulty accessing that information. Grand corruption involving vast quantities of assets continues to make headlines globally. In fact, the outlines of grand corruption often become public knowledge, but knowledge does not always translate into accountability.

Analysis in the third cluster, dealing with international cooperation and dispute settlement, finds that the current tax dispute resolution framework is inadequate. There is a lack of trust and cooperation between countries and low compliance with tax norms. Asset recovery remains a long and burdensome process for countries that saw their resources drained – especially those that are seeking to recover assets stolen by formerly entrenched kleptocratic rulers. The ultimate victims of corruptions remain improperly compensated. There are also concerns associated with the development of non-trial resolution, and the way some countries use settlements to solve foreign bribery cases. Last but not least, it appears that the United Nations Convention against Corruption (UNCAC) implementation has fallen short. While we recognize that the Implementation Review Mechanism (IRM) of the UNCAC remains an important achievement, the mechanism is not yet robust enough to ensure comprehensive and effective implementation of provisions by States parties.

Overall, the panel finds that while there are many international instruments and initiatives to address financial accountability, transparency and integrity, implementation has largely fallen short. In some cases, implementation has devolved into box-ticking exercises, but in others there have not even been ticks in the boxes. It is critical for the credibility of international norms that States stand by the international commitments they have made by taking concrete steps and actions at the domestic level.

The Panel further notes that even perfect implementation would not solve all problems. Those intent on abusing tax and financial systems and avoiding rules and regulations would still have ample opportunities to do so and be handsomely rewarded for their efforts. New and creative solutions need to be explored to make the systems for financial accountability, transparency and integrity more comprehensive and robust and ultimately more effective.

Finally, inadequate global economic governance holds back progress towards the common goal of financing sustainable development. The Panel finds that lack of trust and inclusivity pervades our systems, undermining implementation of existing rules and preventing better ones from being made.

In short, the Panel concludes that the drain on resources due to insufficient financial integrity has been an impediment to achieving the 2030 Agenda.

Figures may help conjure the size of the problem. Seven trillion dollars of private wealth are hidden in haven countries. Five to six hundred billion dollars a year are lost from profit-shifting activities by multinational corporations. 10 percent of the world's GDP is held in offshore financial assets, 20 to 40 billion dollars a year is lost to bribery of public officials in developing and transitioning countries, and 1.6 trillion dollars, or 2.7 percent of global GDP is lost to money laundering by criminals, including drug trafficking and organized crime. These numbers serve as an immediate call to action, to recover funds for the financing gap that the 2030 Agenda faces. Recovering these resources is especially crucial in responding to the damage that the pandemic has caused.

Addressing these problems will boost countries' ability to effectively respond to the public health and economic crises brought on by Covid-19.

The Panel is now ready to contribute an ambitious but achievable set of recommendations that could make a major difference in achieving sustainable global goals and ensuring that “no one is left behind”. Success calls for a legitimate and coherent ecosystem of instruments and institutions that can tackle these problems adequately.

The recommendations will attempt to address all dimensions of illicit financial flows and link it to the 2030 Agenda. The focus is equally on improving existing institutions and processes, and to offer ideas for more ambitious structural changes and legislative measures.

Improving and restructuring the financial system requires policymakers to be nimble, especially in the face of rapid digitalization. Digitalization presents a double-edged sword, in that it gives government officials the ability to boost their monitoring capacities, but also makes it easier for criminals to move and hide their money.

So what would the cluster-specific solutions look like? For tax matters, there is a need to develop a more coherent, nuanced and equitable approach to international tax cooperation. Developing countries need to have full information and equal participation while agreeing on norms. On accountability, major financial centers and developed countries need to take more responsibility and provide cross-border access to beneficial ownership information. Exposing the real or “beneficial” owners of assets can prevent or reveal global financial crime or tax-abuse schemes. We also need to close the gaps in the regulation and supervision of the enablers of financial crimes. Finally, for international cooperation, a systemic approach is needed to address structural deficiencies in international frameworks. We need to ensure that foreign bribery cases do not lead to impunity, assets are returned in a timely manner, and the victims of corruption are properly compensated. Peer review mechanisms need to be improved to enhance compliance with international norms, and to prevent disputes between countries.

Now, recommendations are not enough. Political engagement and political are needed, both at the national level – for embracing reforms that might be politically difficult – and at the international level, for reaching a shared understanding of the challenges and the best ways to resolve them.

Governments must all come together and show willingness to agree on new and comprehensive solutions to solve the problems we have identified with financial integrity systems and to ensure the international architecture better aligns with achievement of the sustainable development goals.

We need inclusive participation by all nations, both from North and South.

Only enhanced multilateralism can help the world address the problems we are facing just now due to the COVID-19 pandemic—and ensure countries can invest in sustainable development in the medium and long term and build back better.

The issues at hand are global. They call for global cooperation and engagement by all stakeholders, including non-state actors. The private sector, civil society and the media all have a role to play in building peaceful and inclusive societies, with access to justice for all and accountable and inclusive institutions at all levels. Working in concert, they can challenge the vested interests that benefit from the existing gaps in financial integrity and generate the political will that is vital to change the rules of the game.

We remain confident that by working together, Member states can succeed in making sure that the United Nations' 75th anniversary message, "Striving together, delivering for all", is not just rhetoric.

Proposals for FACTI Panel Recommendations – November 2020 updated

By Gillian Dell, Transparency International

We commend the excellent FACTI Panel interim report and recommend it to anyone interested in issues relating to financing for development. The real challenge now is to find the solutions that are technically feasible and politically viable, as is the intention of the FACTI Panel. And since the aim is to secure financing for the 2030 Agenda for Sustainable Development, we are looking for game-changing actions to take from 2021 onwards, that will have impact in the following eight years. But we at Transparency International also urge the Panel to include in their final report recommendations not only for the short- and medium-term, but also more visionary proposals that may take longer than eight years to achieve but would help secure sustainable development beyond 2030.

This paper focuses on the corruption-related challenges identified by the FACTI Panel interim report. Like the Panel, we have been looking for solutions. And while the focus in this paper is on the anti-corruption slice of the Panel's work, there are areas where anti-corruption issues overlap with the tax justice issues being considered by the Panel, as well as other areas, such as tackling organized crime.

The World Bank has a rough estimate that developing countries lose 20 to 40 billion dollars annually to bribery, embezzlement and other corrupt practices. But this amount does not account for the damage caused by corruption to societies, communities and individuals, which makes the harm and the financial loss from corruption a multiple, perhaps 100 times more. We are talking about substantial amounts that could be made available for financing for development. As the FACTI Panel interim report notes, citing an OECD report, a US$1 million bribe can easily create US$100 million worth of damage.[1]

Our proposals in this paper focus on issues related to cross-border enforcement and cooperation against corruption, an area where improvements could make a difference to financing for achieving the 2030 Agenda.

Most of the ideas mentioned here are long-standing proposals that Transparency International has made over a period of years. The proposals are grouped in this paper into five categories: 1) tackling secrecy; 2) improving asset recovery; 3) addressing grand corruption; 4) enhancing enforcement monitoring; and 5) ensuring follow-up.[2] There is a wide range of options to explore that could help address enforcement and asset recovery gaps.

[1] FACTI Panel interim report page 55 (September 2020) citing OECD (2014) Illicit Financial Flows from Developing Countries: Measuring OECD Responses, https://www.oecd.org/corruption/Illicit_Financial_Flows_from_Developing_Countries.pdf.

[2] Our proposals on the first two subject areas are contained in our input to the FACTI Panel: https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/5ef2878c33bf5417b3e94200_INPUT%20OF%20TRANSPARENCY%20INTERNATIONAL.pdf and in our submission to the UNGASS against Corruption on Proposals on the international legal framework and infrastructure to address grand corruption impunity: https://ungass2021.unodc.org/uploads/ungass2021/documents/session1/contributions/TransparencyInternational.pdf

Tackling secrecy

While international frameworks provide for multiple measures to tackle illicit financial flows, secrecy remains a problem area that should be tackled as a matter of high priority. The FACTI Panel interim report recognises secrecy as a common denominator in illicit financial flows observing that "Perpetrators of financial crimes and abuses rely most commonly on secrecy" and that cross-border access to beneficial ownership information is too difficult.[1]

We propose a common agenda for illicit financial flows focusing on the secrecy problem, in order to bring together the dispersed frameworks, institutions and policy areas with agreements on concrete measures. One of the most important secrecy problems concerns the beneficial ownership of legal structures like companies and trusts.

As part of the common agenda we are proposing, all countries should introduce central public registers of companies' beneficial owners.[2] This reform is long overdue and while there has been some progress, including a Financial Action Task Force (FATF) policy working group looking into the matter, it is too slow. FACTI Panel recommendations could help move the international community forward in the direction of stronger measures. The central public registers needed should be adequately resourced and have robust verification and sanctions mechanisms to address vulnerabilities identified in the FACTI Panel interim report.[3]

The need for such registers is widely understood. A Transparency International petition calling for universal central public registers was announced on 9 December 2020 and as of the end of January 2021, there were over 700 signatories from 120 countries, both organisations and individuals, from all sectors.[4] A UN meeting of 140 experts from 50 countries in June 2019 also recommended central, public registers of beneficial ownership of legal entities.[5]

We also propose creation of a global asset register, starting with Politically Exposed Persons. This would be a global database of real and financial assets, including real estate, valuable goods and crypto assets and would provide information about the real owners. If well-designed and maintained, such a register would assist in the fight against corruption and illicit financial flows of all kinds, by making it more difficult for criminal actors to hide assets, expediting detection of unexplained wealth and enabling investigation of instruments and proceeds of illicit activities. A proposal along these lines was identified as an innovative idea in the annex to the "UN common position to address global corruption" submitted to UN General Assembly Special Session (UNGASS) against Corruption 2021; it also mentioned an international registry of asset declarations.[6]

[1] FACTI Panel interim report, page 58
[2] https://www.transparency.org/en/blog/illicit-financial-flows-facti-panel-path-forward-will-governments-act
[3] FACTI Panel interim report pages 62 - 63
[4] https://www.transparency.org/en/ungass-2021-commit-to-transparency-in-company-ownership-for-the-common-good
[5]https://www.unodc.org/documents/corruption/meetings/OsloEGM2019/Oslo_Outcome_Statement_on_Corruption_involving_Vast_Quantities_of_Assets_-_FINAL_VERSION.pdf
[6]https://ungass2021.unodc.org/uploads/ungass2021/documents/session1/contributions/UN_Common_Position_to_Address_Global_Corruption_Towards_UNGASS2021.pdf

Improving asset recovery

Action is also needed in response to the challenges in the area of international asset recovery identified by the FACTI Panel interim report. The amounts in question are not only embezzled funds, but also illicit gains and harm associated with foreign bribery, often very large amounts of money.

The challenges include insufficient use of proactive freezing and non-conviction-based confiscation. Another challenge is lack of proactive information sharing and a poor record of return of confiscated illicit proceeds by states where assets are held, resulting from lack of trust on the part of requested countries, including in foreign bribery cases.

In Transparency International's submission to the FACTI Panel, we proposed a multilateral agreement on asset recovery that would bundle together areas where new rules are needed, as part of a major international initiative for the return of proceeds of corruption.[1] The aim would be to overcome specific challenges, including problems of trust.

Such an agreement should address problems with domestic legal frameworks and capacity in both requesting and requested states. It should include guidelines on victims' compensation, on handling grand corruption cases and on transparency and accountability at all stages of the asset recovery process, as well as on the role of civil society in asset recovery processes. It could also establish new or enhanced international structures to provide support, coordination, oversight and/or mediation in asset recovery processes.

Negotiating such an agreement could help focus minds and move the discussion beyond the regular disagreements at sessions of the UNCAC Conference of States Parties. It would set deadlines, put the spotlight on key problem areas and help efforts to overcome trust issues on the side of requested countries.

Addressing grand corruption

A third area where action would release resources for the Sustainable Development Goals would be through addressing grand corruption - meaning high-level, large-scale corruption. The FACTI Panel report recognizes that "many former kleptocrats manage to escape justice and enjoy their wealth with almost total impunity".

The international anti-corruption framework developed in the last twenty-five years does not provide a sufficient basis for ensuring accountability for the perpetrators of grand corruption schemes, including in the private sector. Often those perpetrators can interfere with and disable national justice systems, making justice officials unwilling or unable to pursue grand corruption

[1] https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/5ef2878c33bf5417b3e94200_INPUT%20OF%20TRANSPARENCY%20INTERNATIONAL.pdf See also, https://ungass2021.unodc.org/uploads/ungass2021/documents/session1/contributions/TI_UNCAC_Coalition_Proposal_for_Asset_Recovery_Agreement.12.6.2020.pdf

cases. Often national justice systems are inadequately resourced or trained and incapable of handling grand corruption cases, especially where cross-border aspects make international investigations and enforcement complex and expensive. Decisive action is needed on this front to strengthen international and national frameworks.

We propose initiation of inter-governmental discussions to develop a definition of grand corruption and review possible new and stronger national measures to counter impunity, such as rules on extensive extraterritorial jurisdiction, lifting of immunities, unlimited statutes of limitation, standing for non-state actors in criminal and civil cases, higher sanctions and so on. Preventive measures could also be considered, such as those identified in the Oslo Statement on Corruption Involving Vast Quantities of Assets.[1] The aim would be an international agreement on grand corruption, possibly an optional protocol to the UNCAC.

There should also be in-depth study of options for new regional and international structures to improve cross-border enforcement as proposed in Transparency International's submission on grand corruption to the UNGASS against Corruption 2021.[2] Another approach would be a mechanism for states and non-state actors to raise serious concerns about weak enforcement against international corruption.

Enhancing enforcement monitoring

A further area where there are challenges is in enforcement monitoring. The FACTI Panel interim report identifies a number of deficiencies in the UNCAC review mechanism including lack of inclusion, lack of transparency, lack of impartiality (due to lack of discussion in a peer review body) and lack of a formal follow-up process to country reviews and recommendations.[3] A further issue is the exclusion of civil society observers from subsidiary bodies of the UNCAC Conference of States Parties.

These are limitations that undermine the credibility of the UNCAC review process and reduce the attention paid to UNCAC and its review mechanism by civil society activists, the private sector, the media and academics, with a resulting loss of momentum and impact. These issues should be addressed, which will require overcoming longstanding opposition by a number of countries that do not favour having a strong UNCAC review mechanism.

The FACTI Panel interim report also identified lack of comprehensiveness as a problem with regard to the UNCAC review mechanism, commenting that "the peer review process would reveal impunity where it exists, yet the panel finds that this has not been realized effectively in the review process."[4]

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[1] https://www.unodc.org/documents/corruption/meetings/OsloEGM2019/Oslo_Outcome_Statement_on_Corruption_involving_Vast_Quantities_of_Assets_-_FINAL_VERSION.pdf

[2] Proposals on the international legal framework and infrastructure to address grand corruption impunity https://ungass2021.unodc.org/uploads/ungass2021/documents/session1/contributions/TransparencyInternational.pdf

[3] FACTI Panel Interim Report, page 62 - 63

[4] FACTI Panel Interim Report, page 62

One approach to the weakness in enforcement monitoring identified by the FACTI Panel would be a major coordinated initiative on enforcement monitoring across existing monitoring bodies or outside those bodies, to produce periodic multi-country reports on country enforcement performance, using statistics, court decisions and other enforcement-related information. Weaknesses in country performance should generate technical assistance and other support. More emphasis on actual practice would contribute to a better understanding of country-level strengths and weaknesses.

It would also be useful to create a public database of cross-border corruption enforcement statistics, court decisions and other publicly available information on cases. The Stolen Asset Recovery Initiative database on asset recovery cases has shown that this is feasible. It has also collected and compiled comprehensive data on asset recovery using a very detailed questionnaire.

Ensuring follow-up

Follow-up to the FACTI Panel report is crucial. We recommend that the UN General Assembly mandate a task force or working group to look deeper into the solutions that proposed by the Panel, as well as other proposals from the anti-corruption community to the UNGASS against Corruption. That body should include civil society members and take a period of one or two years to review proposals and come up with draft standards, agreements and detailed recommendations.

Financing COVID-19 recovery: Time to negotiate a UN convention to address tax havens and international tax dodging

By Pooja Rangaprasad

"the Covid-19 pandemic brought into sharp focus what government expenditures would have been possible and how many lives been saved, had the international community advanced further in tackling illicit financial flows in general and tax-motivated illicit financial flows in particular, including the closing of tax havens, beginning with those in the advanced countries." – UNCTAD Trade and Development Report 2020

"A global consensus to end tax havens is essential" – UN Secretary General, António Guterres[1]

As the world reels under the COVID19-induced crises, threatening half a billion people with poverty, the super-rich continue to increase their fortunes.[2] Meanwhile, latest revelations from journalists have once again exposed how transnational corporations and wealthy individuals use tax havens for secrecy and dodging taxes. This investigation has unearthed how 55,000 offshore companies in one tax haven is managing assets worth at least 6 trillion euros.[3] As the world stares at a long recovery ahead, the key question for governments is – Who pays the bill?

Considering both developing and developed countries around the world lose hundreds of billions of dollars in public revenue annually to such illicit flows, it would seem like a low hanging fruit for UN member states to prioritise addressing this issue. Especially with important processes such as the climate negotiations and SDGs struggling from lack of funding. In fact, G77 and China have been calling for such a negotiation process for over a decade now. Yet, the richest countries in the world have been obstinate blockers, even at the cost of their own citizens' interests, just to ensure they keep developing countries out of agenda-setting and decision-making on this issue.

The current broken international tax system contributes not just towards inequality within countries but inequality between countries as well. The system was built on top of the tax practices within imperial trading blocs of the 1920s and has historically been against developing country interests. It is now more urgent than ever for UN member states to confront the failures of this international tax system. It has the potential of being the rare UN process that will actually generate much-needed resources for all countries.

UN's history on international tax

The United Nations has a long history of working on issues of international tax, starting in 1921 by then League of Nations (predecessor to UN). Drafting of bilateral model tax conventions began

[1] Secretary General's Nelson Mandela Lecture: "Tackling the Inequality Pandemic: A New Social Contract for a New Era", 18 July 2020
[2] The Guardian, Billionaires' wealth rises to $10.2 trillion amid Covid crisis, 7 Oct 2020
[3] Le Monde in partnership with the Suddeutsche Zeitung and the OCCRP Consortium of investigative journalists, OpenLux : the secrets of Luxembourg, a tax haven at the heart of Europe, 8 Feb 2021

in 1927, which evolved into the Model Conventions of Mexico (1943) and London (1946), with provisions on allocation of the right to tax transnational income between countries.

Although both the London and Mexico Convention still needed work, there was already in the early days an important difference between the two. When allocating of taxing rights to income from multinational corporations between countries, the London model favored the country where the company is headquartered (the residence country) at the expense of the country where the company is doing its actual business (the source country). Keeping in mind that most of the residence countries are developed countries, whereas developing countries primarily fall into the category of source countries, this was in reality a discussion about allocation of taxing rights between developed and developing countries.

The UN, after it took over the League, was invited to review both models in a balanced forum with expertise from developed and developing countries. The work stopped in mid-1950s in the UN and the predecessor to OECD, Organisation for European Economic Commission (OEEC), began work in this area. The first OECD Model Tax Convention was adopted in 1963, closer to the London model, as it provided for more residence-based taxation.

In 1967, the Economic and Social Council (ECOSOC) adopted a resolution that re-established the role of UN in ‘facilitating the conclusion of tax treaties between developed and developing countries’ by requesting the Secretary General to set up an ad hoc working group consisting of experts acting in personal capacity nominated by governments. This group then worked on both a Manual for Negotiation of Bilateral Tax Treaties published in 1979, and a UN Model Double Tax Convention which was published in 1980. The group was later renamed Ad Hoc Group of Experts on International Cooperation in Tax Matters. In 2005, it was upgraded to a Committee which directly reports to ECOSOC but remained an expert committee rather than an intergovernmental commission.

The three Financing for Development (FfD) processes have been critical to the conversation around further strengthening the work of international tax cooperation in UN. The Monterrey Consensus (2002) called for giving special attention to developing countries, and the Doha Declaration (2008) acknowledged the need to further promote international cooperation on tax and requested ECOSOC to ‘examine strengthening of institutional arrangements, including the United Nations Committee of Experts on International Cooperation in Tax Matters (or the UN Tax Committee)’.

Following this, ECOSOC Resolution 2010/33, requested the UN Secretary-General to review the institutional arrangements and submit a report. The UN Secretary-General’s report, on the basis of inputs provided by member states, recommended 3 options:

a) Strengthening the existing arrangements within the United Nations while retaining the current format of the Committee of Experts;

b) Converting the Committee of Experts into an intergovernmental commission serving as a subsidiary body of the Economic and Social Council;

c) Creating an intergovernmental commission and retaining the current Committee of Experts as a subsidiary body of that commission.

For many years, G77 and China have been united in calling for upgrading the Committee to a universal, intergovernmental commission under ECOSOC. The statements have reiterated the importance of ensuring that an inclusive UN body sets global tax standards that would allow interests of all countries, including developing countries, to be represented as equal partners. OECD countries, on the other hand, have recommended retaining the current UN Tax Committee and resisted any efforts to upgrade to an intergovernmental body. They argue that it would lead to duplication of work already ongoing at OECD, a body established to represent OECD interests.

The Financing for Development negotiations in 2015 saw this long fight play out again. The last one-and-a-half days of negotiations in Addis Ababa revolved around this issue, which was finally successfully blocked by a handful of developed countries. The final statement by G77 and China at the plenary noted this to be one of the issues that was fully endorsed by the group but not 'adequately accommodated' in the text.

This remains an unfulfilled commitment with the 3rd Financing for Development outcome document, Addis Ababa Action Agenda (AAAA), unequivocal in stressing "that efforts in international tax cooperation should be universal in approach and scope and should fully take into account the different needs and capacities of all countries" (para 28). Fulfilling this call in AAAA would require the establishment of a UN Tax Commission, a universal subsidiary body of ECOSOC, where political negotiations on the proposals developed by the various technical bodies can take place on equal footing. These technical proposals could be from the range of bodies such as UN Tax Committee, OECD, World Bank, IMF, African Tax Administrators Forum (ATAF), Inter-American Center of Tax Administrations (CIAT) and UN Regional Economic Commissions.

The controversial OECD tax negotiation process

The OECD tax negotiation process, currently taking place in the OECD Inclusive Framework hosted by the OECD Secretariat, has been a controversial process from the start. The agenda and outcome of the 2015 negotiations on Base Erosion and Profit Shifting (BEPS) was set by the OECD and G20, excluding most developing countries from the process. Membership to the OECD Inclusive Framework, established in 2016, was on the condition that countries had to commit to implementing the outcome of the 2015 BEPS negotiations despite being excluded from the process. Additionally, they have to pay an annual membership fee of EUR 20,800.[1]

Developing countries have repeatedly complained about the process, led by the OECD Secretariat, being biased towards rich countries' interests. Logan Wort, CEO of African Tax Administration Forum (ATAF), expressed concerns about the OECD standard-setting process where developing countries' issues and African countries' issues in particular have not been considered and they feel

[1] https://www.oecd.org/tax/beps/flyer-inclusive-framework-on-beps.pdf

like 'collateral damage' in the negotiations.[1] The report on 'Tackling Illicit Financial Flows for Sustainable Development in Africa' from September 2020, which notes that:

"At the global level, it could be argued that only the United Nations, with its near universal membership and democratic structure, can provide a truly global tax body. Reflecting these concerns, as of March 2020, OECD proposals did not fully address the priorities of African countries."

The Group of 24 (G24) introduced a comprehensive proposal 'Addressing Tax Challenges Arising from Digitalisation' that has been endorsed by civil society and academics such as José Antonio Ocampo, Thomas Piketty, Joseph Stiglitz, Irene Ovonji-Odida, Gabriel Zucman, Léonce Ndikumana, Jayati Ghosh amongst others from the Independent Commission for the Reform of International Corporate Taxation (ICRICT), as the best way forward for a new international tax system, particularly one that works for developing countries as well. Unfortunately, this proposal was removed from the OECD negotiations and instead OECD is pushing through an approach that would retain the existing flawed transfer pricing system as the basis for taxing most corporate profits. A system that is clearly unfit for purpose, including for most OECD countries.

Finally, the OECD negotiations are held in secret with no transparency or accountability of member states' positions. In the process of trying to keep out developing countries from agenda-setting and decision-making on international tax, rich countries have upheld an opaque, biased negotiation process that has now led to a complete failure of addressing the problem at hand.

There is no other alternative: it is time for progressive OECD countries to work with G77 on initiating an intergovernmental negotiation process at the UN to comprehensively address tax havens and international tax dodging.

Confronting the global race to the bottom

The current lack of cooperation on international tax matters is not only leading to billion-dollar losses in public finance in countries around the world. The "competition" to attract multinational corporations and wealthy individuals is also leading to unhelpful tax haven blacklisting exercises that has turned into a political exercise that protects rich and powerful countries. For instance, the EU blacklisting exercise has been criticized for excluding EU member states from being blacklisted as well as other powerful countries such as Switzerland and the USA. Developing countries also found themselves pressured to agree to OECD BEPS minimum standards, that they were not part of negotiating, and join the OECD Inclusive Framework to avoid being blacklisted.[2]

There are limits to national and regional action on this issue. As the then UK Prime Minister David Cameron noted in 2013:

[1] FACTI panel virtual consultation on improving cooperation in tax matters, 5 May 2020. Video link: https://www.youtube.com/watch?t=2102&v=Dab-hAG91kA&feature=youtu.be (min 35:00 onwards)
[2] Eurodad, The false EU promise of listing tax havens, 27 May 2016

"Acting alone has its limits. Clamp down in one country and the travelling caravan of lawyers, accountants and financial gurus just moves on elsewhere."

The only winners in this scenario are wealthy corporations benefiting from the competition leading to the introduction of new harmful tax practices and drastic cuts in corporate tax rates in countries around the world.

Time to establish a UN Tax Commission and negotiate a UN Tax Convention

On 16 May 2019, the President of UNGA organised a High-Level Meeting on International Cooperation to Combat Illicit Financial Flows and Strengthen Good Practices on Assets Return to Foster Sustainable Development. The summary of the meeting provided important recommendations, including the need for a UN instrument to tackle tax avoidance and tax evasion, which are currently not covered under the UN Convention Against Corruption (UNCAC), and the UN convention against Transnational Organised Crime (UNTOC). In fact, the Africa Group has called for the UN to establish an intergovernmental tax body and negotiate a UN Tax Convention.[1]

In addition, there have now been several technical reports providing analysis and recommendations. What is missing is the political process that ensure follow-up on all the technical proposals.

The groundbreaking work of the High-Level Panel on Illicit Financial Flows from Africa (or the 'Mbeki panel' after the chair Thabo Mbeki former South African President) established this agenda globally, including within the SDGs, as a global systemic issue that needs to be addressed. Former World Bank President, Jim Yong Kim, had noted corporate tax dodging as a 'form of corruption that hurts the poor'. The UNCTAD's trade and development report from September 2020 noted that:

"Regrettably, multilateral efforts towards reforming international corporate taxation under the OECD Base Erosion and Profit Shifting (BEPS) initiative, ... are unlikely to lead to meaningful reform in the near future. However, there is a strong case to be made for broader reform of international corporate taxation that deals with profit shifting and addresses the global inequalities in taxing rights between countries under the auspices of the United Nations as a genuine global forum."

The High-Level Panel on Financial Accountability, Transparency and Integrity (FACTI), established by the President of ECOSOC and President of UNGA in 2020, is also due to publish their final report on 25 February 2021. While this chapter is being written before the report is published, it is high time to shift the focus back to member states. It is now more urgent than ever for political leadership and momentum to ensure we have a principled UN negotiation process that is universal, transparent, and headed by a neutral Secretariat.[2]

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[1] Statement on the Launch of the Interim Report of the Financial Accountability, Transparency, and Integrity Panel (FACTI Panel) on the behalf of the African Group (24 September 2020)
[2] Eurodad, An intergovernmental UN tax body – why we need it and how we can get it

To go back to the question posed at the start, as we stare at a long recovery ahead, the key question for governments is – who pays the bill?

Plugging the Leak: why opening governments and tackling corruption is essential to protect development finance after COVID19

By Tonusree Basu

The COVID-19 pandemic exacerbating existing challenges

Before the pandemic hit, we were witnessing reasonable progress on reforms that contribute to the wider governance and development environment - over 100 countries had developed legal frameworks for access to information,[1] the Open Budget Survey found steady progress on budget transparency across the 77 countries they track,[2] and more countries than ever before have been opening up contracts.[3] However, the COVID-19 pandemic exacerbated existing inequalities and policy gaps, catalyzing the rollback of some hard-fought victories in advancing the Sustainable Development Goals and making governments more open and responsive.

Even among the members of Open Government Partnership (OGP) - a multilateral, multi-stakeholder partnership of 78 countries and a growing number of local jurisdictions committed to the values and principles of transparency, accountability, and participation - we saw significant setbacks. As an example - as of October 2020, journalists in 16 OGP countries faced restrictions and threats on their ability to cover the pandemic. At its peak, this was the case in 25 OGP countries.[4]

A growing number of protests across the world in 2020,[5] show how even through the pandemic, citizens care about the protection of their civil and political rights, access to economic opportunities and transparency from governments about their decision-making, focusing resources to save lives and livelihoods rather than lost on corrupt contracts and money laundering. This is not just the case for the global south but equally in high-income countries - from France to the United States.

When the pandemic first hit, OGP launched the Open Response + Open Recovery campaign, promoting the need for transparency and accountability in how governments handled the crisis. Opaque government decision-making allows for massive mismanagement of resources that are critical to protecting lives and livelihoods. From Brazil to the United States, UK to South Africa, there have been scandals on how open contracting processes were circumvented to save time which saw emergency procurement funds being diverted, live-saving medical equipment not being

[1] According to the Global RTI ratings available at https://www.rti-rating.org/country-data/
[2] For the 77 countries assessed in every round between OBS 2008 and OBS 2019, the average global score for the OBS measure of budget transparency – also referred to as the Open Budget Index – has increased by 20 percent, from 41 to 49 out of 100. Accessed on January 29, 2021.
[3] https://www.open-contracting.org/worldwide/#/. Accessed on January 29, 2021.
[4] State of Open Government during COVID19. https://www.opengovpartnership.org/state-of-open-government-during-covid-19/. Accessed on January 29, 2021
[5] Worldwide protests in 2020: A Year in Review. https://carnegieendowment.org/2020/12/21/worldwide-protests-in-2020-year-in-review-pub-83445 Accessed on January 29, 2021

delivered or ending up as faulty. Further, when data about the spread of COVID is falsified or kept secret, it affects government policy as well as citizen compliance.

No silver-bullet-reform idea, a suite of policies needed

Governments need to take a holistic approach when tackling corruption - there is no single silver bullet reform, but rather it is important to advance a set of integrated policy proposals that provide prevention mechanisms rather than only due process for enforcement after the fact.

Transparency provides a strong foundation for public accountability and building citizen trst. Access to information, including as enshrined in Goal 16 of the Sustainable Development Goals, is therefore critical for governance. During the pandemic, countries continue to see significant rollbacks in their transparency regimes. As of October 2020, one in five OGP members had suspended or altered Right to Information proceedings in response to the pandemic. Right to Information oversight agencies in some OGP countries were no longer carrying out their regular functions, which is to ensure essential information is provided to civil society, journalists and others to keep the government accountable.

The pandemic also showed how access to information could be critical to saving lives and livelihoods. In South Korea, Taiwan and New Zealand, a key to relative success in tackling the pandemic has been proactive, transparent, trustworthy communication from the government which empowered citizens to take responsible, mitigating actions, saving lives.[1] Across the Open Government Partnership, we have seen progress on access to information including approaches to prioritize COVID19 information, proactive disclosure, minimizing exemptions, and publishing information in open data formats online and channels that address the digital divide

While millions of lives and livelihoods are at stake as governments grapple with issues such as availability of Personal Protective Equipment (PPE), procurement and timely delivery of vaccines - including across national borders, social protection programs - a lack of adequate governance safeguards will only ensure that the massive public funding mobilized are lost to corruption scandals. Countries need to provide greater access to essential data and information, open budgets, open contracts, so their citizens can follow the money. Steps that governments could take include to publish all data and information about procurement in a timely manner and accessible formats, according to the Open Contracting Data Standard. All emergency procurement should be specifically tagged in order to enable the public to track and monitor this information. For example, in Paraguay, and Colombia data on budgets and contracts are published and available for civil society monitoring. South Africa's Vulekamali platform has started to publish COVID-19 budgets and contracts, and engage citizens, marginalized communities, women, youth, for feedback and oversight.

[1] Lessons Learned from Taiwan and South Korea's tech-enabled COVID19 communications, The Brookings Institutions. https://www.brookings.edu/techstream/lessons-learned-from-taiwan-and-south-koreas-tech-enabled-covid-19-communications/. Accessed on January 29, 2021

One of the most common forms of grand corruption is through money laundering. Money laundering fuels illicit criminal activities, drains money from public coffers that could fund essential public services like healthcare and education, and exacerbates inequalities. More importantly, as we have discovered recently, it also funnels dark money into disinformation campaigns and destabilizes electoral processes leading to erosion of democratic institutions.

To stem these illicit financial flows, countries should implement reforms as establishing a public and open beneficial ownership register to end anonymous companies. Countries including Armenia and Nigeria are advancing on their beneficial ownership transparency commitments as part of their biennial Open Government Partnership action plans, as a key element of their pandemic recovery and response agenda. Furthermore, there is a need to ensure that reform to promote transparency of company ownership reform sits within a broader anti-corruption ecosystem. Governments need to ensure that adequate oversight mechanisms are in place to prevent misuse of institutional power with impunity, safeguards to protect data reporting, those in power do not benefit from public money, hidden company ownership is not able channel money from public contracts out of the country and into tax havens, that legal frameworks on asset declaration and conflict of interest are in place, along with whistleblower protection laws to protect those who uncover systemic corruption through opaque channels.

Going beyond transparency

A note of caution is needed to recognize that open data and transparency alone are not enough to tackle corruption and strengthen democracy. Transparency establishes the necessary infrastructure, but there is the need to go beyond transparency for transparency's sake and instead towards transparency for results which have the power to change the culture of government. The pandemic has shown that trust is vital for effective governance, but it can only be restored by bringing government closer to citizens and ensuring people feel they have a voice beyond elections.

Ensuring that power is not concentrated in any one individual or institution is critical to stem corruption, across the different organs of the state. The pandemic surfaced several instances of strong executive control, diluting opportunities for public oversight. As of October 2020, legislative oversight was limited in seven OGP countries, where the executive branch can rule by decree, and decisions could go unchecked. This number sawn a sharp rise in June. While data shows some governments are now setting time limits for their emergency measures, overall this trend shows how easy it is for executive power to be misused, since those legislatures, audit agencies, ombudsman offices are critical to ensuring government oversight.

In some countries, governments were quick to respond to civil society demands for greater information. In the Netherlands, the government convened discussions with civil society and journalists following criticism about the slow down in response times for Right to Information requests. In Latvia, the government responded to civil society demands on procurement transparency and published emergency contracts online. In OGP we have seen governments as diverse as South Cotabato in the Philippines to Italy devising ways to create more channels for sustained participation of citizens.

Finally, the wider ecosystem outside the state that preserves government accountability saw the most worrying trends. Several governments used the pandemic as a route to restricting space for civil society and underrepresented communities, and curbing media freedoms. As of October 2020, many months after the pandemic first hit different parts of the world, about 10 countries continued to restrict media freedom. Two worrying trends that have worsened even just over the past few months - is the rise in state surveillance and spread of disinformation. This was a trend across countries in the global north and south.

Importance of coalition-building and collective action in 2021

2021 is an important moment for this community to strengthen the links between tackling corruption, including to strengthen democracy, and for the governance and development communities to advance on SDG16 as a way to deliver on the other global goals.

Looking ahead at the opportunities in 2021 - there is the need to build a shared roadmap for collective action. There are several key forums this year that provide a specific opportunity for governments and other sectors to highlight the need for these cohesive anti-corruption reforms. Most prominently, the UNGA Special Session on Corruption (UNGASS), the FACTI panel, the HLPF 2021, are key forums linked across the UN processes. In addition, there are other key moments that can further bolster these efforts. The G20 are going to be developing their new anti-corruption working group action plan, under the leadership of the Government of Italy. The G7 under the UK government's presidency could be another key moment to bolster this agenda, given the UK.

An important goal across these forums should be to advance ambition on a few shared anti-corruption reform areas, not to find the lowest common denominator. It will also be important that these forums show action on implementation, rather than only be restricted to speeches and communiques, important though they may be. It will also be critical to have civil society at the table at these meetings with dedicated space for their engagement in shaping these policy priorities, in addition to ensuring there is a roadmap to implementation at the country-level, also involving civil society.

For instance, in some countries OGP action plans have been used as instruments to translate global commitments into concrete country actions. Following the 2016 London Anti-corruption Summit, several OGP members - ranging from Afghanistan to Nigeria, implemented their summit commitments through OGP action plans, co-creating the specific policies with civil society. For these international forums to be meaningful, it becomes necessary to ensure that domestic coalitions and implementation mechanisms are in place. It is critical to join up the dots - not just with those on the SDG16 review but for individual policy follow up.

Within OGP, these global opportunities will be multiplied in 2021 when a record 100 national and local governments will co-create action plans with civil society. 2021 will also mark OGP's 10th Anniversary and South Korean President Moon will host the OGP Global Summit next December inviting all OGP Heads of States and the community of reformers. These will provide a global platform and incentives for reformers to advance and showcase the most transformative reforms among the 100 action plans that tackle the crises.

Neither the government nor civil society can fight corruption alone. We need to forge stronger coalitions between civil society activists, including moving beyond those that work on anti-corruption issues to pushing for change from the outside and committed reformers opening up opaque systems from the inside, because even corrupt governments are not monolithic entities. This has been our key learning from OGP's work over the past 10 years. At the core of OGP is a domestic dialogue between government and civil society who co-create a set of open government commitments that are locked down in two-year action plans. The dialogue helps governments gain trust and buy-in for their reforms. We have found from OGP that a structured channel for civil society to be partners in co-creation and implementation of reforms as OGP's domestic "Multi-Stakeholder Forums" provide. In OGP - we also provide a significant emphasis on independent reporting as OGP's Independent Reporting Mechanism (IRM). The progress of each member is independently monitored - both on the ambition and delivery of the commitments taking forward through OGP action plans as well as on the quality and depth of the collaboration. The OGP members that tend to go farthest in terms of implementation is where domestic coalitions are the strongest.

An Integrated Approach to Anti-Corruption: Opportunities and Challenges

Anga R Timilsina and Charlene Lui[1]

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1 Introduction

The COVID-19 pandemic has hit all human development dimensions hard and threatened to reverse gains in development over the past decades. In these turbulent times, both COVID-19 and corruption have a mutually reinforcing relationship – corruption undermines response and recovery efforts, while COVID-19 has increased the risks of corruption, fraud and abuse of authority. The COVID-19 pandemic has thus shown us that we need an integrated approach to anti-corruption, not only in crisis response and recovery, but also to build forward better for sustainable development.

Corruption, defined as 'the abuse of entrusted power for private gain'[2], is not a new phenomenon, and is not just a challenge during the COVID-19 pandemic. Corruption undermines all development efforts and depletes valuable resources for development financing. Estimates show that businesses and individuals pay an estimated US$1.5 trillion in bribes annually[3]. These lost resources could otherwise be used to ensure that everyone has the right to access basic services.

Therefore, ensuring that anti-corruption is integrated in all development efforts – including national, sectoral and local development plans and processes – is crucial in strengthening the enabling environment for effective, accountable and inclusive institutions, in and beyond recovery,

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[2] UNDP (2008) Corruption and Development: A Primer
https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/anti-corruption/corruption.html

[3] IMF (2016) Corruption: Costs and Mitigating Strategies
https://www.imf.org/external/pubs/ft/sdn/2016/sdn1605.pdf

to build greener economies, eradicate poverty in all its forms, provide universal and inclusive healthcare and education, and foster resilient institutions and societies.

This paper will discuss why integrating anti-corruption is important, and reflect on the progress and gaps in current anti-corruption efforts. Building on country examples and good practices from around the world, it will also discuss measures to address the identified gaps, in the following areas: political will and developing institutional capacities; strengthening the knowledge base; improving coordination; integrating anti-corruption in national, sectoral and local development plans and processes; and data collection.

2 Why integrating anti-corruption is important for sustainable development

2.1 Anti-corruption in the context of COVID-19

Corruption and its consequences significantly impact COVID-19 response and recovery. During the COVID-19 pandemic, the socio-economic impact of corruption and its implications for governance systems, including but not limited to the governance of the health sector, are significant. During the COVID-19 pandemic, the impact of corruption is being felt across healthcare service delivery, policymaking, procurement processes, and management of funds, including emergency health funds, social safety nets, and stimulus packages. Corruption exacerbates the socio-economic impact of COVID-19, as it can distort stimulus and economic recovery packages, divert subsidies for the poor, and fuel undue preferential treatment under emergency measures adopted by governments. It also undermines trust in government, reducing compliance with public health messaging, as well as fueling instability and conflict.[1]

Because of the lack of sufficient accountability and oversight mechanisms in crisis response and recovery, the risks of corruption and fraud significantly increase, and these have critical implications on society and the economy. Without addressing corruption risks in different areas, opaque decision-making, and oversight and accountability, the effectiveness of responses to recover from the socio-economic impacts of COVID-19 may be undermined or limited.

Just within the health sector, corruption causes losses of over US$500 billion every year, even in ordinary times – this exceeds the amount of resources needed to provide global Universal Health Coverage[2]. The Global Corruption Barometer 2019 found that bribery rates in hospitals and health centres were up to 14%[3]. World Bank Surveys show that up to 80% of non-salary health funds never reach local facilities[4]. The consequences of corruption can be a matter of life and death. This is most evident for those deprived of healthcare, as corruption limits access to valuable, lifesaving resources, including medical equipment and facilities. The poor, vulnerable and marginalised will disproportionately be affected and left behind.

On the other hand, previous health crisis such as Ebola and SARS have shown that governments' commitment to transparency, accountability and anti-corruption significantly contributes to the effectiveness of crisis response by gaining public trust, including communicating information in a transparent and timely manner, and ensuring a clear role for audit and oversight institutions.

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[1] UNDP (2020) Transparency, Accountability and Anti-Corruption Service Offer for COVID-19 Response and Recovery https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/anti-corruption/transparency--accountability-and-anti-corruption-service-offer-f.html

[2] Transparency International UK (2019) The Ignored Pandemic http://ti-health.org/wp-content/uploads/2019/03/IgnoredPandemic-WEB-v3.pdf

[3] "Coronavirus: the perfect incubator for corruption in our health systems? 7 key COVID-19 points to consider" https://ti-health.org/content/coronavirus-covid19-corruption-health-systems/

[4] "Efficiency of Public Expenditure Distribution and Beyond" http://documents1.worldbank.org/curated/en/711501468774879785/pdf/multi0page.pdf

An integrated approach on anti-corruption to respond to and recover from the COVID-19 pandemic calls for a whole-of-society approach, where citizens and civil society can constructively engage and monitor response and recovery measures. Socio-economic impact assessments and response plans should also address governance-related risks including corruption, fraud and embezzlement. Thus, transparency, accountability and anti-corruption are essential for socio-economic response and recovery from the COVID-19 pandemic.[1]

2.2 Anti-corruption for sustainable development

Corruption has devastating consequences on all areas of development, whether it is about governance, social protection, the economy, or environmental protection and climate action.

Corruption significantly undermines development financing by diverting scarce resources away from development. The cost of corruption has been estimated to be US$2.6 trillion annually[2], and Global Financial Integrity has estimated that billions of dollars leave developing countries illicitly every year through government corruption, criminal activity, commercial tax evasion and mispriced commercial transactions. The High-Level Panel on Illicit Financial Flows from Africa estimated that Africa alone loses more than US$50 billion annually to illicit financial flows[3]. Such amounts often represent hundreds of millions or billions of dollars in lost or foregone tax revenues that could have otherwise been collected and used for supporting development efforts, including investing in infrastructure, providing universal healthcare and education, creating jobs, and reducing poverty, amongst others[4].

Corruption acts as a major barrier to service delivery, both in terms of its access and quality. Corruption can discourage or prevent people from accessing basic services such as education, health, and clean water and sanitation. For example, the World Bank estimates that, globally, between 20% to 40% of public investment meant for the water sector is lost to corruption[5]. These have wide-ranging ramifications on socio-economic outcomes. Moreover, women in particular are disproportionately affected by corruption in service delivery; they are shown to face increased risks of bribery and sextortion while accessing public services, including enrolling children at school[6].

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[1] UNDP (2020) Integrating Transparency, Accountability and Anti-Corruption in Socio-Economic Impact Analyses https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/anti-corruption/integrating-transparency--accountability-and-anti-corruption-in-.html

[2] http://reports.weforum.org/global-agenda-council-2012/councils/anti-corruption/?doing_wp_cron=1553840437.4626851081848144531250

[3] UNECA 'Institutional architecture to address illicit financial flows from Africa' https://www.uneca.org/institutional-architecture-address-illicit-financial-flows-africa

[4] Global Financial Integrity 'Illicit Financial Flows' https://gfintegrity.org/issue/illicit-financial-flows/

[5] "The impact of corruption on access to safe water and sanitation for people living in poverty" https://knowledgehub.transparency.org/assets/uploads/helpdesk/Impact-of-corruption-in-water-and-sanitation-on-poor-2017.pdf

[6] Transparency International (2020) Breaking the silence around sextortion: The links between power, sex and corruption https://www.transparency.org/en/publications/breaking-the-silence-around-sextortion

The indirect consequences of corruption could be even more devastating, by eroding public trust and social cohesion. Given the negative effects of corruption on state capacity, policymaking and other development outcomes, governments' ability to serve public interests is undermined. Impunity is also a significant factor which corrodes the rule of law and destroys public trust. Where systemic corruption exacerbates and affects all state functions, it becomes a serious threat to security and could result in disorder, civil strife or conflict, with significant and long-term destabilizing and debilitating effects.

Rooting out corruption is a major policy priority and is critical to the achievement of the SDGs. In the context of the 2030 Agenda for Sustainable Development, Goal 16 ("to promote peaceful, inclusive societies for sustainable development, to provide access to justice for all and to build effective, accountable and inclusive institutions at all levels") and its anti-corruption targets underpin the other SDGs, all of which rely on institutions to effectively meet the needs of all people. Corruption impacts all five pillars of sustainable development – people, prosperity, planet, peace and justice, and partnership; and is a major bottleneck to achieving sustainable development in all its three dimensions – economic, social, and environmental.

On the other hand, anti-corruption efforts are crucial not only for promoting transparency, accountability and integrity; they accelerate progress in meeting development goals. Domestic resource mobilization, Official Development Assistance, and quality private investment already play a huge role in many countries for development financing, but significant gains could also be made by strengthening efforts to curtail illicit financial flows, stolen assets, bribery and corruption.

3 Progress and gaps in anti-corruption efforts

Despite the challenging global, regional and country-level contexts for tackling corruption, the adoption of the 2030 Agenda for Sustainable Development by 193 Member States on 25 September 2015 was a major breakthrough for the anti-corruption movement as it made an explicit link between corruption and peaceful, just and inclusive societies.

In particular, SDG 16 and its targets on reducing corruption, bribery and illicit financial flows (16.4 & 16.5) ; developing effective, accountable and transparent institutions (16.6) ; ensuring responsive, inclusive, participatory and representative decision-making (16.7); and strengthening access to information (16.10), all directly and indirectly represent anti-corruption, and are important enabling conditions for the successful achievement of the entire 2030 Agenda.

All of the global indicators related to the five key targets above now are classified as Tier I (data for more than 50% of countries globally) or Tier II (data for less than 50% of countries)[1] and have an established methodology and guidance for countries to measure and report on. More countries have also integrated anti-corruption and measures of transparency, accountability, integrity,

[1] Tier Classification for Global SDG Indicators. https://unstats.un.org/sdgs/files/Tier%20Classification%20of%20SDG%20Indicators_28%20Dec%202020_web.pdf

participation and inclusion in their national development plans and processes, in addition to the Voluntary National Review (VNR) processes for SDG monitoring. Out of the 45 countries that reported progress on the SDGs at the High Level Political Forum in July 2020, 30 countries provided information on progress on 16.4; 44 countries on 16.5; 41 countries on 16.6; 27 countries on 16.7 and 34 countries on 16.10.[1]

Despite progress in the last decade, there are four key challenges in integrating anti-corruption in national, sectoral and local development plans and processes:

- There is a **lack of political will and weak institutional capacity** to integrate and implement anti-corruption measures.
- There is a **lack of knowledge** on how to integrate anti-corruption in national, sectoral and local development plans and processes. Anti-corruption is not just about reducing corruption and bribery; it is also about ensuring transparency, accountability, integrity, openness, access to information, and participation.
- There is a **lack of coordination** between the anti-corruption community (including anti-corruption agencies and audit and oversight institutions) and the development community (including line ministries, planning and budget ministries).
- There is a **lack of data** to monitor progress on corruption and anti-corruption. While there is now established methodology for anti-corruption-related SDG targets, many are classified under Tier II, meaning that data is not regularly produced by countries.

4 Addressing the gaps

4.1 Political will and developing institutional capacities to integrate and implement anti-corruption measures

Although there has been tremendous progress on anti-corruption efforts in the past two decades, the lack of political will to implement anti-corruption measures, as well as the lack of institutional capacity to do so, has led to limited progress in reducing the prevalence of corruption in many countries.

While the issue of institutional capacity to integrate and implement anti-corruption measures could be addressed by governments, donor and programme partners through providing resources and support for institutional arrangements, legal framework, data collection, and overall technical expertise to prevent and address corruption, the issue of securing 'genuine political will' for anti-corruption is contextual and linked to many socio-economic, political and societal factors. Securing political will requires identifying the right entry points and champions, strengthening a

[1] Global Alliance for Reporting Progress on Peaceful, Just and Inclusive Societies and White & Case 'Analysis of the 2020 Voluntary National Reviews and SDG 16 https://www.sdg16hub.org/content/analysis-2020-voluntary-national-reviews-and-sdg-16

multi-stakeholder approach, building a bottom-up approach through social accountability and empowering people and civil society, and adopting a common anti-corruption approach by all major donors and development partners to create an enabling environment for constructive engagement.

Entry points to help secure political will and strengthen institutional capacity to integrate anti-corruption include the following:

- **Anti-corruption instruments and international norms and standards can act as an important entry point** to secure political will. These include the Implementation Review Mechanism of the United Nations Convention against Corruption (UNCAC), the global legally binding instrument to prevent and combat corruption. Regional conventions and sub-regional mechanisms such as the OECD Istanbul Anti-Corruption Action Plan are also important. However, there is also a need to **build synergies between these mechanisms and the SDG implementation and monitoring processes**.

- **Identifying champions through a sectoral and local governance approach** can help drive efforts to integrate anti-corruption. Similarly, **strengthening coalitions with multiple stakeholders** including the private sector, youth, universities and local government actors can help create an enabling environment to exert pressure for political will to implement reforms.

- **Adopting a bottom-up approach can help create an enabling environment to demand for anti-corruption reforms**. Working at a grassroots level with communities, civil society and non-state actors to engage in anti-corruption activities, including whistleblowing, advocacy, social accountability and gathering data, is an important means to generate and exert pressure on leaders and governments to initiate or sustain reform.

- **Strengthening the localisation of the SDGs** and integrating anti-corruption measures are important to ensure that cities, communities, households and individuals engage meaningfully in the SDG implementation processes, exercise accountability and enhance the monitoring process.

- **Enhancing the role of audit and oversight institutions and anti-corruption bodies** is important in enabling anti-corruption actors to link their work on the prevention of corruption, such as corruption surveys and integrity building, with SDG implementation and monitoring processes. Involving anti-corruption actors in development plans and processes can help integrate anti-corruption measures in other SDGs.

- **There is a need to strengthen the role of parliamentarians in ensuring accountability** for the effective implementation of commitments, monitoring of SDG implementation, enactment of legislation and adoption of budgets. Parliamentarians play a crucial role in ensuring political buy-in, financing and accountability of the SDGs, including monitoring resource usage and budget transparency.

- **Corruption measurement** can also be an important instrument for generating political momentum and securing political will. Data and evidence are powerful tools for securing political will for combatting corruption and serving as entry points for implementing anti-corruption measures and their integration in various sectors.

- **Adopting a corruption risk management approach** is an important entry point to integrate anti-corruption in sectors, institutions, programmes and other operations and functions. Through integrity assessments or corruption risk assessments, risks can be mapped, identified and prioritized. Based on the assessment of these risks, mitigating plans and strategies can then be designed and implemented, followed by monitoring and evaluation. In addition, this can help trigger dialogue and enhance cooperation between anti-corruption institutions and line ministries, to strengthen the integration of anti-corruption in development plans and processes.

- As highlighted by studies and evaluations of anti-corruption efforts, effective donor coordination for multi-donor technical assistance, including a common donors' position for integrating anti-corruption in key development sectors (including health, education, water and sanitation, climate change, extractive industries, and more) could significantly help to secure political will and build much-needed institutional capacity for an integrated approach to anti-corruption.

4.2 Strengthening the knowledge base on integrating anti-corruption across development areas

In theory, it is clear how corruption undermines development efforts and how anti-corruption can accelerate achievement on all the SDGs. Yet, in practice, there is a huge gap in the knowledge and tools needed to integrate anti-corruption in national development plans and strategies to achieve the SDGs. For example, there is often a misconception that anti-corruption relates only to Target 16.5 'Substantially reducing corruption and bribery'; rather than the targets that encompass issues of transparency, accountability, participation, inclusion, and access to information. Anti-corruption is represented by five key targets in SDG 16 and many other targets related to peaceful, just and inclusive societies, and is a cross-cutting area of work in the 2030 Agenda.

Given the knowledge gap, a flagship online training course 'Anti-Corruption in the Context of the 2030 Agenda for Sustainable Development'[1] was jointly developed by UNDP and UNSSC. The course promotes an integrated approach to the SDGs, from an anti-corruption and SDG 16 perspective. The five-week interactive and facilitated online course includes five comprehensive modules, concrete examples and practical guidance from around the world.

Week 1: Introduction to anti-corruption and sustainable development

Week 2: SDG 16 and anti-corruption: Human rights and gender perspectives

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[1] For more information, see: http://unssc.org/courses/anti-corruption-context-2030-agenda-november-december-2020/

Week 3: Fighting corruption across sectors

Week 4: Integrating anti-corruption in national sustainable development strategies

Week 5: Measuring and monitoring anti-corruption for sustainable development

It features more than 20 experts from the field through video presentations and live webinars. The latest edition includes a dedicated lesson on 'Anti-Corruption in COVID-19 Response and Recovery', in line with UN/UNDP Socio-Economic Framework for COVID-19 Response[1]. More than 500 practitioners have been trained in 4 editions rolled out so far in 2019-2020, representing over 80 countries, and working in international organisations, governments, civil society, academia and the private sector.

To promote knowledge and advocacy, UNDP has developed more than 30 knowledge products on anti-corruption[2], including corruption risk mitigation methodologies across thematic areas. These include service delivery sectors such as health, education and water; gender equality; human rights; illicit financial flows; procurement; extractive industries; climate change; and more. UNDP has also developed methodologies to measure corruption and anti-corruption, as well as guidance to strengthen national anti-corruption strategies and national anti-corruption institutions. An online web-portal[3] also provides open-access online courses free-of-charge, for all development and anti-corruption practitioners and activists to build their knowledge.

Knowledge exchange is a crucial dimension of the implementation of the 2030 Agenda. In this regard, UNDP's focus on knowledge management and accumulation of lessons learned at country, regional and global levels through its vibrant Community of Practice has significantly contributed to consistent and coherent policy direction and programme support on anti-corruption. UNDP has also leveraged South-South and Triangular Cooperation to facilitate knowledge exchange in various forms of innovative and tested policy solutions on anti-corruption.

For example, the UNDP Seoul Policy Centre[4] has shared the experiences of the Republic of Korea in implementing their Anti-Corruption Initiative Assessment and Corruption Risk Assessment with Viet Nam, Myanmar and Kosovo. It also applied Seoul Metropolitan Government's Clean Construction System in countries including Philippines and Tunisia, to promote efficiency, accountability and transparency in public construction management to accelerate achievement on the SDGs.[5]

As SDG partnerships remain fundamental to the implementation of the 2030 Agenda, knowledge exchange and sharing across development partners and stakeholders, which also contribute toward

[1] https://www.undp.org/content/undp/en/home/coronavirus/socio-economic-impact-of-covid-19.html

[2] Available for download here: https://anti-corruption.org/wp-content/uploads/2020/12/UNDPs-Key-Publications-on-Anti-Corruption-Updated-Nov-2020.pdf

[3] https://anti-corruption.org/courses/

[4] www.undp.org/content/seoul_policy_center/en/home

[5] https://www.undp.org/content/seoul_policy_center/en/home/development-solutions-partnerships/Governance.html

strengthening the knowledge base, are an important means of integrating anti-corruption in development plans and processes.

4.3 Improving coordination between AC institutions and other line ministries and agencies

Corruption is rarely an isolated phenomenon found only within a specific institution, sector or group of actors. To address and prevent corruption and to promote transparency, accountability and integrity across society, a coordinated and whole-of-government and a whole-of-society approach is needed. Governments play a lead role in putting in place plans and strategies that advance anti-corruption within their national development plans and strategies. They can also stimulate legislative reform that will establish legislative and institutional frameworks against corruption with robust enforcement and punitive measures. At the same time, civil society and communities play an important role in the monitoring and oversight of these measures.

Progress in anti-corruption efforts for sustainable development strongly relies on effective cooperation between and within institutions, as well as engagement with a wide range of actors, sectors, departments, implementing agencies and institutions that may have very different priorities, competing agendas, and conflicting interests. Relevant government actors include budget and planning ministries for SDG implementation, line ministries, statistical offices, anti-corruption agencies including commissions and audit institutions, and local governments.

Yet, in most countries, cross-agency coordination remains weak or inexistent. The implementation of the SDGs is typically led by budget and planning ministries, while anti-corruption efforts are led by anti-corruption agencies, justice ministries or the prosecutor's office. In many countries, the anti-corruption community and the development community are often not well connected and integrated.

Therefore, several approaches may be taken to bridge this coordination gap:

- In the thematic groups, working groups and task forces that are responsible for the implementation and monitoring of the SDGs, **development actors should actively involve anti-corruption actors** to provide an anti-corruption perspective to each of the SDGs.
- In the validation processes of national and local development plans and strategies, **a broad range of stakeholders** should be involved, to increase transparency and accountability. Anti-corruption actors should **ensure that development plans incorporate anti-corruption measures**, including internal and external oversight mechanisms, as well as strategies to control corruption.
- **Anti-corruption actors need to be involved in the monitoring process of the SDGs**, including its budgeting and implementation plan, to ensure that transparency, oversight and accountability measures are integrated. Moreover, given that anti-corruption agencies (ACAs) have the experience and mandate to monitor corruption and can be an important source of data, National Statistical Offices should work closely with ACAs in the SDG monitoring process.

- **Auditing the SDGs** are an important component of national efforts to track progress, monitor implementation and identify opportunities for improvement across the SDGs. On anti-corruption, many audit institutions have also developed fraud audits and procurement audits to assess the gaps and loopholes in SDG-related investments. In formulating methodologies and identifying areas which would be useful to audit, **Supreme Audit Institutions (SAIs) should consult SDG committees** and engage a wide range of stakeholders, including various levels of government. Civil society organizations, such as Transparency International, have also been engaged in auditing the SDGs.
- In formulating sectoral plans and strategies, **sectoral development practitioners should engage anti-corruption actors** to understand the sector-specific corruption risks and mitigation strategies. Integrating anti-corruption measures are essential for the achievement of development outcomes in all sectors, by removing governance bottlenecks, preventing leakages of resources, and strengthening integrity and accountability of institutions to deliver their functions and meet development goals.

Coordination is key to ensure the full cooperation of all stakeholders across agencies, sectors and departments, to avoid duplication of efforts, and to ensure that all actors share a common anti-corruption approach in implementing the SDGs.

In **Estonia**, the National Anti-Corruption Strategy (2013-2020) sets out a clear implementation plan with roles for all ministries, government agencies, as well as non-governmental organisations, local governments, and other relevant actors. The overall coordination and implementation of the Strategy is managed by the Ministry of Justice, while all ministries and government agencies are also involved in implementing the strategy.

Recognising the importance of a whole-of-government approach to the prevention of corruption, each ministry has assigned a responsible person for coordinating corruption prevention, acting also to ensure the implementation of the Anti-Corruption Strategy's activities in the ministry and its area of government.[1] Such an approach ensures that anti-corruption in integrated at all levels of government.

4.4 Integrating anti-corruption in national, sectoral and local development plans and processes

[1] Estonia Anti-Corruption Strategy (2013-2020) https://www.korruptsioon.ee/en/anti-corruption-activity/anti-corruption-strategy-2013-2020

Integrating anti-corruption is the process of implicitly or explicitly incorporating anti-corruption in all sectors and at all levels of intervention in development plans and processes. While integration entails effective coordination between agencies, integration of anti-corruption in the SDGs is also about informing key result areas and results frameworks of countries' national, sectoral or local development plans, policies and strategies, acting as a tool contributing to sustainable development. For example, in **Bhutan**, its 12th Five-Year Plan (2018-2023)[1], which aspires to pursue sustainable development and is closely aligned with the SDG framework, has dedicated one of its sixteen National Key Result Areas (NKRA) to 'Reduce Corruption'. This NKRA aims to strengthen good governance and contribute towards building a corruption-free society.

Moreover, to promote transparency, accountability and effectiveness of national, sectoral and local development plans and strategies, anti-corruption should inform all phases of development planning processes: formulation, implementation, and monitoring and evaluation.

In short, the integration of anti-corruption in development plans and processes entails the following:

- ✓ National, sectoral and local development plans and strategies to achieve the SDGs include governance and anti-corruption as an integral part of these plans.
- ✓ Corruption risk mitigation, integrity building, and transparency and accountability initiatives are a part of these plans.
- ✓ National SDG implementation and monitoring mechanisms engage and involve key anti-corruption actors.

In **Botswana**, the Government reaffirmed its commitment to the full-scale implementation of the 2030 Agenda, by mainstreaming the SDGs into national policies, sectoral plans and strategies. Four strategic pillars were established under Botswana's Vision 2036: Sustainable Economic Development Pillar, Human and Social Development Pillar, Sustainable Environment Development Pillar, and Governance, Peace and Security Pillar.[2]

In particular, reaffirming its commitment to integrating anti-corruption in Vision 2036, the Governance, Peace and Security Pillar includes measures on the separation of powers, effective oversight, transparency and accountability, and freedom of expression and association.

Apart from Vision 2036, the Government of Botswana also enhanced its sectoral integration of anti-corruption. The Ministry of Health in Botswana developed an Anti-Corruption Policy for the **health sector**[3], in line with its National Anti-Corruption Strategy. The Policy is built on two fundamental pillars: prevention and law enforcement. The pillars focus on the areas of: Leadership and Governance; Education and Training; and Investigation and Law Enforcement. These aim to foster ethics and integrity within the Ministry of Health.

[1] Bhutan 12th Five-Year Plan https://www.gnhc.gov.bt/en/wp-content/uploads/2017/05/Finalized-Guideline.pdf

[2] Botswana Vision 2036 https://vision2036.org.bw/

[3] Botswana Ministry of Health Anti-Corruption Policy https://www.moh.gov.bw/Publications/policies/corrupt%20booklet.pdf

For the effective implementation of the Policy, the Ministry of Health works closely with agencies such as the Directorate on Corruption and Economic Crime (DCEC) in Botswana, which is mandated with investigating corruption, preventing corruption, training and educating the public on corruption. It also works closely with other oversight and audit institutions, to reinforce the integrated approach and ensure effective coordination across agencies.

In **Moldova**, the City Hall of Straseni municipality, supported by UNDP, implemented a local strategic plan on integrity and anti-corruption[1], through an innovative method to tackle and prevent corruption at local public administration level in the Republic of Moldova. The 'Islands of Integrity' methodology[2] is a practical tool to identify and change public policies and organizational systems prone to corruption through a strategic and participatory process. It adopts a multi-stakeholder approach to analyse the vulnerability of stakeholders to corruption, and develop inclusive and responsive solutions.

Through this methodology, the Straseni municipality implemented practical solutions in four areas identified to be most vulnerable to corruption: public procurement; public property; urban development; and the sanitation public service. As a result, the municipality managed to integrate anti-corruption at local public administration level, including by utilising e-procurement, removing bureaucratic barriers within the city hall, and promoting social accountability.

To reinforce a shared vision and integrated approach to SDG 3 and SDG 16, the **Anti-Corruption, Transparency and Accountability (ACTA) for Health Alliance** was set up by UNDP together with WHO, Global Fund and the World Bank, to support countries in mitigating corruption risks in the health sector. Given the particular importance of this agenda amid the global health challenges during the COVID-19 pandemic, the ACTA for Health Alliance is working with governments and communities to institutionalize appropriate anti-corruption mechanisms in the COVID-19 health response[3,4].

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[1] Local Strategic Plan on Integrity and Anti-corruption Actions of The City Hall of Straseni Municipality 2017-2020 https://corruptionfreecities.org/wp-content/uploads/2018/07/STRASENI-A-C-PLAN-.pdf

[2] Corruption Free Cities https://corruptionfreecities.org/

[3] "Tackling corruption in governments' COVID-19 health responses" https://blogs.worldbank.org/governance/tackling-corruption-governments-covid-19-health-responses

[4] "Promoting accountability and transparency during COVID-19" https://www.undp.org/content/undp/en/home/blog/2020/promoting-accountability-and-transparency-during-covid-19.html

4.5 Data collection for monitoring anti-corruption and the SDGs

Measuring corruption is not an easy task. Given the complexity of corruption, including its many forms and manifestations, it is difficult to measure corruption with confidence or accuracy. It is also difficult to quantify a phenomenon that happens across many levels, involves many actors, and differs depending on the context. For example, measuring the abuse of power, cronyism, nepotism, illicit enrichment, or favouritism, is a challenging endeavour. Capturing precise data on corruption is also difficult, thus many datasets capture the perceptions and experiences of corruption, or use proxy indicators to measure corruption.[1]

On the other hand, measuring anti-corruption involves measuring what should exist to prevent or address corruption. It measures transparency, accountability, and integrity within government or in the private sector. This includes legal and policy frameworks, institutional arrangements, processes, mechanisms, practices, outputs, and outcomes associated with these three concepts. However, measuring anti-corruption is also a challenging task. It is difficult to measure and delineate individual concepts – such as transparency or accountability; and anti-corruption may also be a reflection of overall governance capacities, which is difficult to measure.

Despite the challenges, the anti-corruption community has created many tools, indicators and methodologies over the years, to assess the levels of corruption and progress in anti-corruption efforts in countries. These include measures of perception, experiences, assessments, and administrative data. For example, expert surveys such as Transparency International's Corruption Perceptions Index, Open Budget Index, and the World Justice Project's Rule of Law Index have been helpful for assessing the nature and quality of governance systems. Other corruption surveys such as Transparency International's Bribe Payers Survey and Corruption Barometers have also been utilised to capture experiences and perceptions of corruption. The UNCAC Implementation Review Mechanism and the Open Government Partnership also represent forms of external review and assessment of existing anti-corruption policies, systems and institutions.

To measure SDG indicators 16.5.1 (individuals' experiences of bribery with public officials) and 16.5.2 (businesses' experiences of bribery with public officials), the UNODC-UNDP Manual on Corruption Surveys[2] provides countries with methodological and operational guidelines for developing and implementing population- and business-based sample surveys to measure the experiences and prevalence of bribery and to collect other relevant information on corruption.

[1] UNDP (2015) User's Guide to Measuring Corruption and Anti-Corruption https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/anti-corruption/user-s-guide---measuring-corruption-and-anticorruption.html

[2] UNODC-UNDP (2018) Manual on Corruption Surveys https://www.unodc.org/documents/data-and-analysis/Crime-statistics/CorruptionManual_2018_web.pdf

In **Nigeria**, the National Bureau of Statistics (NBS), in partnership with UNODC, conducted its Second Survey on Corruption in Nigeria[1], assessing the actual experiences of citizens when they come into contact with up to 20 different types of public officials. The survey evaluates the likelihood of being approached for the payment of bribes as well as the frequency of such requests and actual payments. It provides insights into citizens' attitudes towards corruption, their readiness to refuse requests for bribes and to report corruption incidents. It also provides data on bribery and nepotism in public sector recruitment as well as the phenomenon of vote buying.

The design of the survey instruments benefited greatly from the input of a wide-ranging group of stakeholders in Nigeria, to ensure that the survey results are relevant for informing the anti-corruption policy and that the results can be used for developing an evidence-based national response strategy to corruption in Nigeria.

Yet, while tools and methodologies to measure corruption and anti-corruption exist, in many countries, data related to most development sectors, such as health, education, finance, and poverty reduction, have stronger data foundations because their survey tools are integrated into national household surveys. However, in the case of anti-corruption data, many statistical offices do not have an institutional mechanism or capacity to collect data, and it is a complex and expensive exercise. It is thus important to strengthen the capacity of national statistical offices so that all indicators under SDG 16 are measured and all targets under SDG 16 are monitored.

Anti-corruption agencies (ACAs) have an official mandate to monitor governance and corruption, and thus can be an important data source for monitoring anti-corruption targets in the SDGs. Examples of data collection initiatives by ACAs include the Integrity Assessment of government institutions conducted every year by the Anti-Corruption and Civil Rights Commission (ACRC) of the Republic of Korea, as well as the periodic corruption risk assessments and audits of various service delivery sectors conducted by the Directorate on Economic Crime and Corruption (DCEC) in Botswana.

Civil society also play an important role in participating either as part of the official review process or independently through parallel reviews and shadow reports. In many countries, civil society organizations have been engaged in collecting and analyzing data on corruption and anti-corruption. For example, Transparency International's Shadow Reporting Questionnaire[2] for Targets 16.4, 16.5 and 16.10 enables civil society organisations to conduct an independent appraisal of their country's progress in fighting corruption, tackling illicit financial flows, and improving transparency and access to information.

[1] UNODC (2019) Corruption in Nigeria: Patterns and Trends https://www.unodc.org/documents/nigeria/Corruption_Survey_2019.pdf

[2] Transparency International "Corruption and the Sustainable Development Goals: Shadow Reporting Questionnaire for Targets 16.4, 16.5 and 16.10" https://www.transparency.org/en/publications/corruption-and-sustainable-development-goals-shadow-reporting-questionnaire

Countries should also utilize the Voluntary National Review (VNR) and post-VNR processes to monitor the implementation of SDG 16. Presented annually at the High-Level Political Forum (HLPF), the Voluntary National Reviews, focused on all of the SDGs, are a part of the follow-up and review mechanisms of the 2030 Agenda, where Member States voluntarily "conduct regular and inclusive reviews of progress at the national and sub-national levels, which are country-led and country-driven."[1] The VNRs are an important accountability mechanism and provide a platform for multi-stakeholder partnerships for strengthened SDG implementation.

However, data collection continues to challenge SDG 16 progress tracking, affecting not just coverage but also the quality of data available for SDG 16 and related targets. As such, addressing the data gap on anti-corruption requires more sustained efforts and investments in data collection at national and local levels. The SDG community and the National Statistical Offices should closely work with Anti-Corruption Agencies, civil society and other stakeholders to regularly produce data on corruption and anti-corruption. Moreover, donor and development partners should also provide resources and support to regularly collect data related to corruption and anti-corruption.

One of the lessons learned from COVID-19 is that more innovative and inclusive ways of generating, incorporating, disaggregating and managing data are needed, including leveraging digital technologies and open data. Ultimately, greater coherence, communication and collaboration are required among Ministries, local governments, National Statistics Offices, UN custodian agencies, national anti-corruption and oversight institutions, civil society and other data providers.

5 Conclusion

The unprecedented shocks the world has faced due to the COVID-19 pandemic have reiterated the urgent need for countries to ensure that anti-corruption is an integral part of all sustainable development efforts. Despite the growing global challenges, from poverty and inequality, to conflict and climate change, countries have choices on how to make societies more inclusive and resilient, and build forward better. In particular, the 2030 Agenda has brought immense opportunities to leverage technology and innovation to meet many development challenges in the 21st century, including preventing and tackling corruption. Both ICTs and new technologies have vast potential to serve as important tools to integrate anti-corruption across all the SDGs.

The rapid spread of ICTs has led to a rise in the use of open data for citizen monitoring, crowdsourcing platforms for reporting corruption, and e-government for effective service delivery. Technology has been an important means to enhance transparency and accountability in fiscal budgets, public finance management, and procurement processes. More recently, new technologies such as artificial intelligence, blockchain technology and big data analytics present enormous opportunities to enhance the detection, prediction, and analysis of corruption cases. While recognising these benefits, there is also a need to prevent the misuse of these technologies and

[1] https://sustainabledevelopment.un.org/vnrs/

recognize the challenges. In this regard, effective digital governance which safeguards data protection and privacy, and promotes accountability, integrity and inclusion, are necessary.

As the world looks towards 2030, an integrated approach to anti-corruption, leveraging rapid innovations and technological tools, can help accelerate the achievement of the SDGs. Collective action of all major stakeholders – governments, private sector, civil society, communities, academia and international development partners – is key to create an environment of transparency, accountability and integrity, which remain fundamental as we build a more resilient, inclusive and sustainable world.

Enhancing Transparency and Accountability in Public Finance

By Ruzanna Taverdyan

"We need to explore new and creative solutions to make systems more comprehensive and robust, and ultimately build a coherent ecosystem of institutions and frameworks for transparency, accountability and integrity."

Ibrahim Assane Mayaki   Dalia Grybauskaite

FACTI PANEL INTERIM REPORT, September 2020

1. Background

Sustainable development is the most significant collective challenge facing humanity. As stated in the report of the UN Secretary-General: A Life of Dignity for All, the world's quest for dignity, peace, prosperity, justice, sustainability and an end to poverty has reached an unprecedented moment of urgency. Addressing it without compromising our shared prosperity and the right to development of future generations requires alteration of public sector governance and development of monitoring and reporting framework for tracking implementation and follow-through on the agreed strategies and policies to achieve the Sustainable Development Goals. The need for accelerated reform and capacity-building must span public sector management broadly, including public expenditure and financial management, but especially transparency, accountability, and control of corruption. There is a consensus that given the political complexity of reforms, sustained progress will require ownership and entail a strong focus on capacity-building in key public institutions.

The main target of ongoing United Nations reform is to deepen coherence and enhance the effectiveness and impact of UN development operations, intensify efforts in pursuit of the internationally agreed Sustainable Development Goals. It aims to enhance the system's efficiency and make the Organization more results-oriented at the country level. Within the new context the UN operational activities should orientate on implementing national comprehensive development strategies that could achieve sustainable development goals. Giving appropriate consideration to the importance of combating illicit financial flows and strengthening good practices on asset return to foster sustainable development; the General Assembly resolution 74/206 invited the President of the General Assembly and the President of the ECOSOC to convene the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda and the Panel was formed in February 2020.

2. Anti-Corruption and SDGs

The COVID-19 pandemic that struck the entire world in 2020 and resulted in dramatic draining of financial resources from development, along with the high probability of more unforeseen catastrophic events, call for more effective legal and institutional frameworks with more resilient policies, innovative solutions; better implementation and stronger international cooperation.

There is growing evidence and awareness about the impact of transparency and accountability on ensuring the development outcomes and there exists a firm acknowledgement, that corruption seriously undermines human development.[1] The history has demonstrated that non-transparent public expenditure administration systems provide fertile grounds inefficient fund management and allow for corrupt practices towards diverting public resources away from the provision of essential social services.

After the adoption of the United Nations Agenda 2030, Sustainable Development has been identified to be an ultimate objective of national/international policies globally. The Sustainable Development Goals (SDGs) now make an explicit link between corruption and peaceful, just and inclusive societies. SDG 16 aims to "*Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels*". There is an acknowledgement that its targets on reducing bribery, strengthening institutions and accessing information are not only valuable aspirations in their own right, they are also vital conditions for the achievement of all the 17 goals.

Implementation of an integrated approach to sustainable development, in this age of globalization, requires policy coherence and the political will to create a strong partnership between national and international actors including governments, legislators, employers, workers and the financial system and also academics and civil society representatives. Although economic, social and environmental objectives are often complementary, there is no *a natural trade-off* between various policies, it is a matter of policy choices and prioritization in the framework of given strategic development goals of countries. These legitimate but opposing interests and objectives cannot always be balanced by judicial systems; and, it is sometimes necessary to make trade-offs' between them. The extent to which certain interests override others is a matter of policy choice supported by stakeholder power and political will. The choice between these interests inevitably leads to conflicts between stakeholders. A need for partnership and social dialogues to facilitate the process of negotiating compromises has emerged.

3. Towards Enhanced Transparency and Accountability in Public Finances

There is an overwhelming consensus among the development practitioners, that inadequate global governance holds back progress towards the common goal of sustainable development and corruption affects all countries; rich and poor alike, it results in loss of resources, weakens service delivery and undermines trust in governments and the social contract. According to the World Bank Institute estimations the financial and economic costs of corruption are enormous: US$1

[1] https://www.undp.org/content/undp/en/home/2030-agenda-for-sustainable-development/peace/governance/fighting-corruption.html

trillion[1] are paid in bribes per year. Needless to say, that not only corruption corrodes rule of law but it also destroys public trust in governments and leaders. It further increases inequality, hinders national and local economic development and as a serious consequence significantly slows down the achievement of development objectives. Countries must, therefore, come together, unite their efforts in the framework of global cooperation, and by engagement of all stakeholders, not only the governments but also non-state actors, forge comprehensive solutions.

The UN Convention Against Corruption[2] (UNCAC) is the first legally binding universal anti-corruption instrument. Adopted by the UN General Assembly on 31 October 2003; by resolution 58/4, the Convention covers five main areas: preventive measures, criminalization and law enforcement, international cooperation, asset recovery, and technical assistance and information exchange. It covers many different forms of corruption, such as bribery, trading in influence, abuse of functions, and various acts of corruption in the private sector and its far-reaching approach and the mandatory character of many of its provisions make it a unique tool for developing a comprehensive response to a global problem. The vast majority of UN Member States are parties to the Convention: it has140 signatories; entered into force on 14 December 2005 and as of 6 February 2020 it accounts for 187 Parties. As noted by the FACTI Panel, even though the UNCAC came into force in 2005 with legally binding provisions and a global footprint, yet perceptions about the volume of corruption have not changed and reviews found gaps and shortcomings in the domestic frameworks of at least 74 per cent of States. After its deliberations; towards meeting the joint aim of financing sustainable development and achieve the SDGs, the Panel calls for a common and shared understanding about problems and solutions: lack of financial accountability, transparency and integrity is a global problem that needs global solutions, while taking into account specific country contexts.

In order to successfully overcome the systemic shortcomings and challenges of corruption and to redistribute its benefits, we believe, a strong political commitment and institutional capacity will be needed.

4. World Treasury

Towards creation of a global enabling environment and building peaceful and inclusive societies, the private sector, civil society all have to make important contributions in determining systemic responses. A paradigm shift is needed to enhance efficiency, effectiveness, transparency, accountability and create a new basis for achievement of Sustainable Development Goals and also providing access to justice for all with accountable and inclusive institutions at all levels.

The FACTI Panel has identified gaps, impediments and vulnerabilities in the international systems that allow abuses and related outflows. In response to the Panel's search of legitimate and coherent ecosystem of instruments and institutions dedicated to financial accountability, transparency and integrity and technically feasible, politically viable recommendations which have direct bearing

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[1] https://www.undp.org/content/undp/en/home/2030-agenda-for-sustainable-development/peace/governance/fighting-corruption.html

[2] https://www.unodc.org/unodc/en/corruption/uncac.html

on releasing resources for the SDGs; bellow we provide some international instruments and initiatives to address financial accountability, transparency and integrity that would hopefully contribute to collective efforts against financial crime and tax abuses towards building of effective, accountable and inclusive institutions at all levels

There is a wide consensus that economic, environmental and information globalization outpaced regulatory-institutional and political globalization. With a remarkable progress in coordination of operations at a county level, the current model of international institutional setting and decision-making mechanisms at the global level still remain fragmented. The current structure of the governing bodies of the United Nations system organizations does not ensure a democratic and transparent organization for a world government in a multi-hierarchical integrated global world.

Already in 1987 in his article entitled Revitalizing the United Nations System[1] and with his special contribution to the 1994 Human Development Report,[2] by Nobel Prize winner and development expert Jan Tinbergen submitted that "*mankind's problems can no longer be solved by national governments. What is needed is a World Government.*" He suggested strengthening existing UN System, changing their nature from advisory to administrative character. Tinbergen noted that some essential institutions crucial for global income redistribution and financial stability are still missing and particularly highlighted that as the world economy is becoming increasingly integrated so the global income redistribution shall become. Consequently, he identified a need for creation of a World Treasury and taxes on the extraction industry, that through various systems of automatic taxation will connect resource and direct these revenues to cover urgent needs of individual countries where needed.

5. **Aid Fungibility**

As stated above, there seems to be a universal consensus, that government ownership must have paramount importance in the implementation of institutional reform to fight corruption, restore accountability, along with local capacity building and institutional development. The strengths and weaknesses, advantages and shortcomings of provision of international development assistance in the framework of programme-based approaches versus individual project finance in development cooperation to foster national ownership, has been at the heart of research by major financial and research institutions.[3] It has been recognized that provision of budget support increases ownership and accountability of national governments, it facilitates donor coordination and harmonization of procurement and financial management practices, and clearly reduces project support costs. Within the budget management cycle, inherent in public administration, it disseminates timely information among key national stakeholder and hence facilitates dialogue.

My own experience, as the Director of Aid Coordination Center of Armenia, confirmed that budget support is flexible and quickly disbursable, reduces transaction costs; it provides predictable

[1] Tinbergen, J../ Revitalizing the United Nations system. / Waging peace series, booklet 13. Santa Barbara, CA (1187 Coast Village Road, Suite 123, Santa Barbara CA 93108): Nuclear Age Peace Foundation, 1987
[2] http://hdr.undp.org/en/content/human-development-report-1994
[3] https://www.wider.unu.edu/sites/default/files/wp2012-068.pdf

development funding and contributes to building institutional capacity in developing countries and improves their efficiency and transparency when making choices over public investment programmes and other publicly funded projects. However, the development aid provided through budget support programmatic approaches is indeed fungible, which provides corrupt governments with ample opportunity to manipulate. Wherever the governments are not able to receive money for specific categories expenditures, they manipulate during the budget circle, by increasing the contribution from government local resources to the projects in the same category, redirecting the government's public resources to those fields where donor agencies might not be interested to finance, thus getting donor funding for other eligible categories for which the resources where artificially decreased. So, Donor accepts to give the Government Aid for Good Thing A and refuses to fund Bad Thing B ineligible under the project management and the procurement practices. And the "clever" Government then reduces its own spending on Good Thing A, one for one with the aid, eligible for donor funding.

Some researchers argue[1] that fungible[2] aid might entail significant risks as money might end up in the pockets of corrupt government officials or financing things unwarranted by taxpayers in the donor countries. The implementation of Agenda 2030 and continuous reliance of foreign aid in recipient countries with varying degrees of corruption, will call for more results-based aid or aid on delivery as this provides donors with better control over the use of aid resources.

6. Sustainable Procurement

Procurement statistics have been collected from organizations in the United Nations system and reported together since 1984, through the Annual Statistical Report on United Nations Procurement (ASR).[3] According to the most recent data available is for the calendar year 2019, when **39 organizations** reported a collective **$19.9 billion in procurement of goods and services**. These 39 organizations increased their procurement by a combined **$1.1 billion, or 5.9 per cent**, compared to 2018.

$12.3 billion dollars of UN funds were spent in developing countries, countries with economies in transition and least developed countries in 2019. Overall, this amount makes up 62 percent of the UN's total procurement spend for its operations around the world. UN spending on goods and services from least developed countries increased by $395 million compared to 2018, to reach a total of $3.9 billion – a 11.4 percent increase.

> What is sustainable procurement?
>
> *The UN operates to achieve the goals of peace, equality, sustainable development and respect for human rights. The way the UN manages its operations and procures should reflect these goals by providing clear signals to the market in*

[1] Kolstad, I. (2005): Direct Budget Support and Corruption, U4 Anti-Corruption Resource Centre, Chr. Michelsen Institute, Bergen, U4 Issue 1:2005

[2] Morrissey, O. (2006): Fungibility, Prior Actions, and Eligibility for Budget Support, in: S. Koeberle / Z. Stavreski / J. Walliser (eds.), Budget Support as More Effective Aid? Recent Experiences and Emerging Lessons, Washington D.C.: World Bank, 333-343

[3] https://www.ungm.org/Shared/KnowledgeCenter/Pages/ASR

favor of sustainability, innovation, and the promotion of the cleaner and more socially responsible products and services.
With the adoption of the 2030 Agenda for Sustainable Development, the UN system has been called to internalize the Sustainable Development Goals (SDGs), across policy, operational and administrative aspects.
SDG 12. "Ensure sustainable consumption and production patterns" and its Target 12.7 therein referring to the need to "Promote public procurement practices that are sustainable, in accordance with national policies and priorities" is clearly pointing at public procurement as one of the strategies towards the achievement of the Sustainable Development Goals.
Procurement can be seen as a "soft" governance mechanism to encourage markets to produce more sustainable products, and contribute to global efforts working to achieve resource efficiency, tackle climate change and address social issues ranging from human rights and gender equality, to decent work and employment.

The implementation of Agenda 2030 will entail addressing effectiveness and efficiency considerations when spending the limited financial resources. Definition of effectiveness:

Effectiveness consists of

1. Ability to state goals

2. Ability to achieve the stated goals.

This is in contrast to the definition of efficiency which is as follows. Definition of efficiency: Efficiency relates to

1. Benefits realized

2. Resources used.

And when speaking about efficiency the one thing where we have to try to get more for less, which means to get more sustainable development for the given the level of the government resources and the best way of doing it is clearly through the means of public procurement.

The underlying principles of the procurement process are achieving efficient use of limited resources ensuring value for money on the basis of analyzing and evaluating the life-cycle costs of goods, services or works. Since its inception; the United Nations procures goods and services from suppliers all over the world to support its activities and operations. During the recent years United Nations organizations undertook significant efforts to integrate sustainability considerations[1] into their procurement processes, in the context of the United Nations' continued focus on sustainable development. The UN Procurement Practitioner's Handbook (PPH), that is the main reference document and provides guidance in best procurement practices, processes and procedures was originally published in 2006, and has undergone an extensive update, improvement

[1] https://www.ungm.org/Shared/KnowledgeCenter/Pages/asr_sustainableprocurement

and re-design and content aligned with latest UN Initiatives, such as, the SDGs, One-UN procurement reform initiatives, and the UN Global Compact.

Sustainable Procurement is about modification of ongoing practices and policies by taking social and environmental factors into consideration alongside economic factors in making procurement decisions. The High Level Committee on Management Procurement Network[1] has defined SP as procurement that *"integrates requirements, specifications and criteria that are compatible and in favour of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs*".

I would like to conclude, by stating that the world today, is much advanced from the time of Tinbergen, who unfortunately went before us, unable to implement his greatest ideas during this bright culmination of professional career because of unavailability of data and much restricted communication and information technologies. With the advent of information and communication technologies, today we are given the luxury of application and a widespread use of electronic procurement systems where the governments' procurement administration by the virtue of the e-Procurement standards and requirements provides sufficient level of transparency.

Our generation is offered a unique opportunity of having real time data, enjoying the advent of information, communication technologies and the fruits of fourth industrial revolution, that create solid basis be able to monitor, control, supervise various policy actions to deliver maximum development impact towards the achievement of SDGs. Never than before there is a fertile ground for application of various detection and enforcement methods, regulations and tax systems that will enable policy makers to promote good governance; identify, assess and act on money-laundering risks; significantly reduce illicit financial flows; and deter, detect, prevent and counter corruption and bribery.

[1] https://www.ungm.org/Shared/KnowledgeCenter/Pages/PT_SUST

The Challenges of COP26

By Mohamed Khalil

I will share with you some views and remarks with regard to the challenges related to COP26, to kick off the discussion and the debate so that we can have, as you rightly pointed out, an interactive discussion and interactive dialogue.

The first type of challenge is related to the year where we are: 2020, five years after the adoption of Paris, and also the year when the real and effective implementation of the Paris agreement should start. And here we have a challenge related to the management of expectations, as this is the year when the Paris agreement should start being implemented. Of course, expectations are high with regard to what is expected as an outcome from COP 26. Definitely the issue of managing the expectation is a major challenge for COP26.

The other major and most important challenge is related to the question of ambition, raising the ambition. There is a need to increase ambition with regard to three main issues: to reduce GHG emissions, and with regard to adaptation as well as finance.

The problem is that the small incremental steps approach that used to be the way of doing things in climate change is not sufficient anymore. We need to go big. We need to go deep. And we need to be very ambitious with that, because climate change is no longer a distant threat for future generations.

It is the defining challenge for the current ones. The Paris agreement sets an objective of limiting the temperature to two degrees and to below two degrees to be 1.5. Now the science is telling us that in order to achieve that, we need not to exceed 40 Giga tons of CO2 equivalent by 2030 and not to exceed 24 in order to reach the one point five degrees. The current trajectory, if we are following a business as usual scenario, is leading us to from fifty nine to fifty three gigatons, This shows the burden that we need to deal with and this is why we need we need to multiply the level of ambition and to go well beyond what we are currently doing. This is a challenging task for COP26 is to raise ambition in an unprecedented way.

All these challenges were there before the covid-19 crisis.

So, of course, after the covid-19 crisis, the task is much more difficult and much more challenging now because there is the need to resist the tendency from countries to step back under the pressure from the covid-19 crisis, and we need to resist and encourage countries not to fall in the trap of addressing a systemic crisis by parking another one. But I believe also that the covid-19 crisis provides important and good lessons with regard to dealing with the climate imperative and climate urgency. The first one, I believe it's a preview. We've been talking a lot about the impacts of climate change. Of course, it can be fatal and extreme weather events that are taking place from time to time here and there in different corners of the globe are providing an evidence. But we have never witnessed what a systemic crisis would look like, and the covid-19 gives us a perfect example of that. And the only difference is the pace, the pace at which the crisis is taking place, of course, much more expensive than the climate one. But in terms of magnitude, in terms of the crosscutting effect and in terms of the complexity and multidimensional impact, it's very similar to what is happening with the climate. So this gives us a tool, too, in terms of messaging and in terms of pressing on the urgency aspect of it to explain to not only the those who are relevant or dealing with the matter of the special person, but even for the public. Now, they can have a preview of what we are talking about is going to look like.

Also, another lesson from the covid-19 is that when the danger is imminent, the potential is unlocked and swift actions are taking place and we've seen this in the responses to the covid-19 how countries rushed to a stimulus programs, how actions were taken in a swift way, and even public money suddenly with an unprecedented large scale was available. And one would come to a question why the same thing is not happening with the climate. What is the problem? Why we are not reacting the same way to the climate crisis if we all agree that it is something that it's going to be systematic as well and even it can be part of a much bigger and much larger magnitude. Is there a problem with the messaging, is there a problem with the communication and dialogue with the public and people and with the different stakeholders? I think this is something worth reflection.

Also, another lesson that is important and directly linked to the climate issue is the issue of finance, because I believe the issue of finance has been always the big elephant in the room that can unlock the potential to reach a solution or not. And I think the 2010 Cancún conference is a good example of that, that when there is a progress on the finance track, we can achieve good and important results as well.

So the issue of finance is relevant here because it has been always argued that public finance is not enough and we cannot mobilize public finances. But what we have seen with the covid-19 crisis is that countries managed to provide a stimulus package and huge and unprecedented levels from public finances.

So apparently, again, when really the issue is pressing and when there is a will and there is a need, then we can find solutions.

As I said, there are challenges related, of course, to COP26 even before the covid-19, which are related to reducing GHG emissions, progressing well with regard to adaptation and finance.

But even it becomes much more difficult and much more challenging with the COVID-19 Crisis. And I think. However, there are some good news. Not enough, of course, but good steps are taking place, as Marion pointed out in her remarks that we've been seeing lately, an announcement from countries to achieve carbon neutrality by 2050 and by 2060. This applies to the EU, China, Japan and Korea.

And of course, these are encouraging signals. But we would like to see more countries to come forward in this regard. We would like to see strong leadership from developed countries with regard to emission reductions and with regard to provision of finance.

And I believe if we can get the right signals, this will help addressing the challenges related to COP26.

Challenges for Glasgow 2021 for Travel and Tourism

Professor Geoffrey Lipman President SUNx Malta

A brief introductory word about SUN^x Malta - the Strong Universal Network - a legacy to the late Maurice Strong – the father of sustainable development and climate activist since the 1972 Stockholm Earth Summit, which he organized. Friend and mentor to both Felix Dodds and myself since the Rio Earth Summit, which he again ran. An inspiration for generations of global thought leaders and decisionmakers.

To quote Achim Steiner, Executive Director of UNDP and UN Under Secretary General "*Strong will forever be remembered for placing the environment on the international agenda and at the heart of development. He shepherded global environmental governance processes — from the original Rio Earth Summit, Agenda 21 and the Rio Declaration to the launch of the UN Framework Convention on Climate Change and the Convention on Biological Diversity."*

We created **SUN** - **S**trong **U**niversal **N**etwork, in 2010, after the Copenhagen Climate meeting COP 15, to keep a focus on the critical intersect of Travel & Tourism and Climate Change and to apply Maurice Strong's Vision of Sustainable Development and Climate Resilience. It was originally part of his plans to establish a World Environment University and it morphed into a stand-alone entity, when progress on the larger design faltered. We added the "X" a couple of years later to always remind ourselves that the Climate Crisis is eXistential. And then partnered with the Government of Malta, (Ministry of Tourism and Consumer Protection and Malta Tourism Authority, as well as ITS Institute of Tourism Studies) to centre our global activity on that small beautiful Mediterranean Island State, that put Climate Change on the UN General Assembly agenda, back in 1987.

This review focuses on the action needed for Travel & Tourism to play its part effectively in the UN 2030/2050 Roadmap generally and specifically considers COP 26 as another global staging post on the multi-decade green and clean future.

The reality is Travel & Tourism has to date only been marginally involved in the UN led activity on sustainability and climate resilience - the lead industry bodies have engaged in a very limited way, with sporadic engagement by company and community champions.

UNWTO World Tourism Organization, (consisting predominantly of Tourism Ministries), as a specialised UN Agency since 2000 has made all the right noises and created a nice website to showcase SDG related initiatives but it has scarcely been an active player at national and local level, where the rubber hits the road. Nor in the articulation of the kind of radical strategic policy changes that are needed to meet the targets of the Goals and particularly the Paris 1.5 scenario.

WTTC World Travel & Tourism Council (with nearly 200 of the major private sector players) has been more visible on the climate front. It was an early advocate for green tourism in the 1990's, ran a high profile sustainability awards program for some years and was an early supporter of a Climate Neutral Ambitions commitment, but it's only in the past year that it has actively advanced its implementation programs – partnering with SUN^x Malta in an annual sector Climate Friendly Travel report and the important launch of a Climate Friendly Travel Registry, linked to the

UNFCCC. It has also recently established new governance structures aimed at upping its sustainability and climate game.

Meanwhile the pivotal aviation sector that transports 40% of all international travellers and a significant portion of domestic, runs on a parallel, but less ambitious agenda than Paris, under the auspices of the 1944 Chicago Convention that forms the basis of International air travel operations and regulation. The lead organizations ICAO International Civil Aviation Organization - a UN Agency of governments and IATA International Air Transport Association with some 200 Airline members have established policies and mechanisms for carbon reduction to 2050 - most notably it is rolling out over the next 5 years CORSIA: Carbon Offset & Reduction Scheme for International Aviation. However, to date its ambitions, developed through an aviation coalition ATAG Air Transport Action Group are far lower than the Paris 1.5 scenario, aimed at 50% of 2005 levels. The major exception are the world's airports under the auspices of ACI, who were early adopters of a 2050 Carbon Neutral goal – albeit without taking any responsibility for the actual air transport operations at their facilities.

A somewhat similar situation can be seen for cruise shipping, which also operates under a separate Convention led by IMO International Maritime Organization, with modest targets of reducing greenhouse gas emissions from shipping by at least 50% by 2050 as compared to 2008 emissions. The cruise industry has its own coalition "Getting to Zero" for climate neutral *research* with an emphasis on new technologies and low carbon propulsion.

Against this background, in 2019/20 together with WTTC, SUN[x] Malta took a scan of Travel & Tourism Climate action. The general findings were that the combined impact of transport, hospitality, travel services and all the associated traveller determined activity, directly and indirectly, drives 10% of the world economy and accounts for a growing 5-8% of CO_2. More than 5 billion trips are taken every year, with 80% domestic, using aggregated services from long supply chains around the world – that are very sensitive to climate shifts. Our product has been built on predictable weather - that is increasingly unpredictable, as a result of climate change. We are a central part of modern life and our disruption is felt across the global economy. - we touch everyone, everywhere. And in turn Travel & Tourism is very exposed to the Climate Crisis.

The bottom-line conclusion was that we are not going far enough: fast enough and it's time to up our game. To do this, the sector must seriously intensify both its ambitions and its internal programs given its role in global economic activity and social development and that it must strengthen its relationship with UNFCCC and the Paris 1.5 Agenda. It also stressed the important linkages with all of the SDGs.

That conclusion has not changed with the COVID Crisis. *It has intensified and will continue to do so*.

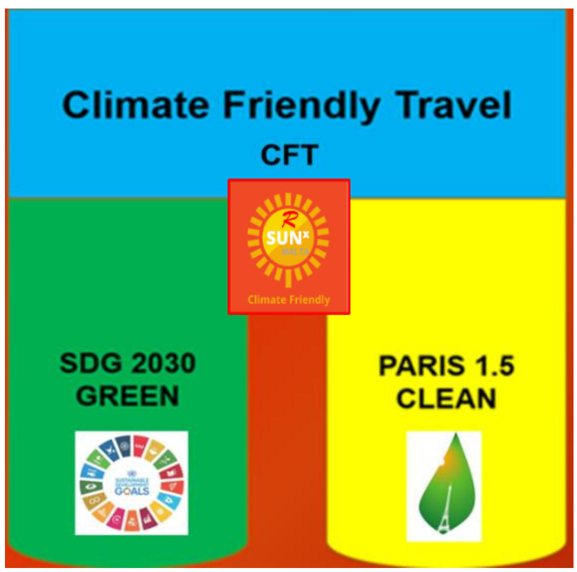
The Climate Crisis is like COVID on steroids and even while dealing with massive human, business, and operational challenges of COVID, we must also respond to the crazy storms, floods, droughts, forest and permafrost fires, as well as the human displacement, misery and conflict it causes. – all of which are indicative of the growing Climate Crisis This year was one of the hottest on record – our assault on planetary boundaries is suicidal.

We must deepen our climate response and bend our trend of carbon emission, in line with the rest of industry. And we must start now, or our grandkids freeze or fry.

SUN^{x} Malta – working closely with WTTC, with its sector leadership role - has created a "systems approach" to encourage transformation NOW. Turning Ambition plus Action into Achievement– our triple A formula for a green & clean future. And drawing on the lessons of the COVID setback - to build back better – learning from the more constructive experiences - the less frenetic travel pace from the zoom meetings: the enforced awareness of nature's power and the brilliance of its green solutions: as well as the quieter, more reflective life moments from lockdown and cleaner emission realities – where our kids can actually see the skies and hear the birds sing.

At SUN^{x} Malta, we call this Greener – Cleaner Future simply **Climate Friendly Travel (*CFT*)** – low carbon: SDG linked and Paris 1.5 Pathway.

- **The SDGs** provide a 10-year framework for a Green transformation
- **Paris 1.5** gives a 30-year strategy for a Clean transformation.



It's noteworthy that The UN Secretary General has recently said "*all post pandemic Tourism should be Climate Friendly"* But as Secretary General Guterres well knows, this future will not just emerge from Ambitions alone. It will require assessment of carbon reduction, measurement, and projection, as well as reflecting national and regional carbon reduction frameworks. This will be a central challenge to work with companies and communities to encourage them to readily embrace the frameworks and the metrics. It will also have to reflect the SDG goals, targets and indicators, most relevant to their own long-term vision, and the role of Travel & Tourism in it.

As A Primary Action, we have built a UNFCCC linked Climate Friendly Travel Registry for 2050 Ambitions designed to help Travel & Tourism companies and communities create **Clean** carbon reduction strategic and operational plans to complement their **Green** Sustainability ones. Participation on the CFT Registry supports plan development and public transparency; allowing travellers and regulators to "Trust but Verify" commitments and avoid greenwash. There is a support system with people to help and aggregated web-based resources, as well as a Climate Friendly Badge to showcase commitment and good practice. There are also SDG 17 partnerships to provide outreach for promotion for registrants.

In developing this new Registry, we were conscious of three overriding imperatives –

First to align our technology with that of the official UNFCCC Climate Action Registry, to ensure that the two systems could interface seamlessly. This we accomplished by using the same technology provider to build the SUN^x Malta Registry and by working closely with UNFCCC technology staff as we constructed the platform.

Second to ensure that the metrics themselves, that we were tracking, would be identical to those that were required by the UNFCCC under its science-based standards. which for the most part would be unfamiliar to all but the largest and most committed Travel & Tourism Community or Company, who might already be involved with an active climate coalition outside our sector. We achieved this simply by incorporating UNFCCC standards in their entirety. We added broad data requirements for the SDGs because of their key role in Climate Friendly Travel, with an emphasis on SDG 13 Climate Action because of its existential nature and SDG 17 Partnerships because they allow us to readily extend outreach. We put much store on the SDG 17 network we have been establishing over the past 5 years. The task ahead is massive and beyond the capabilities of any organization alone – we must build the green and clean future within win-win accords with visionary, likeminded partners,

Third to hire top class staff, to help companies and communities not only to join the Registry, but to work with them to help develop their Sustainability and Climate Strategic Plans. We were fortunate to find Dr Hans Friederich as Registrar after a distinguished career for many years as a senior executive at IUCN International Union for the Conservation of Nature and latterly as Director General of INBAR – the intergovernmental Organization for Bamboo and Ratan based in Beijing. We also brought on board Rose Mukogo as Support Services Manager, after a long career in government and nature-based tourism activity in Zimbabwe.

We launched the Registry in late 2020, with support from the President and CEO of WTTC as well as the leadership of Malta's Minister of Tourism. We are confident that in the coming months, an increasing number of Tourism companies and communities will sign onto the Registry and that over the next few years it will prove to be an invaluable tool to help move Travel & Tourism into the mainstream of global response to the Climate Crisis, as well as to supporting the Sustainable Development Goals.

In looking to the benefits of such engagement, there are a number of clear elements that we believe will help companies and communities to improve their operations. These include: -

- The CFT Registry is the only direct link from the tourism sector to the U.N. Climate Action Platform and the Paris Climate Agreement

- It also connects to the SDGs, to help stakeholders to respond to a wide range of environmental impacts.

- It helps companies and communities develop their own strategic sustainability and greenhouse gas reduction plans.
- Lowering carbon emissions should reduce operating costs, improve staff morale, and help meet customer satisfaction.
- Travellers are increasingly going green and clean when planning trips – this is a growing cross demographic market segment, with a strong drive from younger people.
- Words are no longer enough; it needs committed action now. By providing carbon data and reduction targets, registry stakeholders will be able to monitor progress and, over time, review their performance against sector benchmarks
- Governments from the EU and US to China are legislating for Climate Neutrality. By joining the CFT Registry companies will be able to get ahead of this curve.

Perhaps the pivotal issue from this extensive list is the importance attached to the Sustainability and Carbon Reduction Plans the companies and communities will be encouraged to develop and to file on the Registry. For most, this will be new territory and it is exactly why we have provided for a two year "development" period for such plans. We will also seek to encourage CFT Registry Members to reflect on their core mission and life goals and to help them establish their green and clean pathways, set within the context of national response to the 2030/2050 Roadmap.

As regards Sustainability the pathway through the 17 goals: 169 targets and more than 200 indicators is complex. As regards Carbon Reduction and Climate Neutrality, the complexity is compounded by the need for clear metrics that are coherent in the context of a Paris 1.5 vision.

As a focal idea we are mindful of what Maurice Strong himself said at the Stockholm Summit "*Everybody's actions are motivated by their inner life, their moral, spiritual and ethical values. Global agreements will be effective when they are rooted in the individual commitment of people, which arises from their own inner life.*" CFT is based on this philosophy. We are confident that our support services and curated information will help to guide stakeholders through the maze of emerging targets, indicators and laws that are on the near horizon in many countries.

Our Secondary Focus has been on Education, believing that future generations have the resolve and the skills to play a central role in responding to the Climate Crisis and in helping the sector make the fundamental changes that are needed. We've launched a Climate Friendly Travel Diploma, with ITS: the Institute of Tourism Studies in Malta, to build a transformation support capacity into future operations. Young activists trained over the coming years, to become 100, 000 STRONG Climate Champions by 2030 to seed national change makers communities in all UN States. Excitingly we will extend the Diploma with ITS into the massive Chinese Travel & Tourism marketplace in the second half of 2021, working closely with CBCGDF the China Biodiversity Conservation and Green Development Fund.

And together with partners in Canada (Thompson Okanagan Tourism Association), Europe (ITS Gozo), and Asia (Mekong Tourism Development Corporation) - this year 2021, we will hold **SEYS**, the first Annual **S**trong **E**arth **Y**outh **S**ummit for Climate Friendly Travel, to reach out to a much broader community of young people to help shape the green and clean future we all aspire to. This is again designed to place a strong emphasis on the place that young people will play in defining and delivering the strategies needed to adapt to the changing Climate and its impact on travel. It will also highlight the pivotal role that Maurice Strong played in creating the global UN Transformational Framework and his continuing actions to engage Travel & Tourism in the mission.

We will also present “The Strong Awards”, with Les Roches Hospitality, to inspire tomorrow’s visitors and visited to identify breakthrough innovations that could positively help the sector transform. This is a continuation of a longstanding collaboration focused on Les Roches annual Shiftin Festival to promote Sustainable Tourism and the importance of full community involvement.

I will underscore our deep commitment to this next generation – whose world is really what we are fighting for. And who have such a demanding need for Climate Action now and exhibit such determination and positive creativity. We must embrace and help channel their enthusiasm and support their just demands for a decent life opportunity. We must look at our world through their eyes. And tune out much of our routine business as usual and gradual change mindset. In short, we must be prepared to act now.

Looking ahead to 2030, through what we call a decade of Climate Friendly Travel and beyond that to Paris 2050, together with WTTC, we are encouraging companies and communities – to Register, to commit to Climate Friendly Travel: to fully implement Sustainability and Climate Action Plans: to engage with tomorrow’s young leaders – for example, sponsoring them for our CFT Diploma and inspiring them in a broader community outreach action to help create tomorrow’s Travel & Tourism, with a Green & Clean future that Maurice Strong so clearly saw.

Working with our sector stakeholder leadership – in lockstep with World Travel and Tourism Council - SUN^x Malta will showcase this renewed commitment in the COP 26 framework and to the broader global community. We will engage where we can, as stakeholders and as participant in the side events and preparatory meetings. We hope future actions inside and outside the sector will then build on COP26 and recognise that Travel & Tourism can and must play an increasing role in helping to deliver the Paris Climate Agreement

As Maurice Strong always said “The future will not just happen it will be what we make of it together.” That vision for continuous positive change can be found in his closing words at the first Earth Summit half a century ago.

“I believe that, as we leave now, we must do so with determination to build on the foundations we have laid here in Stockholm. If we do not, then this Conference will have been a brief flash, a meteor burning its way through the blackness of space.

And I believe that we will build together -- that we will continue together to work for the achievement of the larger, richer future which the collective will and energies of mankind can shape -- that we will together continue our long journey towards a creative and dynamic harmony *for all life on this Planet. I believe we will because this Conference has demonstrated that the United Nations is at the heart of our turbulent and troubled world. It has demonstrated that, if Governments given it their support and cooperation, it can and will play a vital role in bringing harmony between man and the natural systems, which support this life.*

And if it does, perhaps then it is not too much to hope that it can and will fulfil the hope of the UN Charter and inspire a peaceful and just world community in which diverse states and people co-operate for the common good of all mankind."

A Re-Energized Scientific Approach for Governance of Disasters due to Climate Change for Sustainable Development

By Professor Catalina Spataru

Introduction

The United Nations' (UN's) Sendai Framework for Disaster Risk Reduction 2015-2030 recommends the strengthening of disaster risk modelling, assessment, mapping, monitoring and multi-hazards early warning systems; as well as the promotion of comprehensive surveys on multi-hazard disaster risks [1]. In the same time, equitable disaster risk reduction and resilience (DR3) is a core component of sustainable development, relating to 25 targets across 10 of the 17 sustainable development goals (SDGs) [2]. The urgent need for states and stakeholders to work together towards equitable (DR3) was reinforced in the UN's 2030 Agenda for Sustainable Development, with a pledge that "no one will be left behind" [3]. The success of the SDGs and the Sendai Framework will thus, in part, be measured by the progress in implementing disaster risk reduction in rational and inclusive ways to build equitable resilience.

Currently DR^3 measures are often managed in isolation from broader sustainability efforts, challenging the overall progress of SDGs. Unfortunately, the increasing complexity of pre- and post-disaster risks raise many uncertainties about socio-economic advances and ecological integrity in countries around the world. Since 1980, weather-related hazards have accounted for 74% (US$2.6 trillion) of total reported losses, 87% (18,200) of total disasters, and 61% (1.4 million) of total lives lost [2]. The number of weather-related hazards such as droughts, floods and heat waves has tripled, and their frequency and intensity are expected to continue increasing, adding greater pressure on resource availability. These risks are amplified by climate variability and change and made more complex by changing patterns of human activity.

The weather-related hazards have increased significantly and expected by 2030 more people to be exposed to the full range of natural hazards and climate extremes. We have to mention that coastal cities and islands are highly vulnerable to extreme events, and some have highest concentration of people and infrastructure and at the frontline of the effects of climate change.

Statistics shows that by 2030 there could be 325 million people exposed to the full range of natural hazards and climate extremes [4]. Global average annual losses from disasters are forecast to increase from US$260 billion in 2015 to US$415 billion by 2030 [5]. Furthermore, global supply chains are increasingly interconnected so that when a disaster occurs, the impacts ripple across countries and regions [6]. Achieving equitable DR^3 therefore means creating governance tools and processes that support sustainable and equitable disaster risk-sharing, retention and financial protection across global supply chains.

For these reasons it is fundamental to Re-Energize governance for equitable DR3 through transdisciplinary research combining quantitative and qualitative approaches. This chapter summarizes a Collaborative Research Action and consortium, initiated, developed and lead by the author entitled "Re-Energize Governance of Disaster Risk Reduction and Resilience for

Sustainable Development (Re-Energize DR3)" [7] awarded by the Belmont Forum [8]. Next section summarizes the approach undertaken together with the methods considered.

Exploratory Science for Multi-Level Governance Bringing Equity at The Centre Of Decision

The author put together an international scientific research agenda and team of researchers and academics from 11 universities, 4 continents, 7 countries (UK, USA, Qatar, Japan, Ghana, Mauritius, Italy) to address the interactions between disasters and sustainable development for effective disaster risk management and develop innovative and implementable strategies and technologies to help reduce disaster risk and enhance societal coping capabilities. Re-Energize Governance of Disaster Risk Reduction and Resilience for Sustainable Development project emphasizes the importance of community involvement in disaster risk management planning and the role of legal principles and institutions in reducing asymmetries in knowledge and power within a society. In conditions of post-normal science, where facts and indicators are uncertain and values are disputed, there is need for a normative-institutional approach involving diverse stakeholders and the ponderation of legal principles. The project team members have different skills and backgrounds, underpinning different disciplines: social science, computer science, environmental, law, engineering, climate. The purpose is to provide exploratory research regarding multi-level governance approaches for prioritizing disaster planning and recovery, strategies for equitable distribution of resources to vulnerable people for disaster planning and recovery with primary focus on flood, heatwave, and drought disaster types. One key aspect we consider is the distribution of resources and powers among different institutions and sectors. With respect to this, legislation plays a key role in managing risks and increasing future resilience of disasters, by setting out the norms (rules and principles). Of great importance is the integration and coordination at multi levels and the regulated risk-related decisions, actions and responsibilities and their laws.

We developed an innovative analytical framework, through a mixed of quantitative and qualitative methods and approaches. We collected data from a variety of sources, conducted our own empirical research, verify the output statements generated from the empirical work with relevant experts and practitioners through interviews and workshops. We use the key governance principles of commitment, participation, horizontal and vertical coordination, knowledge, monitoring, continuity. We link them with the 2030 Agenda and principles of universality, partnerships, interconnectedness and inclusion by leaving no one behind.

Through the state-of-the art in the assessment, monitoring and management of DR3 analytical phase, we concluded that conventionally, policy makers develop risk assessments and response plans through unsystematic processes and focus on a limited number of indicators. In risk assessment and planning, indicators typically include technical measures of weather patterns, infrastructure status and demographics, while social indicators for community resilience (such as social capital) are overlooked. In the post-disaster allocation of resources, indicators tend to focus on costs and benefits while neglecting process measures of the democratic legitimacy of decisions, justice and human rights [9,10]. As such, conventional government approaches to the use of indicators for DR3 lack transdisciplinary expertise [11], with challenges being even greater in developing countries [12]. What we need is resilience indicators related to distributive and procedural justice concerns in disaster management. Furthermore, most of the laws focus more on the response and recovery strategies and lack recognition of risk reduction strategies. The Hyogo and Sendai Framework as well as IFRC define the inclusion of risk reduction activities and strategies in legislative documents through themes that include the provisions of early warning system, provision of community education and public awareness, improving building codes, law use planning, land tenure and informal settlement, provision of risk-sharing and insurance, improving public participation in DR3 activities. The literature on resilience underlines the need for a resilience theory that enables decision makers to engage with questions of equity. Key elements of equitable resilience building developed in [13] are based on recognizing subjectivities, inclusion and representation, working across scales and transformative change.

In our project, we use a mixed-methods survey of researchers and stakeholders with elicit expert views on the existing use of disaster indicators in different locations around the world. We focus specifically on the priorities and values for decision-makers to reduce risks and enhance resilience, manage the effects and drivers of these risks, and more importantly reduce exposure of vulnerable communities. This phase will reveal the strengths and weaknesses of these indicators from different perspectives. Follow-on interviews will reveal the experts' underlying reasoning, bringing attention to disciplinary, institutional and geographical differences in their assumptions, judgements and problem framings. In terms of stakeholders' identification, we sample and select them in strategic and logic ways, according to their relevance to the research goals, questions we address in the research and methodological approach. From review, informal conversations and engagement, previous relevant scientific documents, we identified relevant stakeholders with legitimate interest in DR3 policy and governance, adapted from the framework suggested in [14] using a venn diagram to categorize stakeholders based on their power, legitimacy and urgency. For the engagement process, a number of methods including Policy Delphi, Q method, Balanced Scorecard, engage with stakeholders through interviews and focus groups, to identify the indicators identified in line with the three areas identified: type of respondent (categorized according to power, legitimacy and urgency), category (finance, process, beneficiaries, learning and innovation) and disaster phase management (anticipation, assessment, prevention, response and recovery).

This will help to overcome 'silo' thinking for disaster prevention and response, providing the first step towards an integrated process. Furthermore, will inform and input into the integrated modelling platform development phase, which includes a number of well-established and developed tools and here I particularly mentioned two of them:

- The Resource Allocation tool for Disasters Assessment and Resilience due to Climate Change (RA.DAR) which was developed at UCL Islands Laboratory [15] for optimal pathways of resource use in case of a disaster considering different groups within society and their needs. It covers the resource nexus concept and the trade-offs between use of resources (water, energy, land, food) under different climatic conditions [16]. Integrating equity principles for resource allocation into the tool will allow us to more accurately reduce risks by putting the most vulnerable neighborhoods on the map.

- The Artificial Intelligence for Digital Response (AIDR) tools which was developed by HBKU-QCRI [17] an open source software platform built to filter and classify social media messages related to emergencies, disasters, and humanitarian crises; data which can be then ready for use in dashboards, maps or other analytical programs. Combining data from satellite imagery, seismometers, with location-tagged social media will provide an understanding of early warnings and verify reports in real-time.

The translation of evidence into a modelling tool is inevitably selective and contestable, as interpretations of the evidence differ between experts and practitioner communities [18, 19].

The survey and in-depth interviews for end-user will be applied and tested for participants from governmental and non-governmental organizations to identify how the legal principles in the field of disaster law under the legal framework of end-user is being operated by its institutional structures and if there are procedures for systematized and rational balancing of principles in ways that include multiple views of different stakeholders for legitimacy of decision-making. Community engagement, ownership, participation and indigenous/local knowledge are frequently stressed in the reviewed literature of resilience [20-22]. Furthermore, recent literature underlines the need for a resilience theory that enables decision makers to engage with questions of equity. A key insight is that there are four elements to equitable resilience-building [23]: recognizing subjectivities, inclusion and representation, working across scales and promoting systems transformation beyond adaptation. While each issue is critical, the recognition and addressing of all four under our methodology, and their interactions, aims to promote equity in resilience practice.

Intellectual Merit

This research emphasizes the central role of communities in the governance of DR3, bringing in equity as a core element of DR3. As global supply chains are increasingly interconnected so that when a disaster, of course, now impacts ripple across countries and regions as well. So we should think globally and act locally and leaving no one behind us. So to do that, we need to gather some evidence based strategies to avert, minimize and address loss and damage. So research primary focus in climate action is to prevent negative climate impacts with the fact the island states or coastal cities and so on. So, for example, climate justice is an area of research that frames climate change as a political and ethical issue, but not solely as a problem underlying environmental change. There are many complexities and uncertainties as we are ready to deal with.

From the analysis there are three main areas, where decision makers need to pay more attention and efforts:

- First, inclusive governance, by creating governance processes and tools that support sustainability and equitable disaster, risk sharing, retention and financial protection across global supply chains.
- Second one is the normative institutional approach, which involves diverse stakeholders and with one direction of legal principles. In other words, we need to adopt current

resilience plans because none of the sector security and resilience plan seems to account for equality and justice aspects.

- The third one is to establish equitable, resilient standards by frame it from the perspective of equity.

In terms of research and methods, there are three things that require support from the research communities. One of them is related to indicators. Current indicators that value resilience don't really account for vulnerabilities. So, the integration between disaster risk reduction, resilience, ethics agenda, climate change agenda entails reassessment the indicators currently considered. We need to define indicators that value resilience adequately and to drive mitigation in ways that accounts for vulnerabilities. Another key aspect is the lack of disaggregated data. Data does not support the understanding of a full impact on vulnerable groups and inequalities in resource allocation for response, preparedness for recovery of disasters. And the third thing is we need to adopt the more necklacing for methodological approach.

So in our case, we combine quantitative and qualitative research dimensions, by using artificial intelligence (AI), machine learning (ML), natural language processing (NLP), resource nexus (RN) type of quantitative research methods with qualitative methods (surveys, in-depth interviews, workshops) and deontological approach (values and principles) and transmission of research agenda via stakeholders and international advisory board, with the aim to transform the qualitative and quantitative data into more actionable insights [20]. We address the simultaneous interaction between climate related natural disasters and development for disaster risk management. We acknowledge the role of community involvement in disaster risk management planning and the role of legal principles and institutions in reducing these asymmetries in knowledge and power within the society. Within that framework depends on the progress in implementing the equitable disaster risk reduction resilience. And that involves this complex data processes and stakeholder engagement across all the governments levels. Generating real-time maps highlighting vulnerable areas and communities by incorporating different indicators learned from various sources such as ground-truth data, sensors, social media and combining ML, AI, NLP will enable their users to ask specific targeted questions and receive answers drawn from messy, real-world datasets. The application phase of the integrated toolbox and adaptive governance solutions for selected disasters type (floods, droughts, heatwaves) into frameworks of action and implementation at end-user level (selected islands, coastal cities) will reveal that it can be adapted and adopted to other locations globally with the support from key global organizations.

By crossing disciplinary, institutional and geographical boundaries, this research will be a valuable addition to planning capability because it will:

(i) Enable effective collaboration to ensure discussion leads to action;

(ii) Provide the means for a holistic view comprising economic, environmental and social aspects of alternative options;

(iii) Create adaptive governance approaches which is imperative for equitable DR3

(iv) It will enable dynamic interaction and learning across the research partners and stakeholders.

The transdisciplinary outputs and guidelines will thus support decision-makers and communities to advance equitable disaster risk reduction through effective management of pre- and post-disaster risks placing vulnerable communities at the centre of all efforts.

Furthermore, we expect the main beneficiaries to be communities, cities and islands themselves., key decision makers, operators, businesses, and wider society. We expect short-term, mid-term and long-term impacts. Short -term impacts arising from the research outputs and engagement with stakeholders, collaboration and partnerships; mid-term impacts will come from the use and application of our tool, methods and techniques along with other partners; and wider applicability, with appropriate training and dissemination; and long-term will emerge from capacity generated through partnerships.

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We are in a Climate Emergency

By Hindou Oumarou Ibrahim

I am an environmental activist, indigenous peoples' rights defender and Indigenous woman of the Mbororo people in Chad. For more than twenty years, I've worked to advance international recognition of the importance of indigenous peoples in the fight against climate change. It is very important to see how global governance can engage the national and local levels to lead in this fight. Let me start by sharing some examples from the local and community level that show how we can do it. First, we know that the Paris Agreement established the goal to limit global warming to a maximum of 2 degrees, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. Let me share an example from my indigenous community in the Sahel region. We have already experienced an increase of 1.5 degrees Celsius. Imagine, if the world sees an increase of 2 degrees Celsius, for my peoples in the Sahel region it's going to be 3 or 4 degrees Celsius. Climate change is uniquely impacting island states and the most vulnerable around the world. That is why we are already engaged at the national and local level. We will continue to push for global leadership, but we can't afford to wait to take action.

It is critical for indigenous peoples and vulnerable communities to take action to mitigate and adapt to climate change. In my community and across the Sahel region, more than 70 percent of the people are farmers, pastoralists and fishermen. They depend on the rainfall. If there is not enough rainforest and fertile land, they cannot find the necessary pastures for their cattle or wealth land for agriculture. If there is not enough water in the rivers, they cannot catch fish. Climate change is changing the life and livelihoods of these communities. Action starts with local organizations at the community level who can help tackle climate impact and equally important is the national determined contribution. The Climate Policy Initiative said local organisations work very hard to see which specific term we can include to help communities to get recognised. One example – I work with my organisation to see how they can include a human-rights-based approach in work on climate change.

We cannot talk about climate change at the local level without putting human rights at the heart of the discussion because this is also about the right to healthcare, the right to water, the right to food and shelter, the right to land development, and the right to self-determination. So human rights are very important for us. It is also especially important for us to consider at the local level how we can stress and empower global leadership on gender equality. Women are more than half of the population. When we are taking about how the rural areas are impacted by climate change, we know that women are at the frontline of those who are most impacted they often, for example, have to walk to retrieve water. We have also to become innovators and build solutions from the local level to help create our national adaptation plans. Our action at the national and community level informs our advocacy at the international level.

How can we make sure the new technology and science of present day see eye to eye with the traditional knowledge of the indigenous peoples? The solutions we develop need to include indigenous peoples' traditional knowledge already recognized in the agreements. While it is true these agreements are established at the international level, we need to translate these agreements at the national level and help governments set up a dialogue between indigenous peoples, scientist, government officials and other relevant stakeholders. This will help enable us to translate these agreements to include traditional knowledge in national policies and national plans for adaptation and respect our rights.

We need urgent action on adaptation and resilience to protect our communities from extreme weather events. Through all the different actions we are doing, I think we have a lot of lessons to learn about how we can contribute to and make the most of COP 26 in Glasgow.

We need to share and learn how we can increase the resilience and adaptation of communities at the local level. We also need to figure out how governments can collaborate with each of the civil society groups – local communities, indigenous peoples, women, youth and other stakeholders – to create inclusive national adaptation plans and how these plans will be fully financed. We have seen how the resources have been marshalled to fight Covid-19 and how governments are listening to the scientists. They must use the same lesson -for climate change - at the local level to see what resources they need for action at the local level.

The amount of the funds that the international community is going to commit in Glasgow to climate adaptation and mitigation will be critical to our fight for climate justice.

When we have all the human and financial and technical resources that are needed at the local level secured, we need fast action to secure our adaptation and resilience.

We are in a climate emergency.

People are already dying, and we need to make sure we are leaving no one behind.

Global Citizens' Assembly on the Climate and Ecological Emergency – COP26

By Claire Mellier-Wilson

The Global Citizens' Assembly (GCA) on the climate and ecological emergency was launched in December 2020 to coincide with the fifth anniversary of the Paris agreement.

What is the GCA on the climate and ecological emergency?

The GCA is a global scale deliberative process which will bring together everyday citizens from around the world to discuss the climate and ecological emergency in the run up to COP 26. This is not a one off process. It has been designed to become a permanent piece of global governance infrastructure. We are not starting from scratch as we are building on what's been done in previous COPs in Copenhagen in 2009 or in Paris in 2015, with processes such as World Wide Views. But this time we are aiming to reach a wider audience because we feel the scale of the climate and ecological emergency requires ambition. So this might sound unrealistic to some people, but we feel that's what what's needed and we hope we will achieve our ambition to scale up deliberation.

The aim of the Global Assembly is to bring together ordinary citizens from all around the world to make recommendations to COP26 on what priorities and tradeoffs for the future should be. These citizens will be a representative snapshot of the world population. They will be chosen by lottery, following the principles of sortition, not self-selection, and will be broken down by gender, age, economic background, geography. Random selection is quite a powerful argument because anyone on that basis could be selected. But in parallel to the Core Global Assembly, distributed events will be held in order to increase awareness and participation. We believe this is addressing a criticism of current deliberative processes, which are very meaningful and have a lot of depth in the deliberation phase, but fall short of scaling up the conversations to support wider participation and awareness. Here we are aiming to combine deep deliberation through the core assembly and wide participation via the distributed events.

Why a Global Citizens' Assembly?

There are five key reasons why we think we need a global citizens' assembly on the climate and ecological emergency:

- To address global challenges: our global governance arrangements have struggled to tackle global challenges like climate change, global finance, coronavirus, regulation of corporations or digital ethics.
- To improve global democracy: most people's voices have been absent from global governance. This means that when political and business leaders gather together to make key decisions at the WHO, Davos or UN Climate Conferences these decisions are made in a democratic vacuum. The vast majority of people have had no voice at all at the global

level. The permanent members of the UN security council is a small club representing just five countries: China, France, Russia, the UK, and the USA. And even in these countries citizens very rarely vote for their elected members based on global issues, which means that our global institutions have less democratic legitimacy than they need. Add to this the increasing influence of global corporations on global governance and the limited influence of many countries especially from across Africa, Latin America and Asia and the democratic deficit is obvious.

- To strengthen justice: most people and especially the world's poor have been absent from global decision-making. Much of our daily lives, from the quality of the water we drink, access to education and digital interactions are determined by organisations operating at the global level. It's vital that now we seek to bring these decisions back within the democratic system; most especially for the world's poorest. The point and morale authority of democracy is justice. The protests that have swept the world in 2019 and 2020 have been unified by their demands for improvements to democracy, be it students striking for climate justice or the Lebanese calling for fairer financial policies and reform of their political system.
- To overcome polarization: our systems of global governance have created division and stagnation. Voting systems which erode empathy; and consensus based decision-making which lack the ambition or pace to address the challenges we face. With the Global Assembly, we will bring together new voices many of whom will have a different analysis of the situation and what we should do. Not everyone will agree on what actions to take; but when we support careful listening between them new and unexpected ideas will emerge. Participants will be supported to share their deepest fears and hopes and stay true to their principles, which in our experience will generate deeper understanding between them. Understanding which is the catalyst for new possibilities to emerge.
- To truth: global governance has been defined by smoke and mirrors. Data on pandemics and climate change is hidden and politicians claim to know what the people think when they haven't even asked them. The Global Assembly would be defined by truth. Sharing with people the best evidence we have on the issues we face. Including the areas of contestation within the science that always exist. And citizens would be supported to interrogate and respond to that evidence to give their views on what should be done in response.

Why citizens' deliberation?

When policies affect people's lives and they are an active agent in the solution, they have the right to participate in the policy-making process. This is not just a moral argument but one of efficacy, for two reasons:

- citizens tend to come up with better policies than politicians because they are often closer to the issue and not constrained by having to 'play the political game', and

- in order to get citizens' cooperation and buy-in to difficult decisions it's vital they are engaged as equal partners in the policy process.

Our struggle is about the shift from top-down representation to participating together in partnership. The shift from parent-child to adult-adult. It is about acknowledging that if we want to protect and increase our freedoms whilst addressing the crisis we face requires citizens to acknowledge the leadership role they play; and to do this governments must treat people as equal partners in the change process. It is about the shift from passive democracies to active democracies.

There is a body of evidence that climate deliberation can lead to much more ambitious climate policies than what politicians come up with. You might have heard of the Irish Assembly, which took place in November 2017. But more recently, in 2020, in France and the UK two of the most high profile climate citizens' assemblies were initiated. Laurence Tubiana, the architect of the Paris Agreement, was chair of the Convention Citoyenne pour le Climat. Obviously, she understands climate diplomacy very well and how hard it is to develop ambitious climate policies which have public buy in.

We are currently witnessing major tensions on how deliberative democracy outcomes dock into the existing representative democracy apparatus. In France, President Emmanuel Macron and his government have been accused of cherry picking some measures from the Convention Citoyenne and watering down the more ambitious ones. We are currently learning a lot from these processes.

How was the Global Assembly conceived?

The assembly has been co-designed with citizens, institutions, climate scientists, social movements and citizen participation practitioners. Throughout 2020 we have worked closely with grass-roots social movements to ensure that it is owned by and hard-wired into the real concerns of communities across the world. This has included around consultations with over 200 grassroots leaders, academics and creatives from the global south. The logo Akoma Ntoso is an ancient Ghanaian adinkra symbol, directly translated as "linked hearts". Akoma Ntoso symbolises the deep understanding, agreement and harmony possible when we communicate from the heart. It also represents unity, that all people are connected. It was chosen by citizens involved in the coproduction process which included Ghanaian citizens.

What will the Global Assembly consist of?

- **Citizens**

The Core Assembly will be digital by default, but distributed events will take place face-to-face based on organisers' discretion and local Covid-19 regulations and best practice.

Local contexts will determine what is possible in terms of the type of 'lottery' selection. In some cases, it will be done in person (door-to-door and on street recruitment) or over the phone (landline and mobile phone) using existing databases, but some places don't have post-code databases, let alone electoral registers, and mobile phone ownership is only 61% of the world population. We are also giving careful consideration to how we interpret the concept of "the citizen" in a global context. Indeed, the term "citizen" can be exclusionary if we draw a population sample from the boundaries of the nation state. Our methodology is taking the principle of inclusion very seriously, and we will ensure specific groups such as stateless refugees, asylum seekers or migrant workers for instance are included in the sortition selection process.

Anyone will be able to run their own distributed local assembly processes. This would mirror the 'core assembly', using the same resources and process, but it will be self organised by local groups (e.g. community, organisation or school). There would be no expectation that these local events would follow strict citizens' assemblies' rules such as stratified sampling of participants or professionally facilitated group deliberation etc. The purpose of the distributed events is to widen participation and allow anyone who wants to take part to be able to do so.

- **Cultural support**

Throughout 2020 we have been building a global network of cultural support. This is what raises assemblies' profile, increases the participation rates and the impact of the recommendations. To give you a flavour of some of who we are working with:

- The hip hop based Y'En A Marre movement in Senegal
- A pan African network of over 100 musicians that include Baba Maal and Femi Kuti
- Oscar winning director Asif Kapadia is already developing a documentary on the assembly

- ➢ Mexican, African and South American ‘indigenous wisdom keepers’
- ➢ Warp Productions to engage cutting edge electronic artists
- ➢ Massive Attack, Jeremy Deller, Brian Eno and Sir Mark Rylance

This network is a global bank of creative responses to the idea of a global assembly. This is not an exercise in celebrity endorsement, but an invitation for creatives to provide their own responses to the project through whatever medium they use.

- **Institutions**

To develop the Global Assembly, we have been working with the UN High Level Champions for COP26, COP 26 hosts (the UK and Scottish governments), the UNFCCC and the UNSG. We also hope to have an official relationship with the IPCC and many national governments as well as the numerous other institutions and businesses who have a stake in the climate and ecological emergency. Through the co-design process it has become clear that the citizens contributions will be relevant beyond the official COP26 negotiations; including to the G20 Summit hosted by Italy in 2021 and G7 Summit hosted by the UK and a wider set of global institutions such as the WHO, World Bank, IMF and WTO. We will support liaison between the GA and the various other relevant events and audiences.

- **Media**

We know that a key factor for whether citizens’ assemblies achieve change (especially to policy) is the extent to which they generate wider public debate; and generate interest from large numbers of people in the process who are not directly involved in the process itself. We will therefore work with media organisations to raise the profile of the Global Assembly. We also hope that media organisations themselves will host distributed events across their organisations so their staff can personally engage in the global assembly and consider the roles their industry could take in addressing the climate emergency.

- **Civil society**

Most climate citizens’ assemblies which have happened so far around the world such as in France, the UK, Ireland, have been initiated by governments or parliaments in a top down way, but the Global Assembly is very much a bottom up process. It has been initiated by civil society, climate and social movements both in the Global North and Global South. Civil society will have a key role to play in amplifying the distributed element of the Global Assembly.

10 principles underpinning the Global Assembly

We designed the Global Assembly based on our learning on climate deliberation over the past two decades in. We think there are 10 key principles which should underpin climate deliberation.

1. Make transformative or incremental change a conscious choice. Citizens need to be supported to understand the difference between transformative and incremental change and develop recommendations through that lens.

2. Be future-focused by sharing all possible scenarios. Citizens need access to data that provide the best possible guesses regarding the effects of climate change, but the data should be presented in a tangible way to illustrate the real consequences for people's lives locally, nationally, and globally. The scenarios should not be sugarcoated but rather include both the bleak and optimistic forecasts and the likelihood of each occurring.

3. Look at mitigation and adaptation as two sides of the same coin. Current Climate Citizens' Assemblies (CAs) tend to focus on climate change mitigation, but even if the Paris Agreement target is met, people's lives will still be impacted by issues stemming from climate change—such as sea-level rises and food and water security—matters that citizens will have important views on. Citizens should at least be given the choice to discuss adaptation.

4. Design a highly robust independent process. Mainstream climate politics are characterized by passion and polarization. Therefore, it is vital that the GA process and its governance are beyond reproach. Key decisions—such as on the agenda, the selection of experts, and who votes on what—need to have a robust and publicly defensible basis.

5. Maximize representation when possible. Citizens' Assemblies gain credibility when they can claim that the whole population is represented. And, of course, the greater number of people involved, the more representative the process will be—to give an analogy, the more pixels you have, the truer the picture will be. Size matters, especially when working on politically charged topics, because politics is a numbers game. Processes involving more people are more resilient to political scrutiny.

6. Create a national debate. Perhaps the most impressive statistics coming out of the Convention Citoyenne pour le Climat were that 70 percent of all French people surveyed had heard about the convention and that 62 percent were supportive of most measures. This not only generated a powerful mandate for change but also a movement of people who engaged with the convention via the media, discussed it with their friends and families, and are now putting pressure on their politicians to implement the recommendations. The Global Assembly should aim to generate a similar public debate at the global scale.

7. Create, and build awareness about, the Global Assembly with the involvement of civil society, citizens, government, businesses, and the media. Having all the involved actors set the framing question, agenda, and voting method is essential to ensure buy-in. Allowing citizens to influence the agenda fosters ownership and creativity, and involving the media is necessary to create a global debate. Also, given the key role of businesses, it's important for them to be seen as partners in the process.

8. Foster emotionally intelligent participation. As already mentioned, many people find it hard to emotionally digest the possible traumatic impacts of climate change, leading them to either downplay their scale and urgency (known as flight) or become part of a highly polarized debate (known as fight). Most climate citizens' assemblies today do not provide emotional support and stick to what might be called type 1 communication (a simple exchange of opinions) or type 2 communication (a discussion of beliefs and values). Instead, citizens' assemblies should engage people in type 3 communication (a fostering of governing sentiment that addresses people's hopes and fears). This is not group therapy but rather, as described by Professor Otto Scharmer, a precondition to developing transformative responses with the critical benefit of dissolving group polarization.

9. Explore how change happens. Probably the biggest block to the impact of any citizens' assembly is "politics as usual." Even if an assembly has the support of decisionmakers (for example, members of the executive, such as Emmanuel Macron in France) as well as their commitment to not filter the recommendations, politics can get in the way, as already seen in France. AmericaSpeaks—which pioneered citizen summits and twenty-first-century town hall meetings (in many ways the predecessor to citizens' assemblies)—supports participants to understand the wider political environment of how change happens. Sometimes this approach results in citizens' acting as advocates for their processes, and sometimes it involves developing specific recommendations in light of the environment. Either way, it means that the processes are wise to the demands of realpolitik.

10. Generate hope by design. Although the vast majority of people now believe that climate change is an urgent challenge, there is still little hope that much can be done about it. Many people think that this lack of a positive narrative on tackling the crisis is perhaps the biggest barrier to creating political momentum for change. Therefore, the Global Assembly will seek to spark global public debates, and could become important creators of new hopeful narratives.

Further, Faster: How the US Climate Alliance is Driving Greater Climate Ambition and Action

By Julie Cerqueira,

The U.S. Climate Alliance is a coalition of governors committed to supporting and upholding the goals of the Paris Agreement. This initiative was launched in June 2017 by the governors of California, New York and Washington after President Trump announced his intent to withdraw the United States from this international accord. Three and a half years later, the Alliance has grown into a bipartisan coalition of 25 U.S. governors spanning the country. Notably, these governors have made climate action a top priority and are working together – on the frontlines – to protect their communities, rebuild their economies and create family-sustaining jobs. Collectively, this group now represents more than half of the U.S. population, 60 percent of U.S. GDP and 40 percent of U.S. emissions. To put these figures in perspective, only the United States and China have larger economies. And if this coalition was its own country, it would be the sixth largest emitter in the world. That's real scale – and impact.

To help states achieve their goals, the Alliance focuses its work on three specific objectives. First, we help states implement and achieve their policy priorities by providing technical assistance and a platform to collaborate on solutions and strategies and share best practices and challenges. Second, we elevate and amplify the voice of these governors, both internally and externally. When 25 governors come together around a single issue, commitment or request - that resonates. There is true strength in numbers. Finally, we seek – and push – multistate climate action and solutions that can drive markets and help the U.S. rebuild a national framework for climate action. Notably, this unified, coordinated approach is already helping create a roadmap for further climate action at both the state and federal level.

This state-led action is possible, in part, because of the highly decentralized structure of authority in the U.S. Under this system, U.S. governors, through executive and regulatory action, and state legislatures, through legislative action, have tremendous power. So too do cities and even small towns, which continue to find ways to confront the climate crisis. This arrangement has allowed states and local governments to get things done – even in the absence of federal action or guidance. It has also made it possible for coalitions, like the Alliance, to drive national policies and impact national emissions in ways they otherwise couldn't in a highly centralized system of government.

This state authority and action has taken on considerably more importance in recent years as the Trump administration has moved to undo a broad array of climate regulations, policies and actions. This includes attempting to vacate critical methane rules, refusing to ratify the Kigali Amendment to the Montreal Protocol to reduce hydrofluorocarbons, and pushing to weaken standards limiting vehicle emissions – the primary source of pollution in the U.S. Through all of this, states not only backstopped federal rules unwound by the Trump administration, they also pushed forward with even more advanced, ambitious policies.

In fact, nine Alliance states have set economy-wide carbon neutrality goals by mid-century or earlier and 16 have 100 percent clean energy goals. Another 16 members of our coalition limit vehicle emissions through nation-leading clean car standards. Alliance states are also regulating oil, gas, methane and hydrofluorocarbons, implementing aggressive appliance and building efficiency standards and pursuing new nature-based climate solutions. Perhaps most importantly, Alliance states have continued to demonstrate – and prove – that this sort of climate action goes hand-in-hand with economic growth and prosperity. From 2005 to 2018, for example, Alliance states increased economic output by 16 percent per capita, while decreasing emissions by 14 percent – far outpacing the rest of the country. These states also outpaced the rest of the nation in clean energy employment, adding more than 133,000 new jobs in this sector from 2016 to 2019. They also employed more than 2.1 million Americans in these good-paying jobs before the pandemic. It’s no coincidence or surprise then that these state-led policies make up the building blocks of the Biden administration’s climate plan.

With a new resident at the White House, and a drastic swing in policy priorities, there is a valuable opportunity to forge a new kind of state-federal climate partnership – and get even more done together through greater coordination and collaboration. The Alliance’s governors, in particular, have an important role to play in helping the U.S. not just meet new climate goals, including net-zero emissions by mid-century, but also in expanding ambition. These states have long served as the country’s innovators and accelerators, testing and pushing new ideas and policies before they're scaled up nationally.

Additionally, states and the federal government have a chance to share technical, policy and scientific expertise, assistance and resources. In the near term, Alliance states are well positioned to support the new administration as it works to backfill the numerous government entities hollowed out by the Trump administration. And while many of the Trump administration’s climate-related orders and rule changes can and will be quickly reversed by the Biden administration, it will be up to these states to protect against further damage while other more time consuming and durable federal regulatory, legislative and policy fixes are pursued.

Given the crisis we face and the limited time we have, it’s clear we need all hands on deck. We need more leadership – and action – at every level of government. And we need more collaboration. Everyone has a role to play. The Alliance and its governors know our future is at stake. No matter the headwinds, we will continue to press forward together.

We Can't Wait for Governments - Time for a 'Coalition of the Willing!'

By Felix Dodds

Sustainable Development Goals

There are years when multilateralism moves forward substantively, and 2015 proved to be one of those years.

Figure 1 Sustainable Development Goals

In August 2015, governments agreed to the "Addis Ababa Action Agenda" which helped frame where the funding would come from to help deliver the implementation of the 2030 Agenda for Sustainable Development that includes the Sustainable Development Goals (SDGs) and action on climate change (UN, 2015).

The SDGs themselves were agreed in September 2015 as part of the larger "Transforming our World: the 2030 Agenda for Sustainable Development" UN General Assembly resolution 70/1. Finally in December 2015, 197 countries adopted the Paris Climate Agreement at COP 21.

The SIDS Accelerated Modalities of Action (SAMOA) Pathway and the Sendai Framework for Disaster Risk Reduction complete the sustainable development landscape. These agreements are interlinked and supportive of each other, and their targets are key to delivering on many of the SDGs and the Paris Climate Agreement.

All of these agreements recognised that governments by themselves would not be enough to deliver the commitments and, of particular focus in this chapter, the climate targets.

Even though we are still experiencing the impacts of the COVID-19 pandemic and will do throughout 2021 and perhaps 2022, it has given us some extremely useful insights into the ability of our governments to take appropriate action when faced with a crisis.

There have been some great examples of political leadership taking on the pandemic in countries such as Iceland, New Zealand, and Singapore. But there have also been some disasters in the United States, the United Kingdom, Sweden, Brazil, and Russia, in particular. As governments around the world now begin to roll out the vaccine, we need to ensure we learn from the responses to this pandemic. These lessons should not just be applied to how we can address future pandemics, but also should help inform our approach to combating climate change over the coming years.

The closing down of much of the economy during the pandemic had a devastating impact on the most vulnerable and poorest in our communities. It has increased the inequality within and between countries. This is something that should not happen again – a lesson that needs to be learnt.

On the other hand, there were some positive environmental impacts because of the reduction in pollution. Our waterways were rejuvenated and our air became cleaner. Our social media feeds saw some amazing photos and videos of animals taking over some towns, the herd of mountain goats that descended on the Welsh seaside town of Llandudno, the monkeys that took to the streets of New Delhi, the puma that ventured into Chile's capital Santiago and the wild boar that roamed an Italian town. However, one of the dinosaurs enjoying themselves in a town sadly turned out to be doctored.

The Paris Climate Agreement

Figure 2 UNFCCC COP 26 Glasgow

The decision, due to the pandemic, to postpone the United Nations Framework Convention on Climate Change (UNFCCC) Glasgow COP 26 to 1-12th November 2021 creates a real opportunity.

Governments can make improved commitments to accelerate the delivery of keeping the world's climate rise to only 1.5 or 2 degrees by the end of the century.

This isn't just an opportunity for greater commitments from governments, but from stakeholders, as well.

Where are we with commitments for carbon neutral pledges?

Here at the beginning of 2021, it is a good time to take stock of what the government commitments for climate change look like under the Paris Climate Agreement.

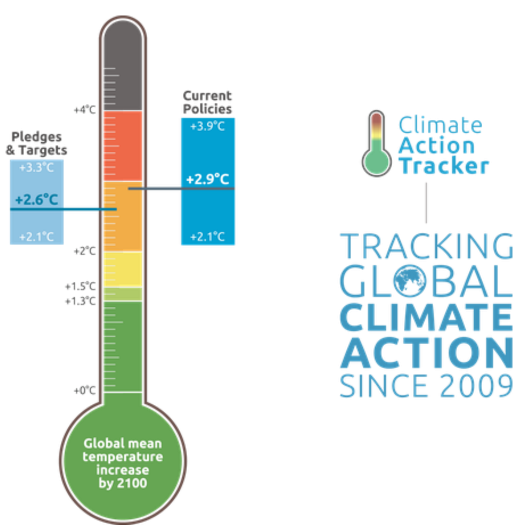

Figure 3 Carbon Tracker

The climate tracker (November 2020) is predicting that present pledges would see the temperature rise to around 2.5 degrees Celsius by 2100.

As of my writing of this chapter in March 2021, several countries have increased their commitments under the Paris Climate Accord to achieve carbon neutrality. The announcement by China, for instance, to become carbon neutral by 2060 is a huge commitment and would result in a reduction of projected temperature rise of 0.2-0.3 degrees Celsius alone.

Some countries have legislated to deliver carbon neutrality by 2050; these are (as of 2021) the United Kingdom, France, Denmark, New Zealand, and Hungary. Sweden has committed to an even more ambitious timeline of achieving carbon neutrality by 2045. Others are in the process of introducing legislation include the European Union, Spain, Chile and Fiji.

Some other countries have made policy commitments; these are Finland (2035), Austria (2040), Iceland (2040), Germany (2050), Switzerland (2050), Norway (2050), Ireland (2050), Portugal (2050), Costa Rica (2050), Slovenia (2050), Marshall Islands (2050), South Africa (2050), South Korea (2050) and Japan (to achieve as soon as possible in the second half of this century) [source Carbon Tracker, 2021]. The difference here is that policy commitments are more easily changed if a government is elected that does not take climate change as seriously.

Recovery Packages and their Impact

There are some particularly good lessons from the recovery packages in the aftermath of the 2008 financial crisis where we saw several countries invest in green technology. The 2008 recovery packages included substantive green technology investment as a % of their overall spending; in South Korea, it was 80%, in China, 35%, the European Union, 58%, and in Germany, France and the United States, 20% (according to the February 2009 HSBC report *A Climate for Recovery: The Colour of Stimulus Goes Green*).

There are some good signs that this will be replicated for the recovery packages from the pandemic. South Korea has already pledged over 80% of their recovery packages for COVID-19 targeted at green technology. The European Union 672.5-billion-euro recovery and resilience facility has allocated at least 37% of the funds to support a transition to a greener economy. The election of President Biden with a Senate majority will mean the US accelerating their commitments on climate change. Expect a big infrastructure bill which will include the establishment of a national electric car recharging system and a huge push for renewable energy development.

Can we wait for governments to act?

The Rio Earth Summit in 1992 was a critical conference because the main outcome document Agenda 21 had nine of its forty chapters about the rights and responsibilities of stakeholders in society (UN, 1992).

Agenda 21 recognized nine stakeholders: Women; Children and Youth; Indigenous Peoples; Non-Governmental Organizations; Local Authorities; Workers and Trade Unions; Business and Industry; Scientific and Technological Community; and Farmers.

Underpinning this "Stakeholder Democracy" is the theory of change that believes that:

"involving stakeholders in decision-making processes makes better informed decisions which in turn means that stakeholders are more likely to want to be involved in the delivery of that policy by themselves or in partnership with others." (Dodds et all, 2019)

Over the last nearly thirty years, stakeholders have emerged as helping governments make better policy decisions with the SDGs and the Paris Climate Agreement as two exceptionally good examples.

Multi-stakeholder Partnerships

There are over 5,251 stakeholder commitments registered on the UN website (UN, 2021) working by themselves or together in partnership to help deliver these key global plans. Of these, 1,070 are for helping to deliver SDG 13 on Climate Change.

Then there are other SDGs that have an impact on helping to deliver on climate change:

- SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture, 746 commitments and partnerships.
- SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all, 686 commitments and partnerships.
- SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, 1,210 commitments and partnerships.
- SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, 524 commitments and partnerships.
- SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable, 685 commitments and partnerships.
- SDG 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, 680 commitments and partnerships.
- SDG 12: Ensure sustainable consumption and production patterns, 872 commitments and partnerships.

Other SDGs not mentioned also contribute, but not as much, to helping deliver the climate change targets.

In addition to these mentioned on the UNDESA SDG Partnership Platform, a similar approach was launched for the Paris Climate Conference in 2015 by the UN Secretary General Ban Ki-moon who, in September 2014, hosted a Climate Summit at the UN in preparation for the 2015 Paris Climate Conference. In this, he not only called for government commitments but said:

"We are anticipating an impressive turnout of leaders from [government,] business, finance and civil society. Most important, we are expecting significant commitments and progress." (Ki-moon, 2014)

At the Paris COP 21, it was agreed that action should come from governments as well as from cities, regions, businesses, and investors, in particular. The Lima-Paris Agreement acknowledged that "all actors [stakeholders] are recognized in the Paris Agreement" (UNFCCC, 2021) to help deliver on climate change targets.

The Climate Action platform on the UNFCCC website lists 27,493 actions by countries (191), cities (10,693), regions (243), companies (4,299), investors (1,143), organizations/stakeholders (1,983) and cooperative Initiatives (149). These have been quantified over short, medium and longer term.

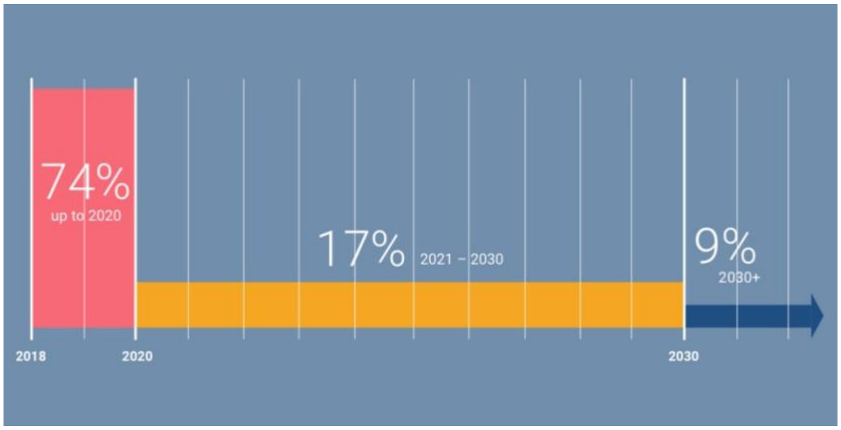

Figure 4 UNFCCC commitment dates to deliver actions

This shows the need for a replenshment of stakeholder commitments for the Glasgow COP as the vast majority were to be delivered by 2020.

A breakdown of these commitments is highlighted below in Figure 5, which shows that a majority focused on emission reduction.

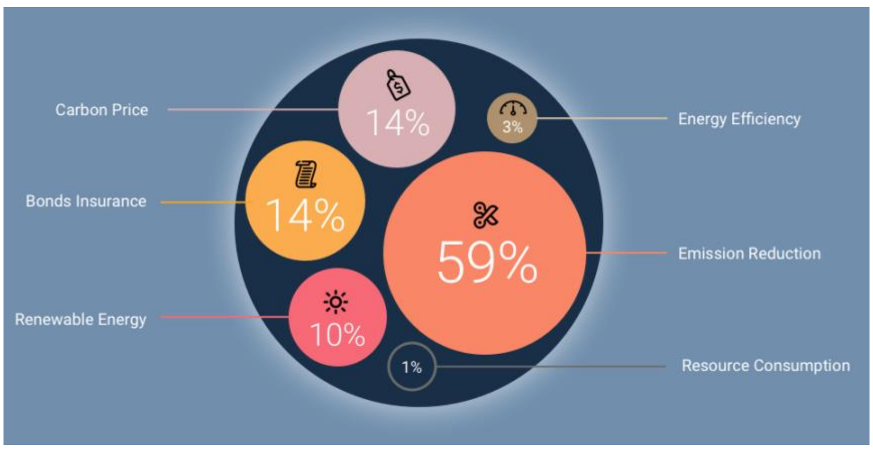

Figure 5 UNFCCC breakdown of commitments

Do we trust governments?

The track record of governments delivering on their international commitments has not been a great one over the years, with perhaps the exception of the Montreal Protocol on Ozone Depleting Chemicals.

The election of President Trump in 2016 and the misinformation about climate change peddled by most of the oil companies and many on the political right has shown that, by itself, a government commitment cannot be trusted. This has been acknowledged by UN Secretary General Ban Ki-moon and Christiana Figueres, the Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC), in the runup to COP 21 in Paris.

More recently launched at the Madrid COP 25 in 2019 was the Climate Ambition Alliance of Cities, Regions and Business, covering 992 businesses, 449 cities, 21 regions, 505 universities and 38 of the biggest investors.

Collectively, the Alliance committed to achieving net-zero carbon emissions by 2050. This commitment is nothing less than monumental because this group represents real economic stakeholders covering a quarter of the global CO2 emissions.

In response to the Trump Administration's decision to withdraw the United States from the Paris Climate Agreement, a U.S. coalition was formed – 'the US Climate Alliance' – committed to supporting and upholding the goals of the Paris Agreement. Another chapter in this book by its Executive Director Julie Cerqueira explains the role they have played in advancing climate action at the state and local level.

This has shown that what is needed in ALL major emitting countries is a "Coalition of the Willing," similar to that of the global Climate Ambition Alliance of Cities, Regions and Business.

National coalitions can supplement the work that governments are doing and act as both a multi-stakeholder supporter of government policy and a watchdog that makes sure governments keep their word. With cities, regions and businesses setting their own 2050 (or earlier) targets to achieve carbon neutrality, they will have an impact on their supply chains and their investors. They can also ensure the work continues when a government less committed to addressing climate change is elected.

The upcoming Glasgow COP 26 should not only be about governments increasing their targets to achieve carbon neutrality, but should also encourage the creation of national multi-stakeholder platforms with the support the international Climate Ambition Alliance of Cities, Regions and Business.

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The challenges of Private Sector Financing of Climate Change – what can the Glasgow COP achieve?

By Paul Clement-Hunt and Gordon Noble

Founding Partners in **The Blended Capital Group** need to mobilize rapidly U$ trillions via the capital markets through private finance, through the deepest pools of investment capital, through sovereign wealth funds and, essentially, through a re-imagining of public-private financial cooperation to blend investment aggressively to tackle global warming head on. Equally, and in parallel, we have to build local markets that drive sustainable development at scale in the world's frontier and emerging economies. Massive global inequality sits as a foundation stone for accelerated climate change as billions of people in the last mile are financially starved of the option to build resilience and empowerment through clean energy options.

If we don't address these realities, we won't get a result for the 2015 Paris Climate Agreement. Deep global inequity complicates the climate finance challenge beyond imagination. There is a complete disconnect between the capital markets and the world's deepest pools of concentrated capital held mainly in the G7/G20/OECD countries and the two billion people at the base of the pyramid in the last mile. These are the communities left furthest behind and who will experience the impacts of climate change more directly than anyone else.

Why do we say this? Well, for the last eight years, we've been working with sub-Saharan African businesses and NGOs often supporting the agricultural value chain. The capacity and capability to mobilise private capital in any way, shape or form to those entrepreneurs, businesses or projects through main stream channels, through debt, through equity is unbelievably difficult. And that's a failure of imagination from what we term as "timid capital." This reality needs to be understood inside the CoP. How do we finance the entrepreneurial, climate-aligned businesses in the Sahel, in Latin America, in southern Asia? Mainstream capital, with few exceptions, simply ignores these last mile businesses to a large extent.

And we're talking of a need for thousands of funds dedicated to flow the U$ trillions that are needed by the last mile. Finance needs a new imagination. Our suspicion is the culture and imagination inside so many mainstream financial institutions is lacking. We believe that inside those grand and powerful financial houses, the fundamental change which is needed is a culture change or we will not see the funds flowing at the scale we need into the climate in coming decade. Culture change within finance? Absolutely. This culture change is required along the entire investment chain from the ultimate beneficiaries of pension funds and insurance reserves to the investee corporations whose innovation and risk-taking drive growth.

We have to educate governments. We have to educate pension trustees and policy makers. A lot of government officials do not understand private finance, the ones that do tend to come in through the revolving door between Wall Street, the City of London, and Chiyoda Ku as they go into government for a while. A critical challenge is how do we regulate, monitor and incentivize culture change within the broad mainstream finance sector and ensure they understand that the systemic risks they face around climate and inequality is what will blow their assets out of the ground over the next few decades?

Box 1: The U$ multi-trillion elephant in the room

Paul Clements-Hunt's December 7th, 2020, presentation to "Climate Change and governance preparing for Glasgow COP 2021":"My first direct involvement in climate change was in 1992 while I was living in Bangkok and making the professional transition from journalism to business. What was then the Oxford University Environmental Change Unit (ECU) had presented a paper in the Thai capital exploring the impacts of temperature rise on the productivity of agricultural communities in Thailand, Malaysia and Indonesia. One stat I recall vividly was that at 42 degrees centigrade productivity of agricultural out-growers declines precipitously. I turned the ECU presentation into a feature for the UK magazine, New Scientist, collected my freelance fee, and was hooked on the immense challenge of global warming.

Later, as an industry lobbyist for the International Chamber of Commerce (1998-2000) and then as a United Nations official heading up the United Nations Environment Programme Finance Initiative (UNEP FI from 2000-2012), I attended all UNFCCC CoPs[1], back-to-back, from CoP4, Buenos Aires in 1998, to CoP 17, Durban in 2011, missing out only on the Cancun CoP in 2010. I also parachuted into CoP 21 in Paris in 2015 to present a project for the UN Secretary General's Executive Office (UN EOSG), the launch of the Cities Climate Finance Leadership Alliance (CCFLA) and the Bangkok-Johannesburg Blueprint supporting it.

Over those 17 years my biggest take away from the UNFCCC annual negotiations was that the great elephant in the room was the role of private finance whether in the banking, investment, insurance or reinsurance spheres. More specifically, it was the question of how public and private finance could interact effectively to mobilize the U$ trillions needed to address global warming. Sure, year in year out, there were many fancy "CoP side events" exploring finance, investment and insurance, there was the challenge and aspiration created by the October 2006, 700-page Stern Review, and there was the hope of the U$ 100 billion pledge and green climate fund from CoP15, 2009 in Copenhagen, but the heart of the issue, and the specifics of "how", were never firmly gripped.

Governments and international officials from a broad range of multi-lateral agencies were far too focused on the circa 15% of finance drawn from public pots rather than how to mobilize the 85% of finance to tackle climate change which was estimated as what was required from private sources to move the global warming indicator in the right direction. Fault did not lie with the public sector alone as many in private finance and investment were happy to parade at the CoPs but, with few exceptions, were not prepared to enter into real discussions with government and

1 The United Nations Framework Convention on Climate Change (UNFCCC) entered into force on 21st March 1994. Now, some 197 nations are members to the Conference of the Parties (CoP). The acronym UNFCCC CoP is used to describe the annual UN meetings of all members to discuss climate change.

multi-laterals unless the pathway to short-term profit was crystal clear and paved in prospective carbon gold.

In short, we lost almost 20 years avoiding the necessary focus on how to incentivize and mobilize private markets to tackle climate challenges at real scale.

Throughout this period my simple calculus, with a foundation of growing frustration, was that if we're not moving U$ trillions to decarbonize the future then we were locking in a four, five, six degree reality of engineered catastrophe for a lack of vision at true financial scale. Politicians and the highest UN officials were inevitably talking about U$ billions and, ultimately, hundreds of billions but not U$ trillions as they teetered along the diplomatic high wire with a vipers pit of swirling developed-developing country CoP politics and horse trading below them .

And so for UNFCCC CoP26 in Glasgow, Scotland, convening in Q4/2021? A chance perhaps for UK Prime Minister Boris Johnson to re-boot his deeply battered reputation as, despite backing a prospective new coal mine in Cumbria just over the border from the great Scottish mercantile city, he has grasped onto the Global Britain leads the way on a clean, green, sustainable agenda going forward. We'll see?

The evidence? A powerful example is our experience in the Sahel over the last five years. By 2050, the close to two hundred million people living there in 2021 will rise to 500 million people in the vibrant communities across the 11 countries which make up the region. How do we get real finance to flow to the communities and the entrepreneurs we work with and who need finance?

Seventy five percent of the population is under 21. How do we optimize the opportunities provided by the demographic bounce coming to the Sahel? How do we improve agricultural value chains? How do we defend against desertification? It's going to take a complete reimagining of private finance and private markets.

Get the Sahel right and you can achieve the same anywhere on the planet.

Here we look at a range of critical "must do's" to build sustainable markets which can deliver for all 7.8 billion on the planet climbing to 9-10 billion by the Century's close. The Chapter is divided into the following main sections:

Historical development of markets

Evolution of market practices

Investing in systems resilience

Markets for sustainable development

Summary

We argue that to deliver on the United Nations' Sustainable Development Goals (SDGs)[i], the forward-looking global financial community needs to focus on the creation of local markets that deliver development outcomes at real scale. History tells us that local infrastructure – social, physical, economic, financial – creates the fabric of vibrant communities. In an era of financial globalisation, the emergence of massive pools of capital controlled by a limited number of markets means many billions of people will be left behind unless finance is re-imagined.

As the financial system grapples with how to allocate capital to areas including provision of infrastructure services, repair of natural systems, addressing inequality and investing in communities, as well as developing countries and frontier economies, there is a need to understand how markets are created, and for that we need to go back into history.

Diverse and localised markets are essential if we are to deliver the SDGs. The key word here is markets, not market. The current situation where a small number of stock exchanges including NYSE, FTSE and NASDAQ dominate global financial markets does not support true sustainable development.

Historically a key element of market activity was always local. A key insight from the historic development of stock exchanges is that the key invention that created the first stock exchange was the establishment of a mechanism to transfer an asset from one person to another. It was not, as we may commonly think, to price an asset. This insight has implications in the development of new markets in areas including natural capital and impact investment. The establishment of market architecture that facilitates trading is critical to the scaling of new innovations in sustainable finance.

A fundamental role of a financial system is to allocate capital efficiently. As Walter Bagehot wrote in Lombard Street, a classic text on money markets written in 1873, "Thus (English) capital runs as surely and instantly where it is most wanted, and where there is most to be made of it, as water runs to find its level".[ii]

As we scan across the horizon of the global financial system we can see that there are major gaps where, due to factors including investor and regulatory practices, finance is simply not flowing.

Essentially, we argue that the herding of institutional investment into large pools of "timid capital[iii]" coupled with passive investment is an impediment to sustainable development.

In addition to providing the definition of sustainable development that we use today, Gro Harlem Brundtland also argued that sustainable development was a "process of change". There is a need to understand the importance of international financial system partnerships that have been developed over the course of the last 25+ years. In this regard we highlight that there is a difference between a financial system and the finance sector. The finance sector consists of those institutions such as banks, investors and insurers that enable the financial system to operate efficiently. The financial system itself includes governments, regulators, businesses and households

We believe that there is a need for a new and urgent conversation between all financial system participants including governments, business, households and finance sector institutions that is focused on localizing the SDGs. We would propose a target of 0.5% of all financial capital is committed to investment outside of the major financial centres. We are not suggesting that investors will not have many challenges they will need to address to ensure that investments are successful. The way to solve these challenges is by forging a broad financial system coalition that consists of all stakeholders including governments, regulators, business, civil society and financial system participants.

The Chapter's key arguments are:

- Diverse and localised markets are essential if we are to deliver the SDGs.
- There are major gaps where, due to factors including investor and regulatory practices, finance is not flowing.
- Without investment there is no influence to improve practices.
- Sustainable development is a "process of change".
- The establishment of market architecture that facilitates trading is critical to the scaling of new innovations.
- The elements that must come together to drive transformation are the establishment of platforms for collaboration amongst diverse groups and preparedness to support innovations to address system impediments.
- A target of 0.5% of all financial capital should be committed to investment outside of the major financial centres.
- Without action there is also a danger that "timid capital[iv]" in the developed world will miss out on the scale, vibrancy and potential of frontier and emerging market investments. Such investments will include the SME base in non-OECD countries and the last mile entrepreneurs starting to disrupt traditional value and supply chains by taking advantage of the blossoming convergence of digital, pay-as-you go (PayGo), fin-tech, machine learning (ML), artificial intelligence (AI), e-mobility/drone technology, and the "internet of things (IoT)".

Historical Development of Markets

Gaziantep, may seem an unlikely place to reflect on the structure of global financial markets. Located in Turkey's Anatolia region the city is famous for its mosaics and its baklava. It is also just 97 kilometres north of Aleppo in Syria. By 2015 2 million refugees had passed through the city. In one 24 hour period alone 200,000 refugees arrived. The city itself successfully hosted 560,000 refugees.[v]

The city's success at integrating refugees into its economy and society was the reason that it was chosen by the United Nations Development Program (UNDP) to host the International Forum on Local Solutions to Migration and Displacement in November 2019.[vi] Mayors from 13 countries and 4 continents met with stakeholders from UN agencies, governments, municipalities, cities, international and local NGOs, the private sector and civil society, and adopted the Gaziantep

Declaration, highlighting a pathway for refugees from emergency to resilience and development that includes a focus on scaling job creation and partnerships with the private sector at the local level.

Through our respective roles moderating and presenting at the Forum we had the chance to reflect on ways in which the financial sector could innovate to open up access to finance for the 79.5 million people that today have been forcibly displaced from their homes[vii] Doing so, it was hard not to absorb the history of the city itself.

Dating back to 3,500 BC Gaziantep is one of the oldest cities in the world. The city was also a backbone of the Persian Royal Road and the Silk Road; trade routes that fundamentally shaped civilisation. When it comes to thinking about the history of the Silk Road, the mental image that arises is of donkeys and horses burdened with cargoes travelling long distances along dusty tracks. The stone pillars of Gaziantep's refurbished caravanserais, which now hosts international functions, vividly told the story that the Silk Road was far more deeply embedded into society.

Caravanserai on the Persian Royal Road and Silk Road were not just roadside inns where travellers could rest. They were significant pieces of infrastructure that were built and maintained to facilitate trade. In some parts of the Muslim world, caravanserais also provided revenues that were used to fund charitable or religious functions or buildings. These revenues and functions were managed through a waqf, a protected agreement which gave certain buildings and revenues the status of endowments guaranteed under Islamic law. [viii] A modern translation is that caravanserais operated as mutual structures where the owners were the community.

From a financial system perspective, the caravanserais on the Persian Royal Road and Silk Road can be seen as the earliest market architecture. Over the last 5,000 years we have seen many innovations and iterations that have resulted in the financial markets that we have today.

In the United Kingdom the Domesday Book, compiled in 1086, recorded 60 market towns. Historically governments directed the formation of market towns. Medieval European market towns provided local lords with a valuable source of income. Stall holders were required to pay "stallage" and tolls were levied on all goods brought into town with officials appointed to inspect weights and measures with powers to issue fines. The urban design of market towns around a central square reflected their core purpose as well as the need to be able to control activity in order to collect income. Language we still use today, such as the word forestall, which referred to a stall holder selling before the market, arose out of the development of market towns.[ix]

The origins of the world's first modern stock exchange date back to 1602. The story of its development, brilliantly captured by Lodewijk Petram,[x] reveals that the share trading which became a foundation of modern stock exchanges happened by accident, not design. Petram outlines the history of the Dutch East India Company (Verenigde Oost-Indische Compagnie, VOC) and its first "initial public offering" in August 1602. The challenge that the founders of the Dutch East India Company needed to address as they sought to attract investors through their invitation to "All the residents of these lands" to "buy shares in this Company," was the time length of the company's charter.

The core purpose of the Dutch East India Company was to gather sufficient finance to commission a flotilla to travel to the Dutch East Indies (Indonesia) to bring back cargoes of coffee, tea, cacao, tobacco, rubber, sugar and opium. Normally flotillas operated for three to four years with the proceeds from cargoes sold and profits distributed to private investors.

By proposing that a private investor's money would be locked up for 21 years, the Dutch East India Company needed to establish a process where an investor's share of the enterprise could be traded to another person. The company's capital subscription register provided that "Conveyance or transfer [of shares] may be done through the bookkeeper of this chamber."[xi] In practical terms the buyer and the seller of a share, or their authorized representatives, "had to appear together before the company bookkeeper, and two directors had to approve the transfer before it became official. The bookkeeper kept a large ledger in which every shareholder had an account. If a shareholder sold a share, his or her account was debited by the amount concerned. And if he or she bought a share, the account was credited".[xii] The importance of the Dutch East India Company's charter was to outline clear rules to transfer shares. In modern terms the Company's bookkeeper provided the role of a clearinghouse.

Whilst authorities in Amsterdam tried to regulate that trading of shares take place in a designated exchange building, the reality was that share trading occurred across the city from morning to night.[xiii] Whilst the development of market towns had established the importance of place, share trading of Dutch East India Company shares illustrated the importance of having a process to transfer an asset from one person to the next.

This is a critical point that is worth repeating. The key invention that led to the development of stock exchanges was the establishment of a mechanism to transfer an asset from one person to another. It was not, as we commonly think, to price an asset. In fact it was almost 100 years later in 1698 when the London Stock Exchange was established in Jonathan's Coffee House where John Castaing established the practice of posting a list of stock and commodity prices called "The Course of the Exchange and other things".[xiv] [xv]

Understanding the importance of mechanisms that transfer ownership of an asset is relevant to the development of any form of market. This is understood intuitively in markets for goods such as fresh produce. A simple exchange of cash results in an individual taking ownership of an asset. For assets that involve a right of future access there is a need for some form of paperwork to demonstrate that ownership has transferred. In the case of physical goods such as a car, an individual registers a transfer of ownership with the relevant transport authority. From a purely theoretical perspective registering ownership of an asset could be used for many other assets from a train ticket to a gym membership.

When it comes to financing sustainable development, building systems that recognise transfer of assets is the foundation of any new market. In many cases the focus of those who are creating new finance innovations is to create transactions. An impact investor may for instance seek to create an enterprise that delivers great social and environmental outcome as well as financial returns.

Without the development of market architecture such as mechanisms that enable the new asset to be traded with another person, the new initiative invariably struggles to be replicated and scaled.

Evolution of Market Practices

In 1976 renowned management consultant Peter Drucker wrote “The Pension Fund Revolution”. His work, largely unrecognised at the time, argued that the growth of pension funds would ultimately impact on the allocation of capital and management practices.

Drucker saw that the growth of pension funds would be a permanent change. He was concerned that pension funds trustees did not have the skills to be entrepreneurs and argued that the ‘person who is investing in what already exists, is in effect trying to minimise risk’. Recognising the economic problems that existed at the time in the US economy, he viewed the rise of pension fund investing as a unique opportunity to restore the legitimacy of management arguing that ‘pension fund management requires and deserves an independent institution, divorced from commercial banking, investment banking or any other banking business.’[xvi]

Drucker believed that pension funds needed to be long term investors, stating “For most people, ‘maximising shareholder value’ means a higher share price within six months or a year – certainly not much longer. Such short-term capital gains are the wrong objective for both the enterprise and its dominant shareholders. As a theory of corporate performance, then, ‘maximising shareholder value’ has little staying power. Regarding the enterprise, the cost of short-term thinking hardly needs to be argued. But short-term capital gains are also of no benefit to holders who cannot sell”.[xvii]

In 1995 Drucker re-published The Pension Fund Revolution adding an epilogue on the governance of corporations in which he argued that ‘pension funds cannot be managers as were so many nineteenth century owners’. In this epilogue Drucker argued that there is a need for new institutional structures that support pension funds to keep management accountable, stating “A business, even a small one needs strong, autonomous management with the authority, continuity and competence to build and run the organisation. Thus pension funds, as America’s new owners, will increasingly have to make sure that a company has the management it needs. As we have learned over the last 40 years, this means that management must be clearly accountable to somebody and that accountability must be institutionally anchored. It means that management must be accountable for performance and results rather than for good intentions, however beautifully quantified. It means that accountability must involve financial accountability, even though everyone knows that performance and results go way beyond the financial ‘bottom line’.[xviii]

Drucker considered how to build a definition of management accountability, which he defined as ‘maximising the wealth-producing capacity of the enterprise’. His solution was to propose a business audit that would be conducted by an independent professional agency that would be conducted every three years and would sit alongside the financial audit. It would be based on pre-determined standards and go through a systematic evaluation of business performance; starting with mission and strategy, through marketing, innovation, productivity, people development, community relations, all the way to profitability.[xix]

Forty years after The Pension Fund Revolution was first produced, we have not acted upon Drucker's accurate assessment that the rise of institutional investment would impact on the real economy. Drucker's primary concern was that the rise of pension fund investing would impact on the ways companies approach innovation. What Drucker did not predict was that pension funds would develop their own ways of investing that would have deeper impacts on the real economy.

As pension funds accumulated assets they turned to the work of American economist Harry Markowitz's 1952 essay on Modern Portfolio Theory (MPT). A simple summary of MPT is that an investor can build an investment portfolio by choosing the level of risk that they are prepared to accept by mixing risk free assets with a portfolio of securities. Whilst MPT is good in theory, the problem is that pension funds took it literally. For many years MPT was used by pension funds to build portfolios of low risk bonds combined with equities portfolios. Over recent years, due to perceptions that investment returns were likely to be subdued in a low economic growth environment, pension funds have been attracted to passive investment strategies.

As of March 2020, U.S. stocks held in passive portfolios accounted for about 14 percent of the domestic equity market, up from less than 4 percent in 2005. BlackRock (2017) estimated that passive investors owned 18 percent of all global equity at the end of 2016. [xx] According to the UN-supported Principles for Responsible Investment it is believed that there is now a greater volume of assets following passive strategies than there is in active funds.[xxi]

In combination with the increase in passive investment strategies, institutional investors are also gathering assets in large pools. The largest stock exchange in the world, the New York Stock Exchange, had an equity market capitalization over USD 25 trillion in April 2020. The combined market capitalization of the three next biggest markets, NASDAQ, London Stock Exchange, and Tokyo Stock Exchange, are lower than the NYSE.[xxii]

MPT has enabled institutional investors such as pension funds to manage huge investment portfolios with very few resources. The challenge is that the uniformity of investment practices introduces system risks. We argue that the herding of institutional investment into large pools, coupled with passive investment is an impediment to sustainable development.

As investors crowd into the major stock exchanges, other stock exchanges are being deprived of capital. According to the World Federation of Exchanges there are currently 250 stock market providers that cover 53,000 companies with around USD 95 trillion of market capitalization[xxiii]. As institutional investors herd in large financial markets, the opportunity to grow the 240 markets that are outside of the major markets is constrained.

As we scan across the horizon of the global financial system we can see that there are major gaps where markets either do not exist, or are not functioning efficiently. There are six areas that we would call out:

- Finance is not flowing to developing countries and frontier economies despite the work that has been done to build stock exchange market architecture over the last twenty years

- Finance is not flowing to infrastructure provision, and has not recognised the disruption occurring through distributed infrastructure.

- There are challenges financing small and medium enterprises that are focused on sustainable development. There are no mechanisms to trade SME equity and debt.

- There is a lack of market architecture which makes is possible for small and medium sized municipal and community debt raisings to attract affordable finance.

- New alternatives investments in areas including natural capital and impact investment lack market architecture that facilitates trading.

- There is an opportunity for financial system participants to use their expertise and influence to grow markets in developing countries and ensure no one is left behind. Strategic investing which serves base of the pyramid communities is a much over-looked option to manage long-term systemic risk protecting the aforementioned deep pools of capital in the form of improved global security, reduced social volatility and upheaval, such as the mass movements of people, and a myriad of environmental threats which diminish economic potential for all.

Investing in System Resilience

Whilst we recognize all the areas where there is a need for finance to flow, we specifically highlight the lack of strategic investment in bottom of the pyramid communities as a systemic issue that cannot be ignored.

In the light of COVID-19 it is perhaps unnecessary to state that system issues are financial issues.

COVID-19 certainly cannot be described as a black swan event. There were plenty of previous warnings on the dangers of pandemics. The World Health Organisation (WHO) through its Global Influenza Surveillance and Response System network, constantly monitored the emergence and evolution of influenza viruses with pandemic potential. WHO argued in its 2015 update that "nothing about influenza is predictable, including where the next pandemic might emerge and which virus might be responsible".[xxiv]

Despite the avalanche of information available on pandemic risks, and that it was consistently identified as a major global risk, the financial system was not actively engaged on the issue with only a few individual and institutional exceptions. This is not to cast aspersion on individual organisations but reflects the reality of dealing with system issues.

We would argue that the global financial system is exposed to a blind spot when it comes to base of the pyramid communities. The reality is that the implication of investors accumulating more and more capital in a small number of deep capital pools means that the information that investors rely on to make decisions comes out of those same deep pools. The challenge is that the finance system is not sufficiently tuned into the social volatility and upheaval, such as the mass movements of people, and a myriad of environmental threats which is happening on a day-to-day basis in parts of the world.

It is often said that you can't manage what you can't measure. We would argue that the global financial system cannot improve practices in areas where it is not involved. This is the same argument that is made in respect to an investor divesting from an oil company on the basis of concern over climate change. Once an investor divests it has no influence on that company. The same applies to areas where the global financial system is not actively investing. Without investment at real scale there is limited influence to improve practices.

If the financial system is serious about contributing to delivering the SDGs then financial system participants must get their hands and feet dirty and support the development of markets outside of their comfort zone. We would propose a target of 0.5% of all financial capital is committed to investment outside of the major financial centres through new approaches, products, structures and platforms. We are not suggesting that investors will not have many challenges they will need to address to ensure that investments are successful. The way to solve these challenges is by working together.

Out of many potential examples, we frame one generic case, briefly, to highlight our points based on real life while unattributed entrepreneurial examples. In the rapidly evolving data-driven, digitally smart, disruptive PayGo sector in Africa, delivering last mile community basic services through affordable credit for community accumulation of distributed infrastructure, we believe mainstream G20 institutional investors, and their intermediaries in the asset management community, are missing out on a wave of disruption which will bypass them to service the billion+ in last mile communities.

One Kenyan start up, approaching 8 years, has accumulated 252,000 agricultural out-grower clients for clean energy solutions, productive agri-tech and is now exploring e-mobility as well as a range of kick start technologies for community entrepreneurs. What at first glance looked like "another local shop" has evolved from that shop (established in a re-fitted shipping container) into a last mile distributor and now into an asset-backed supplier of affordable credit with the profile of a micro-financial institution. Despite a proven, replicable and scalable model, based on world class execution and, critically, listening to the needs of local communities rather than imposing technology solutions, it has taken the close to full eight years to secure meaningful backing from a well referenced financial institution. The battle to secure backing continually ran into the same obstacles, too small, data not good enough, and, beyond all, a cultural wall that dismisses so many promising African start-ups. One example: a Board member of a major global bank was told the story of the last mile distributor during an annual investor dinner at the World Economic Forum in Davos, Switzerland. "That's amazing and exactly what we need to back going forward. I'll put you in touch with our local people and we'll have a proper look as we are very keen on reaching the unbanked in the last mile," she confirmed. Her message was duly passed down the line until it arrived at the local branch serving the business's region. Despite a clear "take a look" from the Board, the ultimate answer for any form of financing came back as an interest rate of 38% and the deeds to the founder's property in the UK. Similar examples became an almost Monty Python parade of how mainstream finance sees so-many promising African SMEs as "not worth bothering with" other than on punitive terms. The business is now deep in conversations with institutional, although deeply entrepreneurial, capital in Brazil and South Africa to embed a successful Kenyan last mile model there.

The point is, not about this illustrative business example per se, but rather the broader point of no real, widespread private market infrastructure to connect institutional funds at scale to back and foster entrepreneurial endeavors, through equity, debt, mezzanine, hybrid and blended pools of capital and finance, with the potential for impact at scale for the last mile. Development Finance Institutions, both national, regional and multilateral, will argue that this is their role but reality often boils down to three words "slow, bureaucratic, and expensive" and other than 'show projects' they are often too disconnected from many last mile entrepreneurs. The fast, agile, risk embracing private capital is so often missing from the equation, or limited to the pockets of the truly converted, as there is no infrastructure to allow risk management and mitigation, and, as we have argued, smooth transfer of assets between a well-established last mile investor class. Models like the Tony Elumelu Foundation in Nigeria, backing more than 10,000 entrepreneurs across Africa, are filling the gap many mainstream institutions claim to have a "real interest in" but studiously avoid.

Markets for Sustainable Development

What mechanisms are already being used to work together on sustainable development system issues?

To explore this question we need to understand where we come from, and the progress that has been achieved. To do this we need to go back in time, not as far back as 1602 when the first stock exchange was established in Amsterdam, but to 1983 when the UN Secretary General Javier Pérez de Cuéllar, after an affirmation by the UN General Assembly, commissioned the former Prime Minister of Norway, Gro Harlem Brundtland to create a Commission independent of the UN to focus on environmental and developmental problems.

The Brundtland Commission is perhaps best known for the definition of sustainability that is used today, arguing that "humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs". The report itself also introduced the concept of "interlocking crises" as it considered the challenge of sustainable development in the context of:

- an African drought that put 36 million people at risk,
- a leak from a pesticides factory in Bhopal, India that killed more than 2,000 people,
- an explosion of liquid gas tanks in Mexico City that killed 1,000,

- the Chernobyl nuclear reactor explosion that sent nuclear fallout across Europe and
- agricultural chemicals, solvents, and mercury flowing into the Rhine River during a warehouse fire in Switzerland, killing millions of fish and threatening drinking water in the Federal Republic of Germany and the Netherlands.

Largely forgotten was Brundland's argument that "in the end, sustainable development is not a fixed state of harmony, but rather a *process of change* in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs."

Brundtland's concept that sustainable development is a *process of change* is relevant to the architecture that has been put in place to support system change. There have been many positive developments since Brundtland began her work in 1983. We would all hope for instance that incidents such as Bhopal will never re-occur. However, because sustainable development is a "process of change" there is a need for the institutions that support the financial system to be in a constant state of evolution.

The Brundtland Commission opened up a global discussion on sustainable development that has progressed in multiple forms over the last thirty-five years. The Commission was followed by the United Nations Conference on Environment & Development (Earth Summit) that was held in Rio de Janerio, Brazil from 3 to 14 June 1992.

From the perspective of the financial system, the Brundtland Commission can also be traced back as the foundation of a dialogue that ultimately led to the establishment of the United Nations Environment Program Finance Initiative (UNEP FI) in the lead up to the Earth Summit[xxv]. Over the course of more than 25 years UNEP FI's partnership with the financial system has created a series of initiatives including founding the Principles for Responsible Investment, Principles for Responsible Banking, the Principles for Sustainable Insurance and the Natural Capital Declaration. Another UNEP FI contribution, often underestimated for its impact, was the initiation in 2005 of the Environmental and Social Risk Awareness (ESRA) course for banks which today has trained more than 3,000 executives across 125 countries. ESRA has been described as UNEP FI's equivalent of the "wings of a butterfly" bringing great impact across the world's financial systems while rarely observed.

An important part of UNEP FI's work has also been to focus on addressing impediments. An example of this was UNEP FI's Asset Management Working Group which in 2005 asked Freshfields Bruckhaus Deringer to provide an expert opinion "*on the question whether the law restricts us, as asset managers, from seeking to attend to broadly accepted extra-financial interests of savers in conjunction with their financial interests. What we have in mind are certain social and environmental interests that find expression in diverse international treaties, norms, and declarations, particularly those emerging from the democratic deliberative processes of the United Nations. Furthermore, we have also asked whether fiduciary duty does not require us to take into account such considerations, in view of their materiality to equity pricing*."

The resulting landmark "Freshfields" report produced by Professor Paul Watchman, a former Partner at global law firm, Freshfields Bruckhaus Deringer, stated: [xxvi]

In our view, decision-makers are required to have regard (at some level) to ESG considerations in every decision they make. This is because there is a body of credible evidence demonstrating that such considerations often have a role to play in the proper analysis of investment value. As such they cannot be ignored, because doing so may result in investments being given an inappropriate value.

The importance of the Freshfields report was to provide a legal backing which enabled fiduciary investors such as pension funds to become signatories to the Principles for Responsible Investment formally launched by United Nations Secretary General Kofi Annan on April 27th, 2006, at the New York Stock Exchange Opening Bell Ceremony on the Exchange's iconic balcony. This launch showcased a coming together of the head of the world's multi-lateral system with the globe's most powerful financial institutions. Another important innovation led by UNEPFI was to develop the term ESG. Prior to the use of the term ESG, terms including GES (governance, environment and social) were beginning to be used to describe so called non-financial factors in investment decision-making. The concept behind ESG was that by putting the "S" for social in the middle, it would not be forgotten or flicked off the end of the acronym because social issues are often those deemed most difficult by investors and business. Some corporate lobbyists would have been delighted to see the troublesome "S" flicked off the end of ESG, a sentiment which continues to this day. As ESG has become a mainstream term there are many interpretations as to what the term should mean as the calls for ESG standardization build.

As individual sectors of the global financial system have focused on sustainable development we have seen a raft of global initiatives develop. In addition to initiatives for investors, banks and insurers which UNEP FI has led in different capacities, and on occasion in partnership with the UN Global Compact, we are now seeing initiatives focused on elements of the financial system such as UNCTAD's Sustainable Stock Exchange Initiative (SSEI started in 2009) and then later the Financial Stability Board's Task Force on Climate Related Disclosure (TCFD started in 2015).

Conclusion

In today's financialized economy markets are the principal means through which financial systems allocate capital. Because of their importance we need to understand their foundations, and more particularly what it takes to create new markets.

The history of the development of markets demonstrates the importance of localized markets that are connected to the real economy. From the development of trade routes including the Persian Royal Road and Silk Road, to the development of market towns, markets always connected to the society that they came from. Historically the growth of markets resulted in the growth of centres of trade such as London, Amsterdam and Venice. But strong trading centres were always accompanied by strong local markets.

A fundamental role of a financial system is to allocate capital efficiently. An efficient market should allocate capital to all areas of opportunity. As Walter Bagehot wrote in Lombard Street, a classic text on money markets, “Thus (English) capital runs as surely and instantly where it is most wanted, and where there is most to be made of it, as water runs to find its level”.[xxvii]

The challenge that the global financial system must urgently deal with is that whilst we have strong financial centres, local financial markets are weak. Emerging areas of investment, such as natural capital and impact investment, do not have their own market architecture - the absence of which will ultimately constrain their ability to scale. To use Bagehot’s analogy of water, instead of capital flowing to where it is needed, it is increasingly gathering in deeper and deeper pools.

The accumulation of deeper and deeper pools of capital in individual markets is not an accident but is the result of the practices that have been developed over the last forty years by institutional investors. Renowned management consultant Peter Drucker identified that the growth of pension funds would fundamentally change the allocation of capital. What he didn’t foresee was that pension funds would adopt passive investment models that have system issues on capital allocation.

There is an urgent need to free up the flow of capital. Ultimately if we do not it will be impossible to deliver the Sustainable Development Goals. We propose a target of 0.5% of all financial capital is committed to investment outside of the major financial centres.

To understand how we can build effective and efficient markets we have gone back in history to understand the foundations of stock markets. The key invention that led to the development of stock exchanges was the establishment of a mechanism to transfer an asset. It was not, as we commonly think, to price an asset. This insight has implications for the development of new alternative markets. Those who are interested in developing scalable markets in areas including natural capital and impact investment need to focus on the development of the market architecture that enables assets to be efficiently transferred from one entity to another.

The essay has considered the importance of international partnerships that have been developed over the course of the last 25+ years. We argue that in addition to providing the definition of sustainable development that we use today, Gro Harlem Brundtland also argued that sustainable development was a “process of change”.

Within the international architecture of the global financial system there is an absence of mechanisms that bring together all the parties in a financial system. Importantly we underscore that a financial system is not the finance sector but also consists of governments, business and households. The history of the development of market towns in medieval Europe demonstrates the important role that governments played in creating markets. Today governments have a critical role in building new markets, and making existing markets work.

END NOTES

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Five years later, are we serious on aligning private financial flows?

By Santiago Lorenzo

When reading the news about the economic health of a nation, a region or the world, the main relevant information and data found is financial. The global financial ecosystem, including the largest banks and institutional investors, are perceived as the most serious in the way they interpret market signals and carry on their economic analysis. However, the reality is that today, they live-in wonderland, a fictional world.

A deeper analysis shows that the multiple crisis, partly exposed by the Covid19 pandemic, are unequivocal signs of an exhausted economic system[1]. The immediate evidence is how neglected are basic public services[2] – as health, unemployment support. Going beyond the immediate are other potentially deeper crises being developed. One, has been named as a cause of the pandemic, the destruction of biodiversity – known a long time ago as a potential threat to humankind[3]. Another, climate change, is a potential cause for the next pandemic[4], has also been neglected, even after the Paris Agreement[5].

Financial institutions assess their business scenarios with XX Century mindsets. Most of them think their profit-seeking strategies are safe by hedging, holding a wide portfolio that includes oil and gas, beach resorts, cement, agriculture, steel and fisheries, among many other assets. The same scenario is applied to the whole set of assets.

It seems that they refrain to go deeper when reading or watching the news. The dominant business of the nineteen-nineties (top in Forbes list at that time) are not the ones of today. We are in an accelerated industrial revolution, in part triggered by climate change, which at the same time is the cause of many of the extreme weather events also shown in the news. Connecting the dots, it is clear than climate-related transition and physical risks[6] are already here since some years ago.

The real scenario is that climate-related financial risks have the potential to be devastating for the economy and, particularly, to the financial industry[7]. Both kind of risks demand a serious assessment on how delaying climate action will not save high GHG emission intensity sectors, but are increasing exponentially the risks in other assets highly vulnerable to climate change impacts.

The Financial Stability Board (FSB) report back to the G20 Ministers of Finance was a colossal market signal for all financial institutions to start taking climate-related financial risks seriously, Reinforcing this signal, in the same year – 2015 - the international community reached the Paris

[1] https://www.downtoearth.org.in/blog/climate-change/multiple-crises-the-cost-of-wasted-time-71508
[2] https://www.theguardian.com/commentisfree/2020/may/16/state-intervention-agenda-dont-assume-neoliberalism-dead
[3] https://www.greenfacts.org/en/global-biodiversity-outlook/l-2/1-biodiversity-loss.htm
[4] https://www.scientificamerican.com/article/deep-frozen-arctic-microbes-are-waking-up/
[5] https://urgewald.org/five-years-lost
[6] https://www.fsb.org/2015/11/disclosure-task-force-on-climate-related-risks-2/
[7] https://www.ngfs.net/sites/default/files/medias/documents/ngfs_first_comprehensive_report_-_17042019_0.pdf

Agreement[8], the UN Sustainable Development Goals[9] and the Addis Ababa Action Agenda[10] for Finance for Development. These advances sat a new landscape for economic development all around the world, and thus, for investments.

Particularly in the climate agenda, in addition to these markets signals and going beyond the daily news, the IPCC[11] has made the scientific case for increasing attention by investors on climate matters through their amazing work describing the climate scenarios and their economic consequences.

For climate action, private finance is important as all activities (public and private) need to be aligned with climate objectives. However, we need to be clear here. As public good the atmosphere must be supported with public finance to maintain its best conditions for humans and nature to thrive. In this regard, and due to the UN Principle on common but differentiated responsibilities, the bulk of the negotiations in the UNFCCC refer to public financial resources committed by the developed countries to support climate action in the developing world.

Public finance – as addressing climate change is of the utmost importance for governments – should be the first in aligning their operations with the Paris Agreement goals. However, we are far from it to happen[12]. Furthermore, in most developing countries to rely in their own public finance is a mirage, as the fiscal space for pouring public money to any kind of public good is tight or inexistent[13]. The current sovereign debt problem[14] is the most notorious symptom of the absent fiscal health in most of these countries. This problem is due to a post-colonial financial architecture – including tax havens, but not limited. This is a key issue that deserve its own chapter.

While public money should be already aligned with the multilaterally agreed climate goals, private finance for its own sake should follow. However, this is not happening. One example on how private finance is not walking the talk can be shown by the following data[15]. In 2019, only 35% institutional investors and asset managers are reducing exposure to fossil fuels; 40% take climate issues into account in financial decisions; 17% integrate climate into their asset allocation and 15% set climate related targets. In the case of banks, 51% offer green financial products; 53% have processes for managing climate-related risks: 64% disclose their carbon footprint; 31% measure the climate impact of their financing activities and 38% conduct climate-related scenario analysis.

These are numbers showing insufficient progress to address a changing environment for the financial business, even worst thinking in the real climate emergency we are facing. Four years after the key multilateral moment of 2015, described above, with climate physical impacts

[8] https://unfccc.int/sites/default/files/english_paris_agreement.pdf
[9] https://sdgs.un.org/es/goals
[10] https://sustainabledevelopment.un.org/index.php?page=view&type=400&nr=2051&menu=35
[11] https://www.ipcc.ch/sr15/
[12] https://bigshiftglobal.org/finance-common-missed-opportunity-leadership-and-ambition-climate-and-energy
[13] https://www.fitchratings.com/research/sovereigns/global-sovereigns-face-limits-to-fiscal-space-10-03-2020
[14] https://www.imf.org/en/News/Articles/2020/11/16/vc111620-current-sovereign-debt-challenges-and-priorities-in-the-period-ahead
[15] https://www.climate-chance.org/wp-content/uploads/2020/10/global-synthesis-report-on-climate-finance-2020-complete-climate-chance.pdf

estimated in US$ 3.6 trillion in economic losses[16] (over the past 50 years), and strong signals of the materialization of transition risks[17], the financial sector, one of the wealthiest in the world, is not investing in their own business interest. Worrying!

In a way, despite being a matter of financial risk and opportunities, the XX Century thinking of all green and sustainable issues identified as a marketing topic has not yet abandoned the highest ranks of financial decision making. BlackRock CEO letter from the beginning of 2019 was praised as a turning point, one year later, it has become smoke. They continue on "business as usual" mode[18], despite their alleged commitment with climate action. Many members of the sustainability progressive UNEP FI Principles for Responsible Banking are among banks signaled as contributing to Amazon depletion (promoting devastating illegal deforestation[19]).

After the work by the FSB and the Task force on Climate-related Financial Disclosure (TCFD), among massive literature on the importance of environmental and climate related financial risks, what part of it has been lost for financial institutions? Dealing with these risks is not a fancy, millennial fashion, it is about survival in the market.

Despite that "…there is hope in the next generation of investors. *The Economist* recently highlighted that 87 per cent of young investors believe corporate success should be measured by more than financial performance. They want a viable planet that can sustain them and generations to come"[20]. The ecosystems health may not be so patience to wait for the new generation of investors to reach the high influential level to decision making.

As an overall diagnosis, we could say that private finance is moving in a very slow pace on climate issues, there is still a lot of simulation and total lack of investments in their own sustainability teams and the tools required for identifying, measuring, analyzing and managing these risks (and opportunities). The TCFD guidelines[21] promote mainstreaming, but so far has been insufficient.

To a better understanding on the whys, a key issue is that scientific knowledge and the overwhelming evidence of climate change is being eroded by a kamikaze denialism and the uncertainty on decisive climate action by governments. After reaching the Paris accord, many governments had step back. The financial system somehow is quite neutral, if NDC pointed out towards a 1.5ºC; all public policies were aligned with the SDGs and the Paris Agreement objectives and financial regulators impulse the adequate processes to stage climate stress test in the short term, all financial institutions would be more active in mainstreaming climate in their operations. Besides Governments properly regulating financial markets in climate-related issues, they also

[16] https://public.wmo.int/en/media/press-release/state-of-climate-services-2020-report-move-from-early-warnings-early-action

[17] https://www.theguardian.com/business/2021/jan/27/rating-agency-sp-warns-13-oil-and-gas-companies-they-risk-downgrades-as-renewables-pick-up-steam

[18] https://prospect.org/environment/blackrock-s-greenwashing-threatens-undermine-climate-action/

[19] https://www.globalwitness.org/en/press-releases/major-global-banks-complicit-widespread-destruction-amazon-rainforest-linked-brazilian-beef-companies-and-international-audits-flawed/

[20] https://www.telegraph.co.uk/business/how-to-be-green/post-covid-environmental-changes/

[21] https://www.fsb-tcfd.org

need increasing involvement in generating the adequate climate / environmental data packages for financial decision making.

In this regard, what could COP26 do to accelerate the adoption of climate policies and criteria by private financial institutions? What are the limits for COP26 to decide on finance? Is there a single better platform for engaging private finance in pursuing a global common good?

The UK COP 26 Presidency shaped its approach for climate & finance with the document "Priorities for public climate finance in the year ahead"[22]. In its point #4 requiring attention by the international community is "Mobilized private climate finance" stating that "How the international community engages the financial sector to allocate capital to manage physical climate risks and seize opportunities in the transition to net zero will be critical". Indeed, governments still had to walk to foster the financial transition required, as mentioned above.

However, financial institutions themselves still can walk the talk and be more instrumental in preparing their business for the changing landscape due to climate change. In this regard, inside their competitive environment, there is space for collaboration in advancing the development of data and tools collectively. Different initiatives already exist but further coordination would be very welcomed. In this regard, the initiative for a Glasgow Private Finance Accord (GPFA[23]) is interesting and requires clarity to guarantee it will add value to the existing frameworks.

The Paris Agreement did not develop the institutional architecture for the private role for the financial objective. An accord, such as the GPFA, will need some architecture to promote enabling environments. But let's be clear on what enabling environments must mean. The term has a bad press because "enabling environments for investments" historically had meant a push for privatization processes. That is a historical reality. And we have witnessed during the covid-19 crisis that privatization, sometimes, at least in public health but not limited, has been a disaster. So, it is required to open the definition to a wider meaning, "enabling environments" is not about privatization. It is about framing policies influencing investments to achieve a collectively desired objective. In this case, making environmental sustainability (and particularly climate solutions) easier for investments than the catastrophic business as usual. These investments can be public or private, it is about making all economic activities much greener.

In this GPFA, regulators should participate along with public finance institutions to foster real progress. The NGFS and the Coalition of Finance Ministers for Climate Action have a big task on enhancing the good job that they are already developing. Much more compulsory measures and less voluntary initiatives, because we need action now. Governments should invest in developing green assets, sustainable infrastructure and solution side start-ups, sustainable cities and communities, etc. The financial sector for greening their portfolios, need an increasing number of such assets to avoid any potential of green asset financial bubble, with large amounts of money going to limited number of assets.

[22] https://2nsbq1gn1rl23zol93eyrccj-wpengine.netdna-ssl.com/wp-content/uploads/2021/01/PRIORITIES-FOR-PUBLIC-CLIMATE-FINANCE-IN-THE-YEAR-AHEAD.pdf
[23] https://climatesan.org/share/GlasgowPrivateFinanceAccord-final-by-Aviva.pdf

Nonetheless, the workload of such a platform, of course, is on the side of private sector financial institutions. In the GPFA, besides what is already stated on the Aviva proposal, they should agree on investing in their own capacities, in avoiding greenwashing, in lobbying their governments for accelerating the advance in the regulatory framework required, in collaborating with the pertinent authorities and research organizations in shaping new relevant data packages, in enhancing efforts to match the transitional scenario with the physical scenarios, to reflect progress made in the financial sector in the NDCs (setting ambitious targets), among other potential outcomes.

Being this Accord coordinated with the UNFCCC process could help a better understanding with the authorities developing NDCs. The issued NDCs were developed by countries' governments according to a static scenario on the financial side. The high emitters industrial sectors were reluctant to take action, based in the usual financial conditions. But once premium loans reward the ecological transitions that reduce risks, there will be incentives for climate action and will be reflected in the NDCs.

We know that financial markets not necessarily follow environmental agreements, but in the UNFCCC many decisions are impacting the real economy, and the bridge between both worlds is of the utmost importance. The proposals of further engagement by private finance in the climate talks (be the proposed Glasgow Private Finance Accord or any other) is key for successfully achieve the Paris Agreement objectives (and the SDGs). Key will be not to duplicate existent initiatives, but support them and adding value.

A final world, such a private climate finance umbrella initiative must not distract us from the importance of transferring public finance from developed to developing countries. Climate change was generated by a few and the most – not responsible for the problem- are paying the most.

Climate Finance for COP 26

By Zaheer Fakir

Given my role as a climate finance negotiator, I will stay within the realms of what I know, and that is within the UNFCCC process. There's exists a specific ecosystem of finance within the UNFCCC from finance obligations to the financial mechanisms and hence the reason why I focus on the UNFCCC process as today we only seem to talk a lot about the Paris Agreement. We tend to forget that the entire climate change agenda is nested and rooted within the Convention, of which Paris Agreement is one of those instruments that has the sole purpose to enhance the implementation of the Convention. So therefore, there is a much longer history around climate change that merely the Paris Agreement. Under the convention, in particular Article 4 of the Convention, there are commitments and obligations that have been placed in terms of finance which are not time bound. These commitments and obligations stem from a period in time from Rio Earth Summit which also introduced the Rio Principles and one important principle of the common but differentiated responsibility. One key important parts of the finance commitments and obligations is around the provisioning of finance by developed countries that is new and additional, to developing countries, and sets the kind of foundational base by which we would then do the mobilization of finance and leveraging the private sector, etc. It's important to get a sense of current state of finance as we are talking a lot now about celebrating five years of the Paris Agreement. So, what has happened since the five years of adopting the Paris Agreement. In terms of the operating entities of financial mechanisms of the convention, namely, the Global Environment Facility and the Green Climate Fund, we have experienced a stark decline in financing in terms of their replenishments. The GCF in 2018 has seen a 36 percent decline in its climate allocation replenishment and the GCF in its latest replenishment in 2019 has witnessed a 4.3% decrease compared to its initial resource mobilization in 2014.

Now, what does that tell you about climate finance and the so-called ambition? We can take it even further and take something that's been there for 50 years i.e., the ODA target of 0.7% of GNP. The ODA reports the in 2019, ODA from all DAC member countries combined only met 0.3% (US$ 152.8 bn) of the 0.7% percent. If we take a look at the US$ 100 bn that everybody is talking about the goal was developed countries jointly mobilizing US$ 100 billion by 2020. If you look at the latest OECD report it notes that what has been mobilized is only US$14.6 billion. The report highlights that roughly US$ 62.2 billion public climate finance has been provided. However, to make the figures look a lot nicer, we add on what is being provided and so we say we have mobilized US$ 78 billion towards the US$ 100 billion mobilization goal. The reality is that we are not there and in terms of leveraging finance from the private sector we are stagnating.

What are the current developments in the climate finance environment today?

If you look at climate finance being reported over 74 to 75 % of that climate finance is coming in the form of loans. If you look at the Joint MDB report, it's even more stark in that only roughly

6% of the climate finance is in grants. Now contextualize that with looking at developing country debt. In 2018, if you look at total debt stocks developing countries, they are sitting at 191% percent of GDP. So, the reality what you're finding is that for these countries are actually finance a lot of their climate work means them incurring more debt. That is the reality of what we're facing today and this is without adding onto that the implications of covid-19 and the economic implications thereof. To combat Covid-19 and the green recovery what is being provided is additional debt, either in the form of having to take on further financing through different kinds of debt instruments or some forms of debt relief for a select group of least developed countries for some point in time.

Steve mentioned the importance of adaptation and how important it is to adapt. The reality of what we face is that between 70 to 80 % of all climate finance within the UNFCCC process goes towards mitigation, while only about 20 % is towards adaptation. The reality is that UNFCCC Adaptation Fund which has been in existence for some 19 years and was designed to be financed through the markets, only 20 percent of its funding came from the market mechanisms. The remaining 80 percent came in the form of charity type contributions from developed countries.

One of the big issues is the whole issue about historical responsibility. The reason why I raised this issue is that we are very fixated on trying to limit global temperatures to 2 or 1.5 degreea. The reality is that over the period in time, there has been a number of tonnes and tonnes of emissions that have been pumped into the atmosphere, which has resulted in the change in temperature and has resulted in climate change happening right now. The result of that, is that no matter how much mitigation activities you do, that will not eliminate the existing emissions in the atmosphere already that is result in continued climate change unless if you're not going to do serious amounts of tree planting, etc. This is why the whole issue of adaptation and the whole issue of loss and damage becomes important. You know, we're putting a lot of effort in mitigation. Yes, it's correct. We should be doing that to limit the global temperature rise, but we need to be dealing with the historical problem that we face already which means addressing adaptation in a balanced manner with mitigation as well as dealing with loss and damage.

Now, if you look at the state of private sector financing within the UNFCCC process, roughly 78 percent of financing today goes to public and around 22 percent going to private financing investment. Similarly, in the GCF, its portfolio comprises of 62 percent public and 38 percent private. Yes one can say and make the argument that we need to increase private sector financing, but there's a bigger question you need to ask. The bigger question is whether the GCF, the GEF and the others have the appropriate enabling environment to allow for increasing private financing. Is the concessionality being offered and the conditions conducive to it? I tried to do it in terms of means, motive and opportunity. So, let's go to the issue of motive right now. A lot of the general perception is that developed countries are pro private sector, while developing countries are anti private sector, which is not the case. We both believe that the private sector is an important partner in terms of working together with the public sector to address the issues of climate change.

It's not an either-or kind of scenario. However, when you look at the situation, we're currently facing, that is the decline in the provision of finance from developed countries, how this problem is being addressed in the UN, rather than addressing the decline in the ODA we responding by asking developing countries to leverage the money from the private sector or to apply more carbon tax or do more domestic resource mobilization. In essence, there's nothing wrong with that but we shouldn't be using the private sector as a means of shifting responsibility or using the private sector as a means of trying to fill in the financial gaps in our own failings. Additionally, a lot of the time we have faced with various problems in terms of private sector engagements within the multilateral system. I will just relate to you two simple examples I have experienced. The first example within the GCF was a private sector investment for which I won't mention the names of the individuals and institutions, some of them very big financial institution. This financial institution which is based in western country, with many of the GCF contributors being its shareholders. We allocated US$ 200 million towards this financial institution which would blend it with financial institution own resources and leverage the private sector. The attractiveness of it to the GCF contributors was that it was going to take the one dollar and leverage 50 dollars of financing for that. The whole issue of emission reductions became secondary. The whole driver was the leveraging or mobilization idea. Furthermore, if you looked at the proposal, it very much mirrors the Ponzi scheme. But lo and behold, for years that money was ring fenced and after four years, the project was canceled.

Now, that US$ 200 million is more than what the entire Adaptation Fund has in a year available to finance adaptation. Another proposal, when I was the chair of the Green Climate Fund, I was approached by a very famous philanthropist who wanted the Green Climate Fund provide him with the one billion dollars. In his opinion, he felt that he had the solution for the developing world and particularly in Africa and what that was seven seeds. What they intended doing was take the billion US$ and he'll give in some of his money and that funds would give to a large US agrochemical and a biotech corporation. Without mention their names, this US Corporation would conduct research on GMOs and then they would sell those seeds to Africa. I mean, that is the approach of how the private sector was looking as supporting the climate action in developing countries using multilateral finance. I will mention the names, but if you hear the name of the individual, you'll probably be shocked. This is some of the kind of relationships that the funds have been having with private sector engagement, which creates the wrong impression of how we are engaging with the private sector. It's not about just using the private sector as a leveraging mechanism or trying to create opportunities for their own private sector.

For me, as a developing country negotiator, it's important for me to see how I engage domestic private sector in the developing world. How do I promote opportunities for small and medium enterprises? How do I create those opportunities for them? So, if we come to the issue of the last point about the COP in Glasgow, what is on the agenda and that which we are negotiating is the question of whether we will continue having a discussion on long term finance under the Convention. Can you imagine that such an issue about having a discussion under the Convention was an issue that at the COP in Madrid we had to apply rule 16, meaning there was no consensus on that as developed countries did not agree to it. That's important because the whole idea about long term finance is about having a discussion in a formal setting in terms of addressing the very issues that you are raising today. How do we engage the private sector in the finance agenda?

Other issues that under discussion in Glasgow is whether we initiate deliberations on a new collective finance goal, or about providing guidance to the operating entities if the financial mechanism. So, this is the kind of financing agenda that will be dealt with by negotiators at Glasgow COP. You go to ask me the question, is this ambition? No. Is it going to be to saying to the world we have an ambitious financial agenda? No. Furthermore, we also need to contextualize the issue of ambition it in terms of the goals that we have. I mean, US$ 100 billion that everybody talks about was set in 2009. It was a goal not based on anything scientific and definitely not based on the needs of developing countries.

It was a goal based on some politicians and particularly US politicians who came up with the idea of US$100 billion. What did we do in Paris? We extended US$ 100 billion for another five years till 2025. Now, if you are in the private sector and you listen to us saying our ambitious goal is a goal that was set some 11 years ago and we are going to extend it for another five years. Does that ring ambition to the private sector to say, hey, you know what, there's ambition in terms of providing finance to support climate action.

So, ambition is currently not there when we know we need to be able to see ambition in Glasgow? How do we promote more engagement by developing country private sector and how do we create opportunities for them? We need to also think about having a moral and ethical principle around finance. For me as a developing country party and as a negotiator, what is of paramount importance is not about valuing the assets, but valuing life, valuing development and addressing poverty. I cannot fathom to think that we have come to a situation where climate action is dependent on whether we can make a profit or not. That shouldn't be the scenario that we are in today.

Finally, the last point that I want to make is that it would be important for us to start looking at how do we create an enabling environment that private sector partners with public sector in terms of delivering climate action, not purely because it's about making a profit, but a social conscious responsibility of promoting development, addressing poverty and creating global equality.

The main objective of the
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a book featuring the papers that were presented
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