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UNDP POLICY AND PROGRAMME BRIEF

UNDP SUPPORT TO THE IMPLEMENTATION OF THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

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UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in more than 170 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.

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THE MDG ERA

The Millennium Declaration unleashed an unprecedented era of global development cooperation. A compact between developed and developing nations, it focused on addressing poverty, hunger, disease and some environmental issues (MDGs 1–7) in the developing world, while developed countries committed to making the resources (aid, debt relief) and opportunities (trade, technology) available to enable developing countries to achieve those goals (MDG 8).

The foundation for this formulation assumed that large investments in health, education and other social outcomes would unleash a virtuous cycle of growth and development. Achieving the MDGs was not just valuable in itself but also a driver for further development.

This framing was informed by the duality between developed and developing countries that dominated perceptions of development cooperation at the turn of the century — and for considerable time before then. It saw development cooperation as a narrow ‘assistance-like’ endeavour, similar to social transfers at the national level, where money flows from those better off to the poor. Implementation of the MDGs was largely framed by a simple underlying logic:

1. Determining the requirements needed to meet the MDGs in developing countries;
2. Estimating the gaps between those requirements and existing capacities/resources in developing countries;
3. Mobilizing efforts to fill those gaps through a commitment to action in developing countries and resources from developed countries.

Efforts to implement the MDGs went through three distinct phases.

The global phase (approximately 2000-2005):

When the MDGs were launched in 2001, there were three areas of focus: (i) global costing of the MDGs; (ii) determining how much financing was available domestically; (iii) calling for the financing gap to be met through enhanced Official Development Assistance (ODA). Estimates were circulated at the First International Conference on Financing for Development, held in 2002 in Monterrey (Mexico), of a global financing gap that called for annual ODA to double. Innovative sources of finance and debt relief were also topics of intense discussion at Monterrey. The agenda on aid effectiveness (later development effectiveness) also gained momentum. Around and after Monterrey, several issue-specific funds were created or consolidated: GAVI, The Vaccine Alliance, was launched in 2000, the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFTATM) was established in 2002, and the Global Environmental Facility (GEF) was consolidated as a \$3 billion fund, triple the amount allocated when it started in 1991. The global economic context — in the midst of the great moderation marked by robust growth in both developed and developing countries after the 2000/2001 slowdown — was favourable for meeting the financing gap, with issue-specific funds representing a new and appealing channel.

The country-focused and sectoral phase (approximately 2005-2010):

As the first reports on progress towards the MDGs were issued, it became clear that the goals would be met globally, largely due to progress across East Asia since 1990 (the baseline year for the MDG targets). Although the goals were designed to be applied at the global level, many felt that a global picture was not representational enough and embarked on more country-specific and regional analysis. These analyses showed acute challenges to meeting the goals in many low-income and least developed countries (LDCs), in sub-Saharan Africa in particular. The UN Millennium Project, completed in 2005, carried out interventions in 10 different thematic areas. At Gleneagles in 2005, the G8 committed to doubling ODA to Africa by 2010. The focus on Africa continued with the MDG Africa Steering Group, convened by the UN Steering Group in late 2007. The global economic context continued to be favourable for ODA, until the global financial crisis of late 2008 and the ensuing global recession of 2009.

The focus/acceleration phase (approximately 2010 onwards):

The aftermath of the global economic and financial crisis, along with the recurrence of more localized crises (food and fuel price surges, and instability in the Arab world starting in late 2010), brought to the fore the vulnerability to shocks for countries making progress. While global progress towards the MDGs was never really threatened, the possibility of progress being stalled and even reversed became a distinct possibility in some countries and regions. With little time to go until the 2015 MDG target date, efforts shifted towards the poorest and more fragile countries (The New Deal was launched in late 2011; The International Network for Children and Families (INCAF) had already been proposed in 2009), and were particularly focused on the goals and subnational regions that were lagging the most. Yet the environment for mobilizing ODA worsened, with fiscal pressures biting in developed countries that faced the dual challenge of deleveraging and mitigating the impact of the ongoing recession, and the turn towards austerity policies, especially in Europe where some countries entered a debt crisis. While total ODA flows did not fall (except in 2011), there was much more emphasis from donors on accountability, reporting and measurement of results, which reinforced the shift towards focused approaches, concentrated on poor and fragile countries. The search for multipliers also gained strength.

UNDP played a constant and active role throughout these stages. UNDP was a score-keeper for the MDGs and supported countries on national MDG reporting. UNDP housed the UN Millennium Campaign and contributed through the Inter-Agency Expert Group (on MDG indicators) to global monitoring of progress. From 2008 onwards, UNDP and the Department of Economic and Social Affairs (DESA) led a new reporting exercise on MDG 8, that of the MDG Gap Task Force. UNDP served as the secretariat for the Millennium Project, which was then subsumed into UNDP as a support group to Country Offices (the MDG Support Team within the Bureau for Development Policy's Poverty Group). UNDP also served as the secretariat of the MDG Africa Initiative.

In the acceleration phase, UNDP conceived, piloted and rolled out the MDG Acceleration Framework (MAF), to accelerate progress on the MDGs, which was then elevated to the United Nations Development Group (UNDG) and subsequently to the Chief Executive's Board, under the direct supervision of the Secretary-General and in close collaboration with the World Bank.

THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT ERA

The duality between developed and developing countries has lost relevance. Fast-growing countries of the south are starting to experience the same challenges as those in the industrialized north, such as non-communicable diseases, and OECD countries face growing problems around inequalities, exclusion and debt. Unsustainable consumption and production patterns are occurring everywhere.

This break in the developed/developing duality has implications for the size and role of 'aid'. The narrative on aid today is that it should only go to very poor or fragile countries, and competes with the pressure of exponentially increasing and multiple humanitarian crises. As countries develop and lift their populations out of extreme income poverty, the world of aid — as defined in this narrative — gets smaller.

Contemporary development challenges extend far beyond this narrow definition. The need for international action and financing on issues including climate change, migration, financial stability, communicable disease control and transnational terrorism is clear. This new strand of financing has been called different names (new public finance, global policy finance, international public finance) based on different conceptual approaches (e.g., global public goods) and analogies (e.g., as national public finance grew to pay for social transfers and public goods over the past century, the same must happen in the future for international purposes). While larger shares of ODA are being allocated to global issue-specific funds such as the GEF, it remains insufficient to meet the scale of the challenges faced. OECD/DAC and beneficiary countries are now grappling with these issues and how to capture these additional financial flows, and the implications for a redefinition of ODA.

While governments are in the driving seat and public finance is at the core of financing for sustainable development, many of the resources to fund the agenda will inevitably come from the private sector. The challenge for governments will be to implement policies that serve to align the larger share of these flows with the Sustainable Development Goals (SDGs). The challenge for the private sector is to move towards inclusive and sustainable business models without undermining profitability. UNDP's experience in helping countries to plan, access, deliver, diversify, scale-up and sequence a variety of international public resources, and combine this with other sources of public and private financing will become even more valuable in the 2030 Agenda for Sustainable Development.

The formulation of the SDGs reflects and reinforces these changing dynamics. Governments have agreed that the SDGs will apply to all countries and all peoples, represent a more integrated set of goals, and cover a broader scope than the MDGs. This reflects an understanding of the close links between natural capital goods and services, societal progress, and sustained growth at the community, national and global levels.

Unsustainable patterns of production and consumption threaten lives and livelihoods for current and future generations.

Many of the agencies of the UNDG have a mandate that is focused explicitly on countries with less capacity and fewer resources; others have a more universal mandate. Given the integrated set of goals and targets, and the fact that many have cross-border drivers, all agencies will have to, to some extent, engage with an analytical frame that is universal in nature, engaging partners in advanced economies and yet focusing action and implementation in LDCs and middle-income countries.

The SDGs formulation process was consultative and bottom-up. As a much more 'legitimate' and participatory process, there was no a priori way of determining a narrower set of goals, and no underlying assumed model (as with the MDGs, which were implicitly based on a poverty trap argument).

The formulation of the SDGs was based on adding to the MDGs those elements that were thought of as being inadequately addressed or missing (environmental sustainability, governance and security, productive sector issues), as reflected in prior intergovernmental processes (particularly Rio+20), recent analytical contributions, national and thematic consultations, and the MY World Survey. UNDP is well equipped to continue this highly participatory approach, engaging with civil society and beyond, and shifting away from a phase of development cooperation characterized as technocratic.



Tran Vinh Nghia, Viet Nam – Fishermen bring in the daily catch; UN Photo

IMPLICATIONS OF THE 2030 SUSTAINABLE DEVELOPMENT AGENDA FOR DEVELOPMENT COOPERATION

There are three fundamental differences between the 2030 Development Agenda and the MDGs, which have a bearing on development cooperation.

First, the 2030 Development Agenda has a much wider scope, going beyond the ‘social’ goals of the MDGs, taking into full consideration the need for economic, social and environmental sustainability, and thus including a wide range of aspirations, from sustainable modes of production and consumption to peaceful and inclusive societies.

Second, it is a much more ambitious agenda, not content with reducing poverty, but pushes towards its elimination, and with more ambitious targets on health, education, the environment and other aspects.

Third, it is universal, applying to all countries, to all people, with an implicit recognition that international collective action — beyond national policy-making — is required.

From this flows four implications for development cooperation.

1. THE INTEGRATION IMPERATIVE

The breadth of the agenda implies, more than ever, a need to go beyond silos and take an integrated approach to development interventions. With the MDGs, the question was: What are the goals that are lagging the most, what are the gaps, and how can we fill them? With the SDGs, the question becomes: What are the actions that will take us forward more quickly across a broader range of interlinked goals? Gap analysis may bring some value, and sector-specific expertise on each of the goals is still required. But addressing the question requires thinking through the connections and synergies across the goals, and pointing out how actions in one area draw dividends in other. For example, investments in biodiversity and climate change adaptation can lead to a wide range of co-benefits and multiplier effects in advancing other SDGs, including health, food security and job creation.

What is needed is a much stronger exercise in connecting the dots, looking for synergies and multipliers across a range of goals. Two other examples illustrate the point.

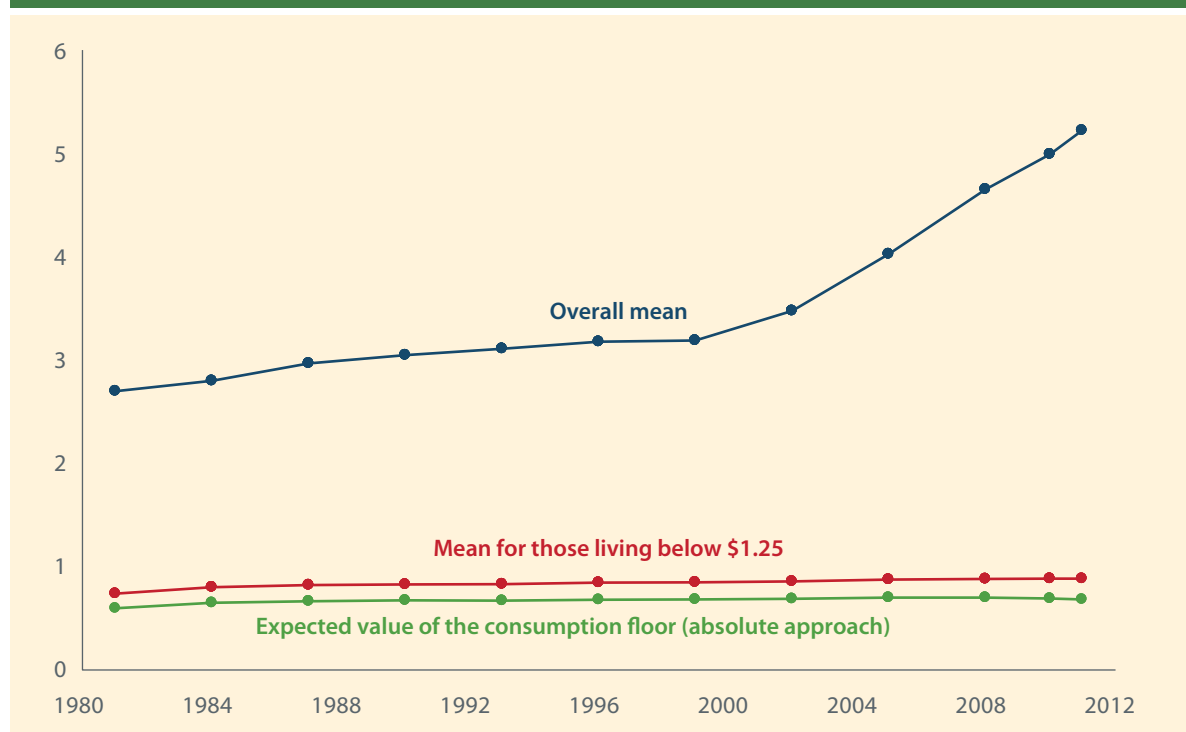
First, cash transfers (unconditional) to young girls in Africa have been shown to keep girls in school, reduce unwanted teen pregnancies and decrease HIV transmission by as much as two thirds. Thus, an intervention motivated by a ‘social protection’ objective ends up advancing education, health and gender equality goals. Second, decisions in one sector (e.g., road construction) have a bearing on how easy it is to have access to services (health, education) or agricultural inputs. Yet, health, education and agricultural sectors are not always consulted. One could end up with a fully funded sectoral intervention that does not meet the intended outcomes because of decisions made in another sector.

2. THE LAST-MILE CHALLENGE

Eliminating poverty is not the same thing as reducing poverty. Getting rid of poverty will require fundamentally new approaches. Reaching universal goals for access to health and education will no longer be only about making more vaccines or teachers available, because the root causes of the last mile of exclusion and deprivation are often deeply imbedded in economic, social and political disenfranchisement.

Extreme income poverty is a case in point. Although many people have been lifted out of poverty and average consumption has increased, the mean consumption of those living below the extreme poverty line has changed very little.¹

Figure 1: Mean consumption (\$ per person per day, 2005 prices)



Source: Martin Ravallion (2014). "Are the World's Poorest Being Left Behind?", NBER No. 20791

The expectation that we can simply extrapolate in a linear fashion the progress that has taken place during the implementation of the MDGs as we look towards the implementation of the SDGs is misplaced. The SDGs now call for countries to reach the last mile of exclusion. This, again, is not a technocratic challenge of delivering vaccines or medicines. That knowledge will be needed. But it calls for us to understand the political and social drivers of exclusion. Ebola spread as much because of challenges of trust between authorities and the population as it did because of weak health services.

¹ Martin Ravallion, "Are the World's Poorest Being Left Behind?" NBER Working Paper No. 20791, December 2014. Available at: <http://www.nber.org/papers/w20791.pdf>

3. THE NEED FOR RISK-INFORMED DEVELOPMENT

Meeting the 2030 Sustainable Development Agenda implies that we take volatility, shocks and vulnerability seriously. There was no recognition, implicit or explicit, about this in the MDG framework, but the new agenda will not be achieved if we continue to think of development as a steady process — many of the countries that are failing to make progress are affected by conflict, violence and instability, pandemics, environmental degradation, climate change and sudden changes in their economies. Even countries that are stable at face value often have serious risk factors for development, including gender-based violence.

We need to invest in a better understanding of the root causes of vulnerability, and their complex economic, social and political dynamics, as well as interactions between populations and their ecosystems. We need to acknowledge the changing nature of fragility and crises: many do not follow the sequence of normality-shock-humanitarian response-early recovery. In conflict situations, the phases of stability, tension, conflict, peacemaking, peacekeeping, peacebuilding and regular development are not usually so neat. These situations overlap and the responses coexist in time demanding more coordination than before. We also need to go beyond the dichotomy on fragility, and look for dimensions of fragility that may be present even in supposedly non-fragile countries.

4. EMBRACING UNIVERSALITY

The universality of the new agenda implies a more rigorous approach to addressing common and shared challenges. Common challenges include the need to expand decent employment and the coverage of quality education and health services. These are tackled primarily at the national and local level within a nation state. Shared challenges include the need to address the health of our climate, oceans and other global commons, implying that the provision of global public goods will be key. Sometimes common and shared challenges connect, for example through the issues of economic migration (labour mobility), displacement and regional or global health pandemics. Collective action on global public goods will need to be enhanced in the post-2015 era, requiring more coherent and effective cooperation between countries.

UNDP: KEY PARTNER IN THE IMPLEMENTATION OF THE SDGs

The transition from the MDGs to the SDGs represents a period of flux where those engaged in development cooperation — both within the multilateral system and beyond — are assessing their role in the implementation of the new agenda.

It is also a time that calls for realism. As we confront implementation of the new agenda, no one has all the answers at the outset. As countries and people strive to implement the SDGs, there will be a process of learning and adapting to support their implementation.

UNDP has assets that place it in a strong position to support implementation, and to continuously learn. The agenda reinforces UNDP's long-standing advocacy for a human-centred approach, recognized explicitly in the Millennium Declaration: "On behalf of the peoples we serve, we have adopted a historic decision on a comprehensive, far-reaching and people-centred set of universal and transformative Goals and targets." This is encapsulated in UNDP's emphasis on its human development approach, which focuses on the process of enlarging people's choices, looking both at the formation of human capabilities and the use people make of their acquired capabilities.

With an extensive field network, UNDP can play a critical convening role that supports a people-centred multistakeholder approach to development — governments (national and local) the private sector (domestic and multinational) science, academia, media and civil society. This approach can lead to a more effective diagnosis of the most pressing constraints, as well as a sensitization, and approaches, to addressing poverty and exclusion in the last mile.

UNDP has already taken great strides in moving towards an integrated approach to sustainable development. Since 2013, UNDP has taken steps to operationalize the strategic plan and better mainstream the three dimensions of sustainable development across its policy, programming and partnership opportunities including through promoting South-South and triangular cooperation. Strategic planning objectives are now being defined through theories of change and tracked through a global Integrated Results Framework that includes targets and indicators with definitions of sustainable development results. UNDP is also creating a corporate planning system which focuses on the needs of Country Offices and offers a single, unified and user-friendly platform for planning, monitoring and reporting sustainable development policy and programming across all levels of the organization. Its own quadrennial comprehensive policy review implementation plan, which is updated and reported on a quarterly basis, supports this process at all levels. To enable this, UNDP has completed a complementary reorganization of its bureaus, offices and staffing, in part to ensure mainstreaming of the three dimensions of sustainable development and break down work silos across development themes. Throughout 2014, more than 100 Country Offices were trained in programme alignment with the strategic plan, which will be reported on in 32 Country

Programme Documents to the UNDP Executive Board this year. In 2015, new Social and Environmental Standards were launched and will become an indicator in the Integrated Results Framework.

UNDP has also reinforced gender equality and women's empowerment as a pivotal principle of human development emphasizing interconnections between gender equality and all areas of work of UNDP. UNDP already recognizes how unequal gender relations are a structural risk factor for armed violence; and how inclusive governance and the advancement of women's equal participation move countries towards a more stable democracy. UNDP has integrated gender dimensions in disaster risk reduction, climate mitigation and adaptation work as it understands the empowerment of women as a critical factor to build country resilience. In fact, UNDP has decades of experience approaching gender inequality from a multifactorial and multidisciplinary perspective.

UNDP will have a role to play above and beyond any specific SDG. UNDP is able to help countries and the international community to develop an integrated framework to help to think through the new question: "What are the actions that will take us forward more quickly across a broader range of goals?" UNDP's integration and coordination mandate can be helpful in this context.



Tanzania; UN Photo

UNDP AS THE ANCHOR FOR UNDG SUPPORT FOR SDG IMPLEMENTATION

The UNDG — under the Sustainable Development Working Group — has committed to developing a common organizing framework for effective and coherent implementation support of the future development agenda, under the acronym MAPS, paying special attention to the cross-cutting elements of partnerships, data and accountability.

MAPS stands for Mainstreaming, Acceleration and Policy Support:

Mainstreaming: The intention is to generate awareness amongst all relevant actors and help governments land the agenda at national and local levels; and ultimately to mainstream the agenda into their national plans, strategies and budgets. This means helping to sensitize national stakeholders — government departments, civil society, parliamentarians, the media and business — about what the new agenda means. This would be followed by mapping what a country is already doing, and where it may need to change direction to meet the goals, or confirming the course and validating the tools. This should also provide information on how United Nations Development Assistance Frameworks (UNDAFs) can be crafted that support implementation of these national plans. A collaboration between UNDG's Sustainable Development Working Group and Communications Working Group, with UNICEF, UN Women, WFP and UNDP in the coordinating roles, would develop the successor arrangements to the UN Millennium Campaign to disseminate and raise awareness, inform and allow for interfaces and interactions. A guidance note to UN Country Teams is also being developed in the context of the UNDG Sustainable Development Working Group.

Acceleration: UNDG's intention is also to help governments accelerate progress, by providing tools to identify critical constraints to faster progress across a number of goals and focus on those development objectives that are more relevant to their context. To date, UNDP has helped galvanize the UN system around the MAF, a common tool for accelerating progress on the MDGs². Since 2010, UNDP has worked across the UN system and with the World Bank and supported 60 acceleration action plans. Countries have used the MAF to design and implement nationally owned MDG action plans in the areas of maternal health, hunger, poverty, water and sanitation, HIV/AIDS and others, at both national and subnational levels. Several countries have gone beyond the traditional set of MDGs, applying the framework to address economic disparities, education quality, gender disparities, energy access and non-communicable diseases. UNDP will build on its work on the MAF and develop a suite of tools (and jointly with others possibly a 'partnership on analytical approaches') to assist countries in identifying root bottlenecks that if unlocked can accelerate progress across a number of SDGs at the same time. The suite of tools would come from across the whole UN system and in collaboration with the World Bank.

² Available at: http://www.undp.org/content/undp/en/home/librarypage/mdg/mdg_accelerationframework0/



Canals in Palangkaraya, Central Kalimantan Province, Indonesia; UN Photo

Policy support: UNDG members will seek to provide coordinated and pooled policy support to countries that demand it. That policy support would extend to a range of issues including better livelihoods, gender equality, justice and security, inclusive decision-making, addressing the development dimensions of HIV and health, social protection, biodiversity, land degradation, disaster risk management, mitigating and adapting to climate change, and the links across these issues. UNDP's intention is to have multiagency and multidisciplinary teams that are able to offer surge support to countries on specific issues, while also helping them strengthen institutional capacities.

Beyond these three dimensions, UNDG's Sustainable Development Working Group will provide enabling support on partnerships, accountability and data (PAD):

- **Partnership development:** The post-2015 development agenda process has opened up new spaces for civic engagement, including by the UN system, as well as engagement with businesses and foundations. UNDG will channel additional support for national partnership development activities, including for parliaments, NGOs, faith-based groups, business and the media. The next phase of the UN Global Goals Campaign will contribute significantly to these efforts.
- **Accountability:** The UNDG will support countries to establish monitoring and review frameworks so that they can report on their progress and engage with their national stakeholders. UNDP will also work on specific national SDG progress reports and contribute to regional follow-up mechanisms as appropriate.
- **Data:** UNDG will also help to strengthen national capacities to collect and analyse information to monitor progress on the SDGs. Emphasizing the importance of data, it will help to push the envelope on areas that have previously been controversial or difficult to measure. It will work with Global Pulse and other innovators to explore how big data can help to supplement official statistics.

UNDP FRAMING OF POLICY AND PROGRAMME SUPPORT TO IMPLEMENT THE 2030 AGENDA

UNDP focuses on three substantive areas of work to support programme countries in implementing the post-2015 Sustainable Development Agenda: Sustainable Development Pathways, Inclusive and Effective Democratic Governance, and Resilience-building. These areas of work are relevant for all programme countries — LDCs, low- and middle-income, and Small Island Developing States (SIDS) — in different contexts and with varying degrees of emphasis. Together, they present a global package of services that can be tailored to each national setting in agreement with the programme country.

As a minimum global package, UNDP will provide the strongest support for SDGs 1, 10 and 16 (poverty, inequality and governance) and, depending on the regional and country context, on a selection of goals relating to the environment, climate change, and women's and girls' empowerment.

1. SUSTAINABLE DEVELOPMENT PATHWAYS

UNDP, through its sustainable development pillar, assists programme countries to design and implement development pathways that can address the connected issues of multidimensional poverty, inequality and exclusion, while enhancing productive capacities to reduce risks and sustain social and natural capital. The policy and programme support under this pillar is organized around three interlinked thematic areas: Development Planning and Inclusive Sustainable Growth, Economic Recovery, and Environment and Natural Capital. To better enable countries to implement the transformative sustainable development agenda, UNDP assists in identifying, accessing, combining and sequencing finance for sustainable development to ensure more efficient resource allocation and better distribution of financial resources.

Development planning and inclusive sustainable growth

Inclusive growth is key to eliminating poverty, addressing inequalities, including health disparities, and achieving sustainable development. UNDP will work with programme countries to improve how inclusive development policies and programmes are designed and implemented, in the following ways:

- Assisting governments in the formulation of development planning strategies and plans to ensure they incorporate interventions that promote inclusive sustainable development and poverty reduction;
- Strengthening institutional capacity to design, coordinate, implement and monitor national vision documents and development plans, and associated policy reforms;

- Providing policy advice and tools to address exclusion and marginalization in areas such as social protection, job creation, sustainable urbanization, health and fiscal policies that stimulate inclusive growth;
- Helping governments to set up comprehensive poverty monitoring and assessment systems to generate the data and evidence that would inform the design and targeting of effective poverty reduction and sustainable development policies;
- Advocating for a more favourable international policy environment in areas such as international trade, foreign direct investment, intellectual property rights, technology transfer and migration; and
- Enhancing the productive capacities, sustainable consumption and production patterns of developing countries to better integrate into the global economic system in a way that prioritizes human development and reduces poverty and inequality.

Economic recovery

Economic recovery efforts are a critical first step to reducing vulnerability and building the resilience of communities and societies affected by disasters, health crises and conflicts (both sudden onset and protracted). A focus on jobs, sustainable livelihoods and economic recovery is a cornerstone of UNDP's work in achieving a rapid return to sustainable development. UNDP's policy and programme offering in this area includes the following:

- Supporting livelihoods;
- Stabilizing disaster- and conflict-affected individuals, communities and societies to ensure that relief, recovery and development are a continuum;
- Supporting local economic recovery for medium- and long-term jobs/employment, income generation;
- Finding development solutions for displacement;
- Supporting economically and environmentally sustainable livelihoods, medium- and long-term employment and inclusive economic growth by putting in place the building blocks to build a country's resilience and ability to cope with unavoidable shocks.

Environment and natural capital

Conservation and the sustainable use of environment and natural resources are necessary to tackle multidimensional poverty, inequality and exclusion, and promote resilience and effective governance for sustainable development. UNDP assists programme countries to implement their obligations under the Multilateral Environmental Agreements (MEAs) and to integrate environmental concerns into national and sectoral plans and strategies. Areas of focus include biodiversity and ecosystem management, tackling wildlife crime, water and ocean governance, chemicals and waste management, extractive industries and environmental finance. UNDP's policy and programme support in these areas include inter alia:

- Integrating biodiversity into development planning and production sectors;

- Managing and rehabilitating ecosystems for climate risk management;
- Combating illegal trade in wildlife with a focus on diversifying rural livelihoods, managing human-wildlife conflict, and sharing the benefits from sustainable wildlife management;
- Promoting and facilitating equitable access to water and sanitation services;
- Helping countries strengthen their waste management systems, including waste prevention, reuse/recycling, treatment and disposal;
- Strengthening the legal framework, policies and institutional capacities that govern the extractives sector; and
- Catalyzing investment into green technologies, practices and enterprises that will pave the way to inclusive and sustainable development pathways.

UNDP is an accredited multilateral implementing agency of GEF, Multilateral Fund (MLF) and Adaptation Fund (AF). As a GEF implementing agency, UNDP offers integrated technical services for eligibility assessment, programme formulation, co-financing, implementation oversight, knowledge and results management, evaluation, and performance-based payments. As an MLF implementing agency, UNDP provides capacity development, policy advice, technical assistance, technology transfer and training services to help countries meet their Montreal Protocol obligations.

2. INCLUSIVE AND EFFECTIVE DEMOCRATIC GOVERNANCE

Building and/or strengthening inclusive and effective democratic governance is one of three priority areas of work outlined in UNDP's Strategic Plan 2014–17. Given UNDP's decades of work in these thematic areas and its worldwide presence in 177 countries, UNDP is strategically positioned to support Member States in building peaceful societies, promoting the rule of law and building effective, accountable and inclusive institutions, as a trusted partner working across sectors, with multiple stakeholders and important joint UN ventures, often on sensitive issues. UNDP sees youth as powerful agents of change and advocates for the inclusive participation of youth in decision-making and governance at all levels (UNDP Youth Strategy 2014–2017). These strengths confer UNDP with a leadership role within the UNDG for the implementation of Goal 16 (Promote just, peaceful and inclusive societies).

Goal 16 embraces the core elements of a social compact between state and society as it seeks to ensure a match between people's expectations of what the state and other actors will deliver (the services contained in the other goals, for example, on health, as well as safety, rule of law and a fair justice system, legal identity, access to information and opportunities for participation) and the institutional capacity available within the state and other actors to meet those expectations. That explains why "the building of responsive, accountable and transparent institutions" is an important target, despite the remaining challenges in developing baselines and deciding on the kind of institutions (public sector, private sector or civil society or a combination of all) that should be at the heart of attention. There is no doubt that public sector institutions will be centre stage.

UNDP's Governance and Peacebuilding Cluster (DGPC) in the Bureau for Policy and Programme Support thus aims to facilitate a convergence between people's expectations and institutional capacity to meet these expectations by focusing on four interrelated areas of work:³

- (1) Rule of law, justice, security and human rights, to provide the foundation for an orderly society which upholds human rights principles and standards and provides for a secure and predictable development environment;
- (2) Inclusive political processes, to institutionalize open and representative bargaining and negotiating processes between State and society;
- (3) Responsive and accountable institutions, to secure core government functionality and ensure the existence of adequate state authority at central and local levels for the delivery of social services and economic development;
- (4) Conflict prevention and peacebuilding, to help establish mechanisms to prevent conflict, manage contestation and build peaceful solutions that promote trust, inclusion and social cohesion.

Promoting gender equality is a critical cross cutting issue for the DGPC. The DGPC has designated gender capacity in each of the teams at HQ as well as in the Regional Hubs. DGPC is responsible for promoting women's engagement and leadership in political processes and civic engagement, promoting gender equality and women's empowerment in public administration, addressing sexual and gender-based violence, reducing health-related gender disparities and improving access to justice for women. DGPC also promotes the role of women in conflict prevention and peacebuilding processes.

Youth is also a priority target group. There are currently 1.8 billion young people, who in many countries represent the majority of the population (reaching 80 percent of the population in some African countries). UNDP is also a lead actor in building youth participation in the post-2015 agenda in general and Goal 16 in particular, and is seen as an enabler for youth inclusion in governance (young people represented the majority of respondents in the MY World online survey). The expectations and interest of donors and civil society are quite high about youth participation in the post-2015 agenda and the UN's support for this stream of work. UNDP stresses the transformative role of youth, enhances its support to youth networks, and highlights the importance of building the capacity of these networks to collect, analyse and disseminate non-official data and to contribute to accountability systems nationally and globally.

Goal 16 is different from other goals in that the enabling environment which it seeks to establish will be essential to ensuring progress on all other goals. As such, mainstreaming and acceleration on governance-related issues will need to take place at the macro level, across all SDGs, in addition to specific mainstreaming and acceleration efforts for the achievement of Goal 16 in particular. *Mainstreaming at the macro-level* will require support for integrating the targets of Goal 16 across all SDGs (e.g., identifying how targets 16.4 and 16.5 on anti-corruption would support the implementation of Goal 3 on Health and Goal 4 on Education, or identifying how target 16.3 on rule of law and access to justice would support the implementation of Goal 8 on decent work for all.) Likewise, *acceleration at the macro level* will require institutional and context analysis to be performed across all

³ These four streams of work also blend well with four of the five State and Peacebuilding Goals contained in the New Deal for Engaging with Fragile States.

SDGs, at the national and subnational levels, to identify the governance-related drivers and bottlenecks that could speed up or hamper progress across the goals.

For Goal 16 specifically, mainstreaming will need to be addressed at two levels — first, support will be needed to mainstream Goal 16 targets in national planning and monitoring processes, and second, support will be needed to help localize Goal 16 targets with regional and local authorities. Also for Goal 16, acceleration will require a deeper understanding of the institutional and political context in which Goal 16 targets are to be achieved. How to better understand the drivers and bottlenecks that can speed up progress on the different targets, or hamper initiatives to strengthen governance and institution building, overall and in particular sectors? For example, “ensuring responsive, inclusive, participatory and representative decision-making at all levels” (target 16.7) will require a thorough understanding of the political economy of ‘voice and participation’ in a given context.

Policy support and capacity development specifically tailored to a country’s particular context can then be made available to support both implementation of Goal 16 and to address the governance bottlenecks. Analytical work aimed at facilitating the landing of Goal 16 in the national and local contexts including through the identification of drivers and spoilers for each target under goal 16, will also inform the mainstreaming and acceleration efforts for the SDG agenda as a whole.

3. RESILIENCE BUILDING THROUGH AN INTEGRATED APPROACH TO ENERGY, CLIMATE CHANGE AND DRR

UNDP today is better equipped to address the many complex challenges that the emerging risk context poses to sustainable development. The UNDP Strategic Plan 2014–2017 identifies resilience building as one of its three pillars, along with sustainable development pathways and democratic governance. Through its partnership with GFTATM, UNDP supports countries facing special circumstances to implement risk-informed health programmes and build resilient systems for health. Three out of seven outcome areas of the UNDP Strategic Plan focus on disaster risk reduction, energy and climate change. In 2014, 74 UNDP country programmes were already fully aligned with these new Strategic Plan outcomes and this number is expected to rise in the coming year as UNDP Country Offices continue to align their work with the Strategic Plan.

UNDP is currently developing an integrated framework on climate change, disaster risk reduction (DRR) and energy that brings together UNDP’s work in these areas and maximizes synergies. Such an approach will build on UNDP’s experience in supporting countries in these areas and position UNDP to provide the best possible support that is requested and needed by countries as they look to implement post-2015 agreements including the SDGs, UNFCCC Climate Agreement and the Sendai Framework on DRR. By merging the previously separate thematic areas of climate change, energy, DRR and recovery under a common roof, the new Climate Change and Disaster Risk Reduction Cluster, UNDP has set the organizational foundation for delivering on these highly integrated areas of work and pursuing a joint approach that affords far greater opportunities in securing development gains and building resilient societies that are better able to withstand the multiple challenges posed by rapidly increasing exposure to disaster and climate change risks.

The overwhelming share of disasters that are climate related are due to the impacts of global climate change, hence offering avenues for collaboration on integrated risk assessments, early warning systems and, importantly, helping UNDP's programme countries to make informed development decisions and investments through improved risk governance arrangements. Last but not least, all UNDP risk management work streams in the areas of climate change, DRR, recovery and energy are fundamental to sustainable development: if it isn't risk-informed, it isn't sustainable.

Climate change

UNDP's mandate on climate change is rooted in ensuring that countries are able to address the challenges of climate change whilst advancing the SDGs, and safeguarding development gains. UNDP is the leading UN agency in providing support to countries in this area, supporting over 140 countries in adaptation, mitigation and cross cutting programmes (32 percent in Asia Pacific, 31 percent in Africa, 17 percent in Eastern Europe and CIS, 12 percent in Latin America and Caribbean, 8 percent in the Arab States). UNDP also ensures all its programming considers climate and disaster risk, which are incorporated into its Social and Environmental Standards. UNDP's extensive experience and track record of results on climate change positions it as an excellent support to countries in implementing any outcomes of the UNFCCC Paris agreement and the climate change components of the new SDGs as the agency looks toward a post-2015 world.

Sustainable energy

UNDP supports and advocates for a market transformation in the energy sector, and does this through a range of interventions on policy, finance, capacity development and awareness creation. By encouraging investments that help deliver sustainable energy products and services, and de-risking the policy and financial environment, UNDP is helping to develop the socio-economic context by which sustainable energy can be viable and practical. Over the past 20 years, UNDP has supported over 120 developing and middle-income countries with comprehensive plans focusing on a strongly integrated programme in three areas: energy access, renewable energy and energy efficiency. At the global and regional levels, UNDP has been advocating for sustainable energy in the context of broader development and poverty eradication efforts and is recognized as a senior partner of the Sustainable Energy for All (SE4ALL) initiative.

Disaster risk reduction

Working with national and local governments, UNDP undertakes multilayered capacity-building to ensure that countries and communities have the skills and resources to prevent, mitigate and prepare for disasters. Addressing both hydro-meteorological and geophysical hazards, UNDP's team helps establish early warning systems, design evacuation routes, strengthen infrastructure, and enhance the policy and institutional spheres that guide and enable risk-informed development. Disaster risk governance plays a central role in UNDP's work. Since 2005, UNDP has helped dozens of countries achieve the goals and ambitions of the Hyogo Framework for Action, investing, on average, \$200 million across 60 countries annually. UNDP is currently supporting global efforts to develop and launch a new initiative '5-10-50', a programme targeting 50 countries over 10 years through five priority components.

ANNEX: LONG-TERM TRENDS INFLUENCING THE IMPLEMENTATION OF THE 2030 AGENDA

PROGRESS

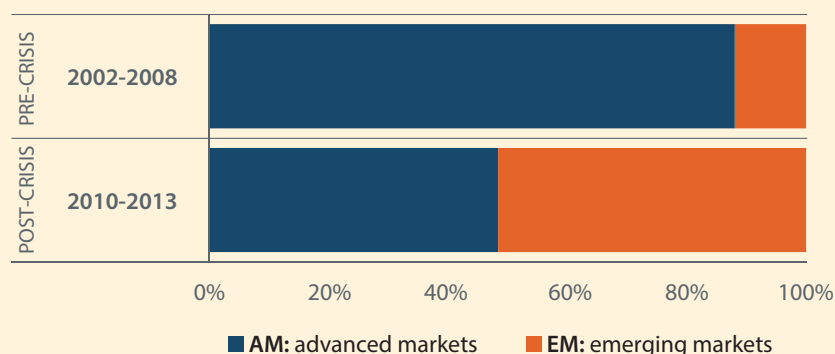
Developing countries are still expected to grow much more rapidly than developed countries, continuing to narrow the gap between the income per capita of rich and poor countries. Since 2000, on average, economies of OECD countries have grown at 2 percent a year, while non-OECD growth averaged 7 percent a year.⁴ Even though this growth differential is expected to narrow somewhat, by 2060 non-OECD economies are projected to contribute half of the world's GDP, compared with 35 percent in 2010 (in purchasing power parity, and without incorporating the latest PPP revisions).⁵ Economic growth is expected to be particularly rapid in East Asia and Africa, with emerging economies continuing to attract a larger share of global investment as they did before the global economic and financial crisis (Figure 2).

Figure 2: Global capital flows before and after the economic crisis

Emerging markets received close to half of global inflows after the crisis compared less than 20 percent before...

COMPOSITION OF GLOBAL CAPITAL FLOWS

(Share of total flows)



Source: IMF Staff Discussion Note, 'Emerging Market Volatility: Lessons from The Taper Tantrum'⁶

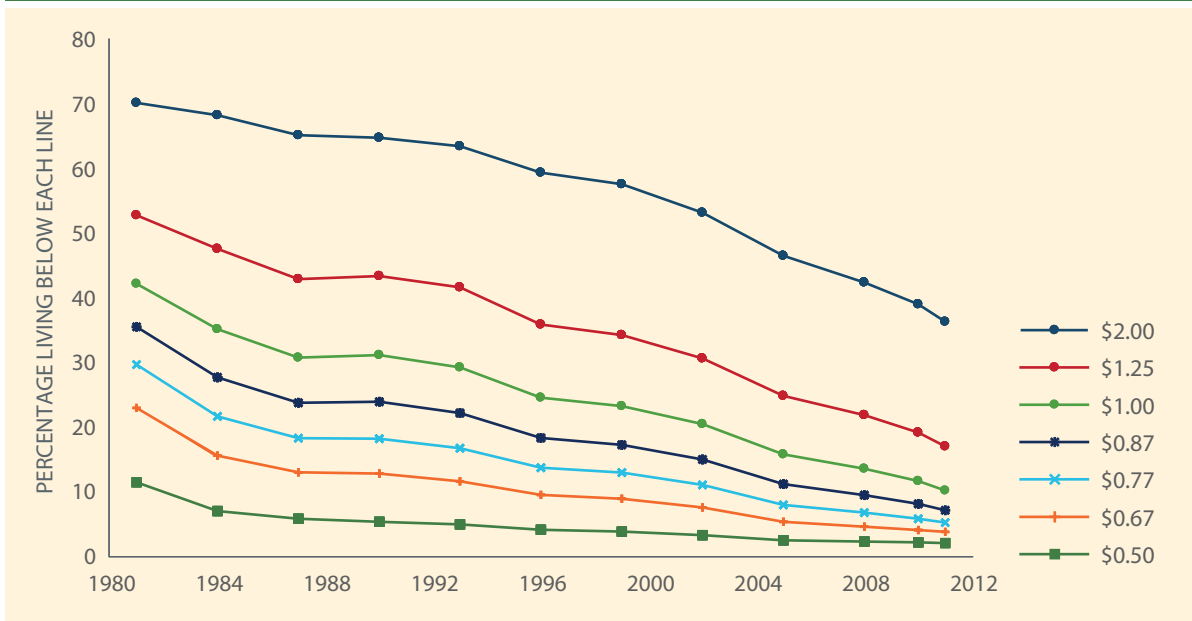
⁴ OECD, "Growth Prospects and Fiscal Requirements Over the Long Term," Economic Outlook, 2014 (1): 223, 2014.

⁵ Ibid, p. 226.

⁶ Available at: <http://www.imf.org/external/pubs/ft/sdn/2014/sdn1409.pdf>

Along with rapid economic growth, there has been progress — even if varied across regions and goals — towards meeting the MDGs. The percentage of the global population living in poverty has been steadily falling since the mid-1990s, and especially rapidly since the turn of the century. As figure 3 illustrates, this is the case for different poverty lines, from \$2 a day to the extreme poverty line of \$1.25 to the ‘ultra-poverty’ rate of \$0.50 a day. In addition to progress on income growth and income poverty, the recent improvements on infant and child mortality, gender equality, and school enrollment are expected to continue over 2015 and beyond. Primary school enrolment increased from 83 percent in 2000 to 90 percent in 2012, with gender parity achieved in all developing regions. Since 1990 the child mortality rate has been almost halved (from 90/1000 children to 46/1000 in 2013). Maternal mortality has also declined by 45 percent since 1990.

Figure 3: Percentage of developing world living below each poverty line



Source: Martin Ravallion, “Are the World’s Poorest Being Left Behind?” NBER Working Paper No. 20791, 2014.

For human development outcomes, these are generally considered as positive trends. The question remains however whether the growth pathways that have led to these improvements are consistent with maintaining the health of the planet and securing a long-term prosperous future for all.

INEQUALITY

High or rising income inequality continues to characterize many countries, both developed and developing. Over the last few years, income inequality has been high on the agenda, topping the list of global challenges at the World Economic Forum for three or four years running, and it is likely to remain on the agenda in 2015 and beyond. A significant majority of households in developing countries — more than 75 percent of the population — are living today in societies where income is more unequally distributed than it was in the 1990s. Even when income inequality has gone down — as in much of Latin America recently — levels of inequality remain very high.

Income inequality often intersects with inequality in education, health, and political voice, participation, access to and use of natural resources and the decision-making processes governing them. The global inequality-adjusted Human Development Index (HDI) — which adjusts the HDI downward as the level of inequality in income, health, and education goes higher — is 23 percent lower than the unadjusted HDI. This suggests that inequality across all three dimensions of the HDI imposes a loss of close to one quarter. In addition, the loss in the HDI due to inequality is higher when the level of HDI is lower: For very high HDI, the loss is 12 percent; for high HDI, 20 percent; for medium HDI, 26 percent; and for low HDI the loss is 33 percent — or about one third. This confirms the idea of multifaceted, intersecting and self-reinforcing inequalities, which correlate also with the level of human development. The simultaneity of low human development and high inequality implies, therefore, almost a double burden: not only do people in low HDI countries have low standards of living, they suffer from high inequality in the distribution of the meager income and human development outcomes that are available.

Inequality between women and men is a particular affront to human dignity and economically wasteful. Women represent a little over half of the world's population, and yet their participation in and remuneration for measured economic activity falls well below parity with men. Much of women's work is not remunerated and it is not accounted for in GDP. Women, on average, spend twice as much time as men on household work, and four times as much on childcare. Gender gaps in labour markets are wasteful, with losses in GDP per person directly attributable to gender inequality — differences in labour force participation and wages — running as high as 27 percent in some countries.

Inequality — in income and human development — matters for a variety of reasons. Those who experience multiple and simultaneous deprivations across the economic, social, political, legal, cultural, and environmental spheres are cut off from opportunities to contribute to and benefit from their economy, society, and communities — with everyone losing. The economy has less potential to boost productivity and generate revenue; societies are less cohesive; community members less likely to trust each other; and those who suffer exclusion and endure isolation, indignity and discrimination have little chance to improve their lives.

The visibility of and concern over inequality may also be due to the realization that high-income inequality can interact with political processes in ways that are detrimental to growth and development — as the elite capture of policy-making leads to the pursuit of narrow rather than public interests. While this is a risk everywhere, it is particularly the case in poorer countries with weak institutions. Furthermore, high horizontal inequality — across groups of people defined by where they live or who they are, depending on ethnicity or other factors — has been shown to be related to the outbreak of social instability, violence and even conflict.

DEMOGRAPHICS

The world's population will grow from the current 7.3 billion by another billion people in the next 12 years. It will reach close to 10 billion by 2050, placing enormous pressure on local and global natural resources. Population increases will take place overwhelmingly in today's developing countries while the population of developed regions is expected to remain about the same as today, around 1.3 billion.⁷ The majority of the present population has yet to reach age 30. There are more adolescent and young people (between the ages of

⁷ UN DESA, "World Population Prospects: the 2012 Revision," 2013.

10 and 24) today than at any other time in human history. Today's generation of adolescent and young people numbers slightly less than 1.8 billion, up from 721 million in 1950 — and is set to grow to 2 billion by 2050.

Demographic dynamics are slow-moving but determine perceptions of future challenges. Depending on how they are managed they can fuel growth and more sustainable development. The demographic dividend is one example, corresponding to the economic growth potential caused by shifts in a population's age structure, when the share of the working-age population (15 to 64) increases relative to the share of the non-working-age population — or when the age dependency ratio, which is the ratio between non-working and working population, comes down.

Today, all developing regions other than sub-Saharan Africa have reaped their demographic dividend. In 1960, the age dependency ratio was at or above 80 percent in all developing regions — it was highest in Latin America at 87 percent. All developing countries had large 'youth bulges', representing an economic burden on families and country budgets as youth tend to consume more than their share in output generation. This is still today the situation in most of sub-Saharan Africa, and if countries in Africa do not create opportunities for their youth they are bound to face some of the challenges highlighted in the preceding section. In the rest of the developing world, the age dependency ratio has declined quickly, starting in the 1970s in Latin America and in the 1980s in Asia. These developing countries did reap a hefty demographic dividend. The dividend came as resources were freed for economic development and greater per capita spending on higher quality health and education services. Economic growth took off. A virtuous cycle began where capabilities and opportunities continuously expanded. These countries are now facing the prospect of getting older before getting richer, putting potentially a huge burden on their active populations and young people to provide for the ageing population, without the benefit of old-age pension systems that richer countries had time and resources to put in place.

A new and emerging challenge relates to urbanization.⁸ In 2010, for the first time ever, more people lived in cities than in rural areas — in 2015, the percentage of the global population living in cities will reach 54 percent. That means as many as one billion more people will be living in cities within the next 15 years than today. Cities are the locus of economic growth, generating around 80 per cent of global economic output. How we manage cities and their links to rural communities is key to addressing environmental sustainability challenges, given that cities represent around 70 per cent of global energy use and energy-related greenhouse gas emissions, their impact on land and water use, pollution, resilience to climate change, green commodity chains, and related areas of green growth, consumption and production. The fastest rates of urbanization are happening in the developing world, and are fueled primarily by migration. Urban areas do have better education and health services, and are perceived to have better economic opportunities. Potentially, it is more efficient to provide health and education services in urban areas. But managing urbanization comes with daunting challenges too, as many people fail to see their economic aspirations in cities met, and the provision of services — water, sanitation, transportation — lags behind urban growth and expectations. With two thirds of the global population expected to live in cities by 2050, the challenge of managing urbanization will remain central in 2015 and beyond.

⁸ UN DESA, "World Urbanization Prospects," 2014

ENVIRONMENTAL SUSTAINABILITY

The SDG agenda recognizes the critical links between environmental sustainability and efforts to eradicate poverty, reduce inequalities and strengthen resilience. More than 40 years of experience have shown the co-benefits and multiplier effects of investing in stronger environmental management, integrating environmental concerns into national and sector planning and implementing programmes that strengthen livelihoods and advance the goals of Multilateral Environmental Agreements. These include efforts to address issues of biodiversity and ecosystem services, including forests; sustainable land management and desertification; water and ocean governance, including fisheries, climate change, energy, extractive industries, chemicals and waste management; and the green economy, including green commodity chains.

It is the close interaction of land, ocean, atmosphere and life that together provide the conditions upon which our societies depend for food, clean water, fuel, medicine, shelter and reduced vulnerability to climate change and natural disasters, particularly the 1.2 billion women and men living in poverty. For example, as human activity pushes earth's systems into zones of increasing risk, marine ecosystems may change dramatically as a result of ocean acidification and eutrophication; temperatures may rise so high as to pose significant threats to agricultural production, infrastructure and human health. Over 30 percent of global carbon emissions come from unsustainable agriculture, forestry, and water and waste management, while as much as 60 percent of carbon dioxide emissions have been sequestered from the atmosphere and stored in the ocean and in plants and soil.

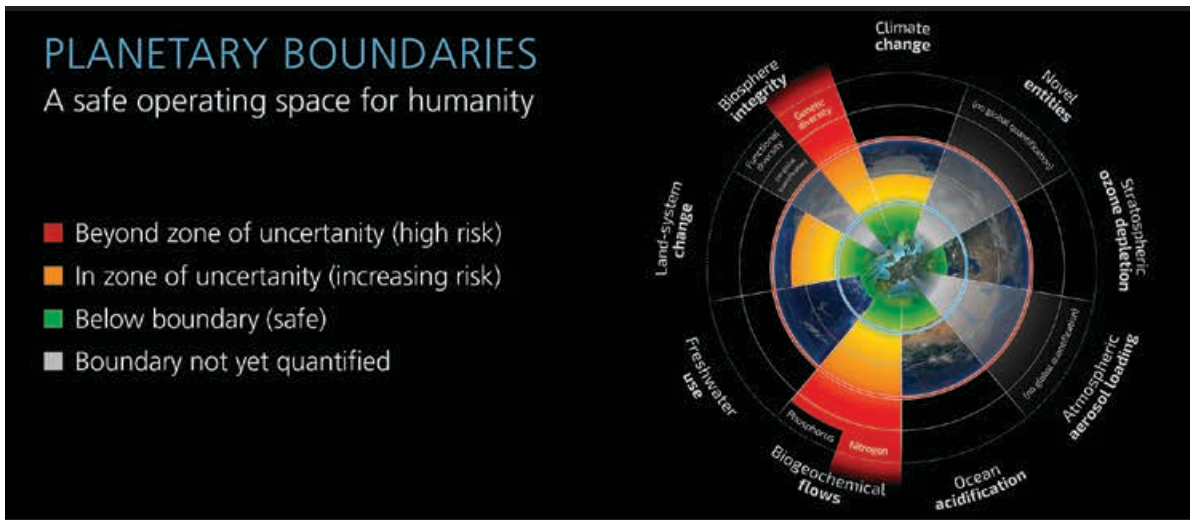
Environmental sustainability is a significant concern at both the community and global level. While the number of people and the size of economies will grow, especially in the developing world, our planet will not stretch. As income per person expands and people live longer lives (life expectancy at birth is expected to reach 76 years in 2045–2050), consumption will increase. We will need to produce 70 percent more food by 2050 globally, and in sub-Saharan Africa crop production will have to triple. Global energy demand will increase by about 40 percent by 2040.

Through ideas, creativity and technology, the world has been able to steadily improve standards of living, by becoming more efficient at utilizing labor, capital and, to some extent, our natural resources. However, the gains in the productivity of natural resources have often come at the cost of environmental degradation and the overuse of renewable and non-renewable natural resources. To meet the growing demand for food, energy and the production of goods and services for a larger and wealthier population, the pressure on land and water use, oceans, and the atmosphere will increase even more.

The latest report from the Stockholm Resilience Centre on Planetary Boundaries: Guiding Human Development on a Changing Planet highlights how humanity's survival depends on how we manage human-induced changes across nine interlinked planetary boundaries.⁹ Four of these boundaries have now already been crossed: climate change, biosphere integrity, land-system change and biogeochemical cycles. These represent fundamental tipping points beyond which the risks to lives and livelihoods across rich and poor countries and communities greatly increase with potentially catastrophic consequences. Two of these, **climate change** and **biosphere integrity**, including forests and fisheries, are particularly sensitive. Significantly, altering either one would lead to major planet wide changes.

⁹ The nine planetary boundaries are: climate change, change in biosphere integrity (biodiversity loss and species extinction), stratospheric ozone depletion, ocean acidification, biogeochemical flows (phosphorus and nitrogen cycles), land-system change (e.g., deforestation), freshwater use, atmospheric aerosol loading (microscopic particles in the atmosphere that affect climate and living organisms) and the introduction of new entities (e.g., organic pollutants, radioactive materials, nanomaterials and micro-plastics).

Figure 4: The nine interlinked planetary boundaries



Source: Planetary boundaries: Guiding Human Development on a Changing Planet.¹⁰

Sustainable development implies that we change the way we use our natural resources and recognize their value to livelihoods, societal progress and economic growth, for both current and future generations. The climate change challenge illustrates this point well. We have freely emitted greenhouse gases, increasing their concentration in the atmosphere to an extent that the earth's climate is already being altered. With the concentrations that exist today, there are already impacts, such as on agricultural productivity and the frequency and severity of extreme weather events, which can no longer be avoided. And as emissions continue to grow, the consequences will get even direr. Climate change — which if some of the longer term projections come to pass will lead to rises in sea level and catastrophic changes in global weather patterns — represents an existential threat to many on our planet, particularly in some SIDS or in already climate-stressed areas like the Sahel or the Horn of Africa. In a cruel twist, climate change is a potential driver of further regression for those already facing risky and low-return livelihoods.

Incorporating in our decision-making — both public and private — the costs of greenhouse gas emissions can be done in a variety of ways, from regulation to pricing carbon emissions. The same applies to other 'bads' that degrade our soil, spoil our water, destroy our forests and kill our oceans. However, taking corrective or preventive action does not condemn us necessarily to lower standards of living today or in the future. It can, in fact, create new business opportunities: Pursuing these business opportunities can lead, instead of to a world of resource scarcity, to trillions of dollars in profits.¹¹

The key idea around concepts such as an inclusive green economy is that it is possible to pursue development pathways that yield sustained growth as well as reduce inequalities, and are environmentally sustainable on all fronts including climate change

¹⁰ Available at: <http://www.stockholmresilience.org/21/research/research-news/1-15-2015-planetary-boundaries-2.0—new-and-improved.html>.

¹¹ Stefan Heck and Matt Rogers, 'Resource Revolution. How to Capture the Biggest Business Opportunity in a Century', Boston and New York: Houghton Mifflin Harcourt, 2014.

mitigation and adaptation. As proposed in the 2015 ‘The New Climate Economy Report’ (<http://newclimateeconomy.report/>) there are opportunities to raise resource efficiency, invest in infrastructure and stimulate innovation in a way that can unleash the structural transformations required to pursue those pathways.

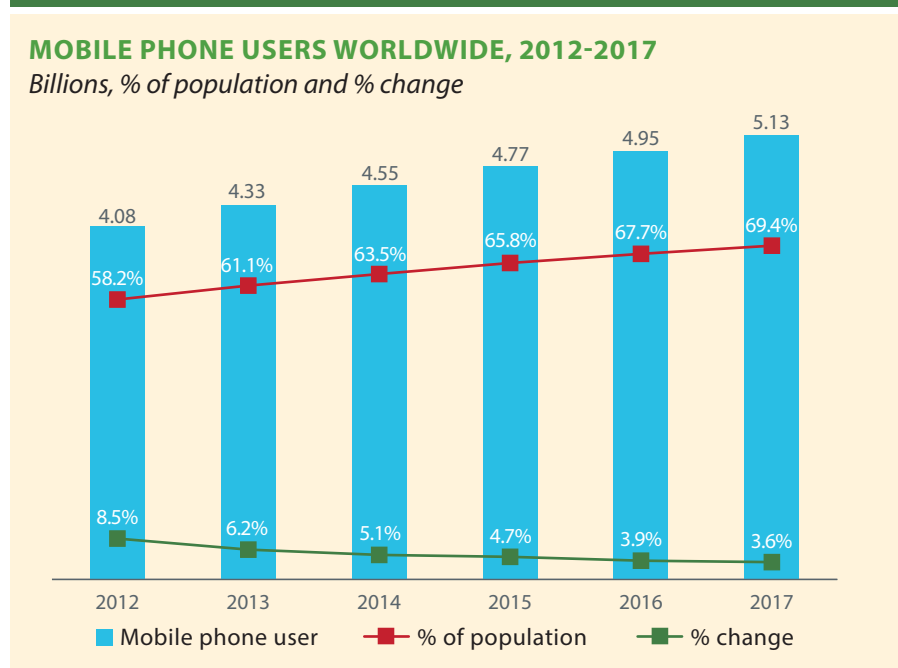
TECHNOLOGY

The last quarter century has seen an explosion in new technologies, including in computing and information communication, and across all development sectors and industry.

The penetration of mobile devices will continue to grow in Africa, Latin America, Asia-Pacific and the Middle East over the next three to five years, and will move towards convergence with already near-ubiquitous use in Europe and North America. By the end of 2017, smartphone penetration is expected to be 50 percent of the global population (see figure 5).¹²

This will have implications for sustainable human development as people will be able to more readily access information to make decisions and choices, as well to hold governments and other actors to account for their policies or service delivery.

Figure 5: Percentage of developing world living below each poverty line



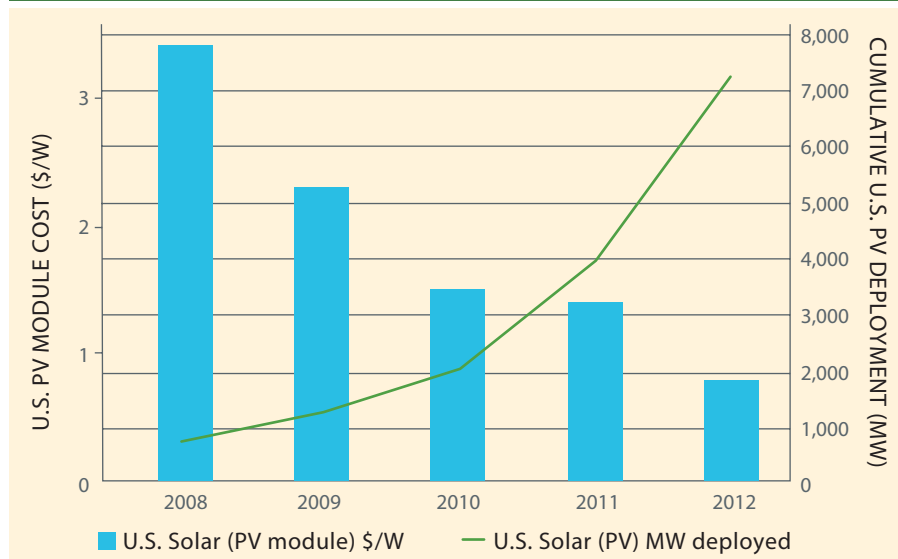
Note: individuals of any age who own at least one mobile phone and use the phone(s) at least once per month.

Source: www.eMarketer.com.

¹² eMarketer, January 2014, at <http://www.emarketer.com/Article/Smartphone-Users-Worldwide-Will-Total-175-Billion-2014/1010536>.

Very fast-paced technological innovation is fueling the diffusion and the drop in cost of renewable energy as well. For example, rooftop solar panels today cost 1 percent of the cost 35 years ago, and in the United States alone, the deployment of photovoltaic power has increased tenfold since 2008, with prices dropping over fourfold (see figure 6). Similar drops in price and expansion in deployment are registered for other renewable energies like wind, as well as for energy-saving technologies like LED lights.

Figure 6: U.S. Deployment and cost for solar PV modules 2008-2012



Source: US Department of Energy, “Revolution Now: the Future Arrives for Four Clean Energy Technologies,” 2013, at <http://energy.gov/downloads/revolution-now-future-arrives-four-clean-energy-technologies>.

One of the best examples of leap-frogging technology transfers for sustainable development is the Montreal Protocol on Substances that Deplete the Ozone Layer (1987), designed to reverse and eventually halt the worldwide life threatening depletion of the ozone layer. The industries originally used ozone depleting substances including air conditioning, refrigeration, agriculture and aerosols. Over 1,000 technology transfer investment and capacity development projects have been funded under the Montreal Protocol’s Multilateral Fund, enabling governments to put in place many policies, regulations, awareness campaigns and financial incentives and disincentives, including for large and smaller enterprises to innovate and access new ozone-friendly technologies that both create new jobs and contribute to climate change mitigation.

The continuous technological innovations in energy and in information and communication technologies create exciting opportunities for developing countries. As has happened with mobile technology, new technologies can give developing countries an edge in dealing with challenges ranging from energy access to agricultural productivity. What is less predictable is how these technologies will disrupt existing patterns of production and employment and what their impact will be on inequality and the distribution of income. Labour-substituting technologies such as 3-D printing can improve productivity but also exacerbate negative employment trends. For these reasons, public policy plays a key role.



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