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Redefining policies for sustainable development

How to close gaps and overcome contradictions in the implementation of the 2030 Agenda

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When UN Member States adopted the 2030 Agenda, they signaled with the title *Transforming our World* that it should trigger fundamental changes in politics and society. With this Agenda governments committed to changing course and leaving the path of 'business as usual'.

But three years after its adoption, most governments have failed to turn the proclaimed transformational vision of the 2030 Agenda into real policies. Even worse, policies in a growing number of countries are moving in the opposite direction, seriously undermining the spirit and the goals of the 2030 Agenda.

But there are bold and comprehensive alternatives to business as usual that would help to change the course towards more coherent fiscal and regulatory policies. There is a need for a whole-of-government approach towards sustainability. The implementation of the 2030 Agenda and the SDGs must be declared a top priority by heads of government. The national strategies for sustainable development should not be regarded as one among many but constitute the overarching framework for all policies.

It is important to recognize, however, that the implementation of the 2030 Agenda is not just a matter of better policies. The effectiveness of the required policy reforms in the 2030 Agenda implementation process requires more holistic and more sweeping shifts in how and where power is vested, and it depends on the existence of strong, democratic and transparent public institutions at national and international levels.

The High-Level Political Forum (HLPF) 2019 at the level of heads of State and government, the subsequent review of the HLPF, and the 75th anniversary of the UN 2020 provide new opportunities for strengthening and renewal of the institutional framework for sustainable development in the UN.

A "supremely ambitious vision"

When UN Member States unanimously adopted the 2030 Agenda for Sustainable Development in September 2015, they signaled with the title *Transforming our World* that it should trigger fundamental changes in politics and society. They called the 2030 Agenda a "supremely ambitious and transformational vision … of unprecedented scope and significance"[1] and explicitly linked it to human rights obligations.

Governments recognized in the Agenda the "immense challenges" to sustainable development, including the "enormous disparities of opportunity, wealth and power" in the world.[2] In fact, the 2030 Agenda represents the political response to the unresolved global economic, social and environmental crises. In previous decades, unfettered neoliberal economic policies characterized by a fixation on economic growth, accumulation and wealth concentration have increased social and economic inequalities. Persistent poverty, unemployment, social exclusion and higher levels of insecurity have been threatening care systems, social cohesion and

1 UN (2015), paras. 5 and 7.

2 Ibid., para. 14.

political stability. Fast-spreading unsustainable production and consumption patterns have accelerated global warming, depleted the ozone layer, saturated land with nitrogen and poisons, created plastic waste dumps even in the most isolated places of the planet, and dramatically increased noncommunicable diseases. Systemic discrimination keeps women out of positions of power, overburdens them with domestic labour and remunerates their formal employment less than that of men. Meanwhile, care work, which is often undertaken by women within households, remains undervalued and under-recognized.

With the 2030 Agenda governments committed to tackling these problems, changing course and leaving the path of 'business as usual'. They committed to follow a more holistic approach to development marked by the 17 Sustainable Development Goals (SDGs) and their 169 "integrated and indivisible" targets.[3]

The Council of the European Union joined this consensus in its conclusions on a transformative post-2015 agenda in December 2014: "Business as usual is no longer an option, whether in terms of human dignity, equality or sustainability."[4]

But three years after the adoption of the 2030 Agenda, and despite promising initiatives in many parts of the world, most governments have failed to turn the proclaimed transformational vision of the 2030 Agenda into real policies. Even worse, policies in a growing number of countries, not least the USA, are moving in the opposite direction, seriously undermining the spirit and the goals of the 2030 Agenda.

Huge gaps and contradicting policies

With SDG 17 governments committed to a revitalized Global Partnership between States and declared that *public* finance must play a vital role in achieving the SDGs. But the initial implementation phase of the 2030 Agenda has been dominated by a worrying narrative that emphasizes the need to leverage *private* sector engagement, investments and resources. Mainstream policies still tend to be biased towards *private* financing and private sector partnerships as the primary means of implementation for the 2030 Agenda, based on the misguided idea that relying on private finance is the more affordable and efficient option. In sum, a human rights-based approach to development seems to have been cast aside for a profit-driven approach to development.

Cutbacks in public services and other 'austerity measures' that governments claimed were necessary to keep them solvent in the aftermath of the recent economic and financial crisis led to a wave of privatization, particularly in public service provision and infrastructure.

But contrary to the rhetoric of private sector efficiency, a major driver of privatization is the expected profit produced by job cuts and lower labour costs (see Spotlights on SDGs 8 and 9). Privatization has often been used to break unions' collective agreements, drive down wages and labour conditions, introduce precarious work and can also threaten women's rights and gender equality (see Chapter 4 and Spotlight on SDG 5).

Growing evidence shows that the various forms of privatization in the water and sanitation sector, in particular, has been detrimental, especially to the most marginalized and vulnerable communities in the world. Private investors have largely ignored the most underserved regions of the world while favouring more lucrative markets that require less capital and promise greater returns (see Spotlight on SDG 6).

The waste services sector has faced similar problems. In many cases privatization resulted in higher costs for municipalities, loss of in-house knowhow and quality control, and poor working conditions, as private operators consistently turn to labour cost reductions and automation as profit-making strategies (see Spotlight on SDG 11).

Private capital and financial innovation are also presented as the plausible and pragmatic approach to solving persistent environmental problems. Conservation finance, private equity funds, land and rainforest bonds: all are attempting to 'unlock'

3 Ibid., para. 18.

4 Council of the European Union (2014).

the supposed trillions of dollars waiting around to finance the global environmental agenda. The last quarter century of international conservation efforts is riddled with exciting promises to generate financial returns from conservation. But these promises have never seemed to materialize (see Spotlight on SDG 15).

With the 2030 Agenda, governments reaffirmed their commitment to achieve universal health coverage and provide access to quality health care for all. But the World Health Organization (WHO), the "directing and co-ordinating authority on international health work"[5] remains underfunded (see Spotlight on SDG 3). Its biennial budget for 2018-2019 is US$ 4.42 billion,[6] just over a quarter of the total sales of the top-selling anti-inflammatory medication Humira in 2016 (US$ 16.08 billion).[7] The WHO has become more and more dependent on private contributions, particularly from the Bill & Melinda Gates Foundation, now the second largest funder of the WHO, behind the USA.

Similarly, public funding for education is far from sufficient. The adoption of SDG 4 makes the demand for predictable, publicly funded and regulated education systems ever-more pertinent, as also reflected in the Education 2030 Framework for Action[8] (see Spotlight on SDG 4). But, according to UNESCO, official development assistance (ODA) to education has been stagnant since 2010, and the ODA that is given often does not go to the countries that are most in need, worsening the prospects for achieving SDG 4.[9]

A huge gap also exists between the commitment to implement social protection systems and the current reality (see Spotlight on SDG 1). The ILO World Social Protection Report 2017-2019 shows that only 29 percent of the world's population is covered by adequate social protection.[10] This results in, among others, a massive burden of unpaid care work for women, as a consequence of what DAWN defines as the unfair social organization of care. This means an unequal distribution of responsibilities between the State, market, households and communities on the one hand, and on the other hand between men and women (see Chapter 4).

But the problem is not a lack of global financial resources. On the contrary, in recent years we have experienced a massive growth and accumulation of individual wealth worldwide. The policy choices that have enabled the unprecedented accumulation of individual and corporate wealth are the same fiscal and regulatory policies that led to the weakening of the public sector and produced extreme market concentration and socio-economic inequality. Some governments have actively promoted these policies, in other cases they have been imposed from abroad, notably by the International Monetary Fund (IMF) and powerful public and private creditors (see Chapter 1).

The extreme concentration of wealth, however, has not increased the resources that are available for sustainable development. As the World Inequality Report 2018 states, "Over the past decades, countries have become richer, but governments have become poor" due to a massive shift towards private capital.[11]

In addition, harmful tax competition, tax abuse, illicit financial flows and the shifting of corporate profits to low or zero tax jurisdictions all have negative impacts on public revenues, the implementation of the 2030 Agenda, and the promotion of human rights and gender equality (see Spotlight on SDG 16). The 'Panama Papers', the 'Bahama Leaks' and, most recently, the 'Paradise Papers' have revealed the global scope of this network of secrecy jurisdictions, which is enabled and supported by a chain of transnational banks, accounting firms and legal advisers. Many of these low or zero tax jurisdictions only exist because they are tolerated by the major

5 Constitution of the WHO, Chapter II, Article 2 (a).
6 WHO (2017a).
7 https://news.abbvie.com/news/abbvie-reports-full-year-and-fourth-quarter-2016-financial-results.htm
8 UNESCO (2015).
9 http://unesdoc.unesco.org/images/0024/002495/249568e.pdf
10 ILO (2017).
11 Alvaredo et al. (2017), p. 14.

industrialized countries or even controlled by them, such as the Crown dependencies of the UK and some of the British Overseas Territories. The weaknesses of the global tax architecture and the lack of equal, effective and timely participation of developing countries in global tax cooperation make the situation even worse (see Box 0.1).

But even where public money is available, all too often public funds are not allocated in line with the 2030 Agenda and the SDGs but spent for harmful or at least dubious purposes, be it environmentally harmful subsidies or high military expenditures.

Total global military expenditure rose again in 2017, after five years of relatively unchanged spending from 2012 to 2016, to US$ 1.739 trillion.[12] Jan Eliasson, former UN Deputy Secretary-General and Chair of the SIPRI Governing Board called this trend "a cause for serious concern," which "undermines the search for peaceful solutions to conflicts around the world".[13]

In 2017, the USA spent more on its military than the next seven highest-spending countries combined. In 2018, its military expenditures are expected to increase to more than US$ 700 billion. In contrast, net ODA by members of the OECD Development Assistance Committee (DAC) was only US$ 146.6 billion in 2017, thus less than one tenth of global military spending. "The world is over-armed while peace is under-funded,"[14] states the Global Campaign on Military Spending (see Chapter 5). Particularly alarming has been the decision of the NATO member countries at their Summit in Wales in September 2014, to increase military spending to at least 2 percent of their national GDP. Even just for the European NATO members, this decision would mean a minimum increase of 300 billion Euros per year, most likely at the expense of other parts of their national budgets.[15] The 2 percent goal represents a kind of 'Un-Sustainable Development Goal' and is in sharp contradiction to the spirit of the 2030 Agenda.

Gaps and contradictions exist not only in fiscal policy and the provision of the financial means of implementation for the SDGs. The most striking example is climate policy. Despite the solemn rhetoric of the Paris Summit, governments are lagging dangerously behind the pace of action needed to keep temperatures below the threshold agreed in the Paris Agreement – that is, to hold the increase in global average temperature to well below 2°C. The pledges governments have currently made to reduce greenhouse gas emissions would lead to a 3.2°C rise in average temperature,[16] which would mark a catastrophic new reality in which the poorest countries and communities suffer the worst impacts (see Spotlight on SDG 13).

In many countries energy policies are still shaped by the influence of the fossil fuel industry and do not pay enough attention to climate change. This applies mainly, but not exclusively, to the high emitting industrialized countries. Countries that seek to overcome energy poverty, particularly in Africa, also have to find alternative pathways to climate-friendly energy policies (see Spotlight on SDG 7).

Instead of tackling unsustainable production patterns and taking the 'polluter pays principle' seriously, action is postponed, placing hope on technical solutions to climate change, including research on geoengineering, i.e. dangerous large-scale technological manipulations of the Earth's systems.[17]

Of course, major technological shifts are necessary to unleash the transformative potential of the SDGs and to turn towards less resource-intensive and more resilient economic and social development models. But this must not mean an uncritical belief in salvation through technological innovations, whether with regard to climate change or to the potential of information and communications technologies. UN Secretary-General António Guterres recently called

12 www.sipri.org/media/press-release/2018/global-military-spending-remains-high-17-trillion

13 Ibid.

14 The statement by the Global Campaign on Military Spending (http://demilitarize.org/).

15 See: www.ipb.org/news/appeal-disarm-dont-arm/

16 See: http://climateactiontracker.org

17 See: www.etcgroup.org/issues/climate-geoengineering

on Member States to "address the dark side of innovation".[18] This includes the new challenges of cybersecurity threats, the intrusion into privacy by artificial intelligence, its impact on labour markets, and the use of military-related 'cyber operations' and 'cyber attacks' (see Chapter 3).

The 'dark side of innovation' could also be the leitmotif characterizing the dominant fallacies about feeding the world through intensified industrial agriculture. While the prevailing industrial agriculture system has enabled increased yields, this has come at a great cost to the environment as well as to human health and animal welfare. At the same time, it has done little to address the root causes of hunger or to deal with inherent vulnerabilities to climate change. Industrial agriculture and unsustainable food system practices are in fact among the major sources of greenhouse gas emissions, depletion of natural resources, environmental degradation and reduction of biodiversity. Tackling the existential climate challenge and realigning humanity's ecological footprint to planetary boundaries simply cannot happen without the sustainable redesign of food and farming systems (see Chapter 2 and the contribution of IPES-Food in this report). This redesign must also reverse the trend towards ultra-processed food and drinks consumption, promote sustainable production practices and protect the rights of small-scale food producers (see Spotlight on SDG 12).

Policy coherence for sustainable development is essential in order to ensure that trade policies do not threaten a country´s ability to implement or weaken these policy reforms, by arguing that they are barriers to trade, as is currently taking place with regard to labelling policies and the renegotiation of NAFTA.[19]

Trade and trade-related policies are addressed explicitly in seven of the 17 SDGs and are identified as key to the implementation of the 2030 Agenda. Market access is deemed essential to promote the graduation of the LDCs (targets 10.a, 17.11 and 17.12) and to improve the livelihood of small food producers (target 2.3). Trade distortions are to be dealt with by reducing subsidies on agriculture (target 2.b), on fossil fuels (12.c) and on fisheries (14.6). Capacity-building on trade is required (target 8.a) and the WTO is urged to complete the Doha Round (target 17.10). In sharp contrast, governments failed to translate these promises into action at the Eleventh Ministerial Conference of the World Trade Organization (WTO) held in December 2017 in Buenos Aires. The collapse of the negotiations was not caused only by the *de facto* withdrawal of the US government. Surprisingly, the other 163 members of the WTO were unable to reaffirm their common faith in "a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization" - precisely what their Heads of State agreed to in target 17.10 of the 2030 Agenda (see Spotlight on SDG 17).

Furthermore, governments agreed in the 2030 Agenda that "national development efforts need to be supported by an enabling international economic environment, including coherent and mutually supporting world trade, monetary and financial systems, and strengthened and enhanced global economic governance".[20] They committed to "improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations".[21] But since then governments have failed to fix the underlying problems of global financial instabilities. The non-bank financial sector (the global shadow banking system), which is very lightly regulated, has continued to grow, and now represents more than 40 percent of total financial system assets.[22] Efforts to fix 'too big to fail' banks have not focused on actually stopping bank failures from causing system-wide problems. Instead they have centred on reducing the risks of this by increasing the ability of the banks to shoulder losses.

18 UN (2018).

19 Front-of-pack (FOP) labels on foods and beverages can be used to warn consumers, for instance, that a product has a high content of sugar, salt and/or saturated fat.

20 UN (2015), para. 63.

21 Ibid., SDG target 10.5.

22 Financial Stability Board (2017), p. 33.

And finally, global debt hit a new record high of US$ 164 trillion in 2016, the equivalent of 225 percent of global GDP.[23]

In light of these developments Jesse Griffiths from Eurodad warns that further global or major regional financial crises should be expected: the question is when, rather than whether (see Box 1.1).

But despite these gloomy perspectives, there is still room for change. Contradicting policies are not an extraordinary phenomenon. They simply reflect contradicting interests and power relations within and between societies - and these are in constant flux and can be changed.

In the debates about the 2030 Agenda and future concepts of development and prosperity, more and more governments and international institutions at least acknowledge that there are contradictory interests and conflicting policy targets and promise to tackle them. The 1980s slogan that 'There Is No Alternative' (TINA) to neoliberalism (i.e., free markets, free trade and capitalist globalization) as way for modern societies to develop, is definitively obsolete.

The German government, for instance, states in its new Sustainable Development Strategy:

> The value of the sustainability principle is thinking in various dimensions in order first to highlight their interdependencies and often conflicting targets. These can and must then be resolved by balancing the three sustainability dimensions of economy, environment and society in fulfilment of Germany's international responsibility.[24]

However, it would be misleading to equate the commitment to policy coherence for sustainable development, enshrined in the 2030 Agenda and SDG target 17.14, with just balancing the economic, social and environmental dimensions of sustainability. More economic growth cannot be balanced by less respect for human rights or the transgression of the 'planetary boundaries'.

It is highly welcome that a growing number of governments at national and subnational level and even local authorities have been adopting sustainable development strategies to implement the 2030 Agenda. Despite their varying quality, scope and ambition, they provide entry points to alternative pathways towards sustainability. However, they are often just one strategy among many and do not subordinate all policies under the primacy of a coherent sustainable development and human rights policy.

Nevertheless, alternative policy propositions exist in all areas of the 2030 Agenda, and it is up to progressive actors in governments, parliaments, civil society and the private sector to gain the hegemony in the societal discourse to be able to put them into practice.

Towards coherent policies for sustainable development

Basically, there are bold and comprehensive alternatives to business as usual that would help to change the course towards more coherent policies for sustainable development aligned with human rights principles and standards.

It is important to recognize, however, that the implementation of the 2030 Agenda is not just a matter of better policies. The current problems of growing inequalities and unsustainable production and consumption patterns are deeply connected with power hierarchies, institutions, culture and politics. Hence, policy reform is necessary but not sufficient, and a sectoral approach is likely to address only the tip of the iceberg. Meaningfully tackling the obstacles and contradictions in the implementation of the 2030 Agenda and the SDGs requires more holistic and more sweeping shifts in how and where power is vested, including through institutional, legal, social, economic and political commitments to realizing human rights. Similarly, the quest for sufficient public financing is important, but it cannot be separated from a broader discussion about the regulation of financial markets and private sector engagement, tax justice, and debt sustainability.

23 See: https://blogs.imf.org/2018/04/18/bringing-down-high-debt/.

24 Federal Government of Germany (2017), p. 25.

That said, political action and reforms are necessary and can be summarized in the following six clusters (elaborated in greater detail in the cross-cutting chapters and SDG Spotlights in this report):

1. **Turning the commitment to policy coherence into practice.** To date, the mainstream approach to sustainable development has been one of tackling its three dimensions in their own zones, complemented by (occasional) coordination between them. This approach has formally emphasized coordination and dialogue but has not created a strong institutional basis for decision-making and policy change across the three pillars. Nor has it adequately addressed human rights deprivations, inequalities and social exclusion.

   Governments committed in the 2030 Agenda to pursuing "policy coherence and an enabling environment for sustainable development at all levels and by all actors". In theory, all pillars of sustainable development are equal, but in real policy the economic pillar is more equal than the others. Decision-making and policy development have been severely handicapped by this hierarchy amongst the 'pillars', as economic and finance policies do not necessarily adhere to the requirements of planetary boundaries and human rights standards. To overcome this hierarchy in decision-making and ensure real policy coherence in the interest of sustainable development, it is essential to re-arrange and re-configure the institutional arrangements that cover all aspects of the policy cycle: agenda-setting, policy analysis and formulation, decision-making, implementation and evaluation.

   There is a need for a whole-of-government approach towards sustainability to secure highest-level authority and ensure full-time attention and action. The implementation of the 2030 Agenda and the SDGs must not be hidden in the niche of environment and development policies but must be declared a top priority by heads of government. The national strategies for sustainable development should not be regarded as one among many but constitute the overarching framework for all policies. To secure oversight and public accountability, a parliamentary committee on policy coherence for sustainability could be established (or strengthened if it exists already).

   This whole-of-government approach should acknowledge the interlinkages between the different SDGs and the need for a more holistic approach, avoiding the spillover effects that the pursuit of a single goal often has on the others. It should also systematically take into account the external effects and the 'collateral damage' of national policies and consumption and production patterns in other countries.

   This whole-of-government approach is essential but not sufficient. It needs to be accompanied by strengthened citizen's rights in decision-making and the commitment to a permanent and meaningful consultation process with broad constituency participation, including the participation of indigenous peoples.

2. **Strengthening public finance at all levels.** Widening public policy space requires, among other things, the necessary changes in fiscal policies. In other words, governments have to formulate Sustainable Development Budgets in order to implement the Sustainable Development Goals. Both the revenue (tax policy) and the expenditure (budget policy) sides of fiscal policy must be marshalled. Governments can pursue proactive tax policies to resource environmental and social policy goals and simultaneously fulfill their human rights obligations. This includes, for example, taxing the extraction and consumption of non-renewable resources, and adopting forms of progressive taxation that prioritize the rights and welfare of poor and low-income people (e.g., by emphasizing taxation of wealth and assets). Fiscal policy space can be further broadened by the elimination of corporate tax incentives (including tax holidays in export processing zones), and the phasing out of harmful subsidies, particularly in the areas of industrial agriculture and fishing, fossil fuel and nuclear energy. Military spending should be reduced, and the resource savings reallocated, among others, for civil conflict prevention and peacebuilding. If the priorities are properly

defined, fiscal policies can become a powerful instrument to reduce socio-economic inequalities, eliminate discrimination and promote the transition to sustainable production and consumption patterns. The necessary reforms should not be limited to the national level. The strengthening of public finance is necessary at all levels, including the development of municipal fiscal systems and sufficient financial support for local authorities. In addition, a basic prerequisite for the strengthening of national fiscal systems is the strengthening of global tax cooperation to counter the harmful tax race to the bottom and various schemes of tax abuse.

3. **Improving regulation for sustainability and human rights.** Setting rules and standards is a central task of responsible governments and a key instrument of active policy-making. However, governments have too often weakened themselves by adopting policies of deregulation or 'better regulation' (which is in fact a euphemism for regulation in the interest of the corporate sector). Instead, many governments have trusted in corporate voluntarism and self-regulation of 'the markets'. However, unfettered financial markets made the recent financial crisis possible, weak anti-trust laws allowed transnational banks to become 'too big to fail', and the inadequate translation of the precautionary principle into mandatory technology assessments led to environmental catastrophes as in the case of the nuclear power plant melt-down in Fukushima, Japan.

   Governments should no longer allow companies and banks to grow in unlimited fashion. 'Too big to fail' should be translated into 'too big to allow'. Today many transnational banks and corporations form non-transparent conglomerates of thousands of subsidiaries and affiliated companies, many of them based offshore in secrecy jurisdictions like the City of London. To limit the power of these companies, governments should strengthen instruments and institutions to enable them to break up oligopolistic structures. They should strengthen national and regional anti-trust laws, cartel offices and competition regulators, as well as global anti-trust policies, cooperation and legal frameworks under the auspices of the UN (including giving due consideration to the proposal for a UN Convention on Competition).

   Governments should also fundamentally rethink their approach towards trade and investment liberalization and place human rights, consumer protection and the principles of sustainable development at the core of all future trade and investment agreements. This includes the abolition of investor-state dispute settlement procedures, even if they are institutionalized under the umbrella of UNCITRAL, the core legal body of the United Nations in the field of international trade law, as long as they put investor rights over human rights and environmental protection.

   Strengthened regulation is also needed in areas where existing mechanisms are weak or ineffective, like e-commerce/digital trade and consumer protection. One example is the regulation of the consumption and production of ultra-processed food and drink products (UPPs). Their regulation should include policies to restrict the availability of UPPs in schools, to limit the marketing of UPPs to children, the introduction of front-of-pack (FOP) warning labels on foods and beverages that have a high (and mostly hidden) content of sugar, salt and/or saturated fat, and the introduction of a sugar sweetened beverage (SSB) tax, as recommended by the WHO.

4. **Better use or creation of new legal instruments.** The enormous gap between the promises made by governments in the context of climate change agreements and their actions to date has spurred a new approach to accountability: national-level litigation. In the last few years there has been a significant increase in court cases that seek to challenge the climate change policy of governments. Among the most successful of these is a landmark case against the government of the Netherlands in 2015, which led the Hague District Court to order the government to reduce its greenhouse gas emissions by 25 percent compared to 1990 levels by 2020. Since 2015, climate change cases that challenge the inadequacy of government climate change policies have been filed in countries

including Belgium, Switzerland, New Zealand, UK, Norway, India, Colombia and the USA.

Litigation is also increasingly being used as a tool to enforce the responsibility of corporations, particularly in the fossil fuel industry. With the growing visibility of the impacts of climate change it can be expected that the number of successful cases will escalate in the coming years, making litigation an increasingly effective tool for advancing action on climate change.

The human rights framework provides another set of tools to hold governments accountable. With regard to the right to food and nutrition several voluntary guidelines endorsed by the FAO or the Committee on World Food Security (CFS) are of great importance, particularly *the Voluntary Guidelines on the Right to Adequate Food in the Context of National Food Security, the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests (Tenure Guidelines)*, and *the Voluntary Guidelines on Securing Sustainable Small-scale Fisheries in the context of Food Security and Poverty Eradication*. Their implementation and translation into national policies and sustainability strategies should be further enhanced.

The relevance and application of international human rights obligations do not cease at territorial borders. International human rights law implies duties on States to respect, protect and support the fulfillment of all human rights, including economic, social and cultural rights, outside of the country's territory. The Maastricht Principles on Extraterritorial Obligations (ETOs) of States in the area of Economic, Social and Cultural Rights provide the most comprehensive articulation of these duties. The precise scope of ETOs is still evolving and contested, but they are one tool to hold richer countries accountable and should be actively promoted.

With regard to the human rights responsibilities of companies there is still a need for a legally binding instrument. The Human Rights Council took a milestone decision in establishing an intergovernmental working group to elaborate such an instrument (or 'treaty') to regulate, in international human rights law, the activities of transnational corporations and other business enterprises. Governments should take this 'treaty process' seriously and engage actively in it. The expected start of the negotiation process in October 2018 offers an historic opportunity for governments to demonstrate that they put human rights over the interests of big business.

Similarly, the UN should develop a regulatory framework for UN-business interactions. This should set minimum standards for the participation of the UN in global partnerships and for the shape and composition of UN initiatives involving the private sector. These standards should prevent undue corporate influence on UN policies and prevent companies that violate internationally agreed environmental, social and human rights standards or otherwise violate UN principles (via corruption, breaking UN sanctions, lobbying against UN global agreements, evading taxes, etc.) from participation in UN events and from eligibility for UN procurement contracts.

5. **Refining measures and indicators of sustainable development.** Almost three years after the adoption of the 2030 Agenda the indicators to assess progress (or regression) in SDG implementation are still being debated. The universality of the SDGs, their comprehensive nature and interconnectedness are challenging most national statistics offices. There are still enormous data gaps in critical areas such as poverty, climate change, environment, gender, inequality and governance. To date, only 50 of the 169 SDG targets are ready for progress assessment. Over half of the 232 indicators endorsed by members of the UN Statistical Commission lack agreed measurement criteria (68) or sufficient data coverage (66) for regular monitoring or reporting or both. Even worse, less than a third of the data needed for monitoring the gender-specific indicators are currently available. As the monitoring and review process continues, governments have to provide the necessary resources and develop capacities to close these data gaps.

However, exploring adequate SDG indicators is not just a question of resources. The set of indicators with agreed methodology and available data ('Tier I' indicators) misses most aspects of the proclaimed transformative nature of the SDGs. The SDGs were rightly celebrated as a paradigm shift in how the international community understands sustainable development, by expanding the definition of poverty, including a concern about inequalities, and being universally applicable. But this is not the picture that emerges from the current set of Tier I indicators. In particular, the indicators on inequalities within and between countries are absolutely inadequate.

Perhaps it is time to start the other way around, consider the transformational vision of the 2030 Agenda and the fundamental intent of the 17 SDGs and find the best available proxy indicators or indices for those promises in a complementary parallel process to the exhaustive and painfully slow interpretation and data gathering for each of the 169 targets. Such a process could also contribute to the implementation of SDG target 17.19 to "develop measurements of progress on sustainable development that complement gross domestic product" and should take into account the broad discourse about human rights measurement, alternative measures of well-being and holistic concepts of *buen vivir*.

6. **Closing global governance gaps and strengthening the institutional framework for sustainable development.** The effectiveness of the required policy reforms in the 2030 Agenda implementation process depends on the existence of strong, well-equipped public institutions at national and international levels. As noted, it is essential to reflect the overarching character of the 2030 Agenda and the SDGs in the institutional arrangements of governments and parliaments. Creating more effective and coherent global governance will be a futile exercise if it is not reflected in, and 'owned' by, effective national counterparts. At the global level, the claim to make the UN system 'fit for purpose' requires reforms of existing institutions and the creation of new bodies in areas where governance gaps exist.

Closing these governance gaps requires a commitment to overcome the inequitable distribution not only of resources but also of access to participation and decision-making. Two key recommendations that are of prime importance and give concrete examples of the kind of institutional reforms that are needed, are first, the establishment of an intergovernmental tax body under the auspices of the UN, with the aim of ensuring that all UN Member States can participate equally in the reform of global tax rules; and second, the creation of a Debt Workout Institution within the UN system, independent of creditors and debtors, to facilitate debt restructuring processes.

The implementation of the 2030 Agenda at the global level also requires the provision of predictable and reliable funding to the UN system. In particular, governments should reverse the trend towards voluntary, non-core and earmarked contributions and the increasing reliance on philanthropic funding. This is particularly relevant for the WHO.

To strengthen the principles, goals and policies for sustainable development and overcome incoherence in the global governance architecture, an effective intergovernmental body for norm setting, policy coordination and oversight is necessary. Governments decided in the 2030 Agenda that the High-Level Political Forum (HLPF) under the auspices of the General Assembly and the Economic and Social Council should have the central role in overseeing follow-up and review, provide political leadership, and ensure that the Agenda remains relevant and ambitious. However, compared to other policy arenas, such as the Security Council or the Human Rights Council, the HLPF has remained weak and with only one meeting of eight days a year absolutely unable to fulfil its mandate effectively.

The HLPF 2019 at the level of heads of State and government, the subsequent review of the HLPF, and the 75th anniversary of the UN 2020 provide new opportunities for strengthening and renewal of the institutional framework for sustainable development in the UN.

There is no need to wait for a global consensus of all governments (which is nearly impossible to reach in the current geopolitical climate) to start implementing the political and institutional reforms described above (and in the following chapters and SDG Spotlights in this report). In many areas there is sufficient space to shape policies at the national or even subnational level, or to start initiatives of like-minded countries within the institutional framework of the UN. Apart from that, fundamental policy changes depend on changes of the dominant discourses and mindsets which cannot be ordered from above. The transformation of our world as proclaimed in the title of the 2030 Agenda has to happen simultaneously at all levels, from local action to global governance reforms, and by all social actors. This is the major challenge, but also the formidable opportunity provided by the 2030 process.

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