

## HLPF 2019 Highlights: Monday, 15 July 2019

On Monday morning, HLPF participants discussed moving from words to action on financing for the Sustainable Development Goals (SDGs). Seven countries then presented their voluntary national reviews (VNRs) for the second time, in two panel discussions. In the afternoon, participants discussed lessons from four years of preparing VNRs. This was followed by a wrap-up session of the first five days of HLPF 2019.

### *Financing the SDGs: Moving from Words to Action*

This session was chaired by Valentin Rybakov, Vice-President of the Economic and Social Council (ECOSOC), and moderated by Courtenay Rattray, Co-facilitator, 2018 Outcome Document on Financing for Development (FfD).

Min Yongyi, UN Department of Economic and Social Affairs (UN DESA), said official development assistance (ODA) totaled USD149 billion in 2018, down by 2.7% in real terms from 2017; and humanitarian aid fell by 8%. She noted a reduction in aid to the least developed countries and African countries, who need it most, saying donor countries are not living up to the pledge to scale up ODA.

Keynote speaker Homi Kharas, Brookings Institution, noted that while more than USD20 trillion has been spent on the SDGs so far, this investment has taken place mainly in high- and middle-income economies. He presented research showing that while minimum spending of around USD340 per capita annually is needed in the various sectors to implement the SDGs in low-income economies, with needs rising with country income levels, there is a cumulative gap between this figure and current spending of at least USD840 billion per year. He also cautioned against overtaxing the poor to implement the SDGs through domestic resource mobilization.

Panelist Dag-Inge Ulstein, Minister of International Development, Norway, highlighted Norway's focus on helping countries with domestic resource mobilization and said no single methodology will provide a silver bullet to enhance taxation capacities as trial and error, with knowledge exchange, is necessary.

Panelist Vera Songwe, UN Economic Commission for Africa, noted: the reliance on domestic resource mobilization in developing countries to implement the SDGs; the need to close the gap between required spending and ODA; and the need to address illicit financial flows.

Panelist Thomas Gass, Swiss Agency for Development and Cooperation, called on developed countries to remember the shared vision of the 2030 Agenda and fulfill their ODA commitments; and for the 2030 Agenda to become a social contract between governments and the people.

Panelist Belgacem Ayed, Ministry of Development, Investment, and International Cooperation, Tunisia, announced that Tunisia has: instituted a governance framework for public-private partnerships; reduced its rates for corporate tax and imports; created a tax to support small and medium enterprises (SMEs); and broadened the base for its value-added tax.

Panelist Mahmoud Mohieldin, World Bank Group, urged: tackling lost revenue due to 'revenue shifting' by companies; reducing the cost of remittances; leveraging the private sector; a focus on fragile and post-conflict states; and mobilization of women entrepreneurs.

Lead discussant Iñigo Urkullu Renteria, President, Basque Government, Spain, said 10% of the budget of the Basque government is spent on the SDGs, especially on health, housing, and social protection.

Lead discussant Wang Lubin, ICBC Standard Bank, highlighted efforts on inclusive financing for infrastructure projects, fostering SMEs in Africa, and innovative financing instruments.

In the discussion that followed, GERMANY highlighted an investment fund to support projects in Africa that utilize private capital. PORTUGAL noted its efforts to strengthen development finance institutions to offer de-risking instruments to sub-Saharan countries. MOROCCO highlighted the role of taxation in ensuring that funding for SDGs is sustainable in the long-term. SOUTH AFRICA said SDG implementation should not result in increasing indebtedness and pointed to the importance of ODA for de-risking and improving bankability of projects. CANADA stressed the role of inclusive partnerships in implementing the Addis Ababa Action Agenda.

DENMARK said unlocking private sector funds requires turning development challenges into bankable projects. The EU proposed innovative financing mechanisms to attract investors. ETHIOPIA reported national tax reforms to mobilize internal funds. KENYA called for the establishment of an intergovernmental body to work on global norms for taxation. GHANA and NIGERIA said multinational corporations working in developing countries should pay taxes. WORLD TRADE ORGANIZATION said continued trade tensions jeopardize financing for SDGs. SPAIN highlighted green development through new banking models to fund

sustainability. NEW ZEALAND cautioned that fossil fuel subsidies are harmful to the environment. SWEDEN urged for reduction of environmental impacts by ensuring effective resource utilization.

WOMEN called for addressing the root cause of violence against women and children. WORKERS AND TRADE UNIONS highlighted public pensions in Eastern Europe and Latin America that have supported financing for universal social protection. PEOPLE WITH DISABILITIES advocated for equal rights to fair, affordable, and inclusive financial services.

### **Voluntary National Reviews**

This session, chaired by ECOSOC President Inga Rhonda King, included two panels of countries presenting their VNRs for the second time during the first cycle of the HLPF.

**Panel 1 (Azerbaijan, Chile, the Philippines, and Sierra Leone):** Presenting the VNR for Azerbaijan, Ali Ahmadov, Deputy Prime Minister, said the World Economic Forum ranked Azerbaijan third among developing countries in a classification on inclusive economic development (SDG 8); and the World Bank ranked the country among the top ten reformers for ease of doing business in Europe and Central Asia in 2018 (SDG 17). He mentioned a 2017 national survey showing that 29% of the SDG targets have been adapted to the national level.

Presenting the VNR for the Philippines, Ernesto Pernia, National Economic and Development Authority, noted a 94% enrollment rate for primary education in 2017 (SDG 4); a 6.2% growth in GDP in 2018 (SDG 8); faster income growth among the poor (SDG 10); a reduction in casualties due to natural disasters (SDG 13); and a reduction in bribery (SDG 16).

Presenting the VNR for Sierra Leone, Francis Kai-Kai, Minister, Planning and Economic Development, identified education (SDG 4) and peace (SDG 16) as progress accelerators; highlighted a focus on education in the medium-term plan (2019-2023); and identified achievements under SDG 5 (gender equality), including gender parity in primary schools, near gender parity in secondary schools, and an increase in the rate of female youth literacy.

Presenting the VNR for Chile, Alejandra Candia, Vice-Minister, Social Development, highlighted a national-level consensus building exercise on issues such as comprehensive development, public security, and human rights to achieve inclusive growth (SDG 8); a “public-private alliance” to develop solutions; and South-South cooperation for technical assistance and capacity building.

Responding to questions from NORWAY, RUSSIAN FEDERATION, and ARMENIA, Ahmadov noted that 10% of the country’s population consists of internally displaced persons, and efforts to resolve conflicts and address the needs of the affected are underway. He also reported on a national agency to scale up public-private partnerships for SMEs.

Responding to questions from THAILAND, CHILDREN AND YOUTH, and WOMEN, Pernia reported that the annual socioeconomic report helps monitor SDG implementation; and the National Commission on Indigenous Peoples and the National Anti-Poverty Commission are addressing issues of marginalization, including the welfare of indigenous communities.

Responding to CANADA, WOMEN, and CHILDREN AND YOUTH, Kai-Kai reported that free primary and secondary education and reproductive health awareness programmes

are aimed at keeping girls in school. He also noted the active participation of civil society organizations in the VNR process, including in the official HLPF delegation.

Responding to GUATEMALA, CANADA, and GERMANY, Candia cited multidimensional gender parity indicators developed with stakeholders to show progress in providing access to decent work; and reiterated a commitment to address gender disparities in private and public sectors, including violence against women.

**Panel 2 (Guatemala, Indonesia, and Turkey):** Presenting the VNR for Guatemala, Miguel Ángel Moir, Office of the President, said Guatemala has incorporated 99 of the 169 SDG targets in its National Development Plan. He announced a “comprehensive” tax reform aimed at mobilizing financial resources for SDGs; a national strategy on the role of stakeholders in SDGs implementation; and efforts to reduce corruption.

Presenting the VNR for Indonesia, Bambang Brodjonegoro, Minister, National Development Planning, described a national 2030 roadmap for SDG implementation, focused on SDG interlinkages and projections for their achievement; the creation of nine SDG centers in Indonesian universities; and the involvement of stakeholders in SDG implementation, including a public consultation on best practices.

Naci Ağbal, Chief of Strategy and Budget of the Presidency, Turkey, announced progress in SDG implementation, including: a net schooling rate of 83.6% for secondary education (SDG 4); 98% health coverage (SDG 3); a 32.5% share of renewable energy in electricity generation (SDG 13); and 1.1% of GDP provision for ODA (SDG 17).

Responding to a question from CHILE, Moir highlighted: institutional arrangements for SDG implementation in the executive branch, including restructuring of the cabinet; problems posed by tax evasion; and the need for economic reform.

Responding to questions from the PHILIPPINES, AUSTRALIA, DENMARK, NORWAY, and CHINA, Brodjonegoro highlighted: a legal basis for multistakeholder engagement, including partnership guidelines; blended finance as a top priority for the mobilization of resources; a commitment to reforestation and the logging moratorium, and a 20% renewable energy target by 2024; and a focus on agriculture and social activities for South-South cooperation.

Responding to questions from RUSSIAN FEDERATION and WOMEN, Ağbal noted multistakeholder engagement through an umbrella organization; and substantial progress in women’s empowerment.

### **Four Years of VNRs: What Have We Learned on Implementing the SDGs?**

This session was chaired by ECOSOC President King, and moderated by Achim Steiner, Administrator, UN Development Programme (UNDP).

Luis Gerardo González Morales, UN DESA, presented online SDG progress and VNR visualization platforms developed by UNDP and UN DESA that enable comparison of VNR reports.

Panelist Seán Canney, Minister of State, Department of Communications, Climate Action and Environment, Ireland, reported that the VNR helped his country assess progress made on education (SDG 4), health (SDG 3), economic growth (SDG 8), and peaceful and safe society (SDG 16). He said it also helped to identify priority areas requiring attention, including homelessness.

Panelist Rita Schwarzelühr-Sutter, Federal Ministry for Environment, Nature Conservation and Nuclear Safety, Germany, discussed the establishment of a Climate Cabinet to address challenges in shifting to a low carbon circular economy, and to help the country reach its EU climate targets for 2030. She highlighted the drafting of a climate protection law, which will be tabled this year.

Panelist Abel Hibert, Office of the President for Analysis and Innovation, Mexico, highlighted the need for legal structural changes, to create state institutions to implement the Goals in an integrated manner.

Panelist Sugath Yalagama, Sustainable Development Council, Sri Lanka, noted challenges related to institutional fragmentation and described the Sustainable Development Act, which aims to promote coherence.

Panelist Armida Salsiah Alisjahbana, UN Economic and Social Commission for Asia and the Pacific, highlighted: VNR-related challenges in data availability, reliability, and disaggregation; and the high reporting burden for most members of the region, which she said could be made lighter through simplified and unified reporting platforms.

Panelist Sakiko Fukuda-Parr, The New School, said the Committee for Development Policy found that SDG 10 (reduced inequalities) was the least mentioned in the VNRs presented so far; and “leaving no one behind” has become more rhetoric than reality, as it lacks concrete measures and strategies.

In a discussion, ISLAMIC DEVELOPMENT BANK highlighted the following problems with some VNRs: drafting by consultants, compromising country ownership; superficial involvement of stakeholders; and no follow-up actions on the ground after VNR presentations at HLPF. DENMARK underscored the need for experience-sharing workshops on effective VNRs. The EU said the second round of VNRs should be more substantive and supported by more statistical data. SPAIN called for moving from “increasing” stakeholder participation in VNRs to “transforming” it, so engagement has clear outputs. NORWAY said a VNR should be a clear picture of the national situation, not a selfie. TUNISIA described the involvement of students in the VNR process. VIET NAM said it has formulated 158 indicators to monitor SDG implementation at the national level.

Panelist Shannon Kindornay, Canadian Council for International Co-operation, highlighted: the inability of some governments to realize a “whole of society” approach to implementing the 2030 Agenda; lack of institutionalized mechanisms for stakeholder engagement; and the lack of civic space, particularly in the face of recent crackdowns on human rights and environment defenders.

Panelist Chris Derksen-Hiebert, World Vision, noted that civil society participation is insufficient in the VNRs.

Panelists Judy Njino, UN Global Compact Africa Region Network Council, worried that the private sector is not sufficiently engaged, and called for moving from awareness creation to action, and from action to impact.

In the discussion that followed, GUATEMALA stressed the importance of national consultations and including groups such as cooperatives. VOLUNTEERS noted the dual role of civil society in facilitating SDG implementation and holding governments accountable. INDIGENOUS PEOPLES said VNRs do not necessarily reflect reality, pointing to the hesitation of some countries in answering questions on indigenous peoples. GUYANA

stressed the need to use existing systems, reduce redundancies, and minimize parallel reporting. WORKERS AND TRADE UNIONS highlighted the need for transparency, consultation, and social dialogue. WOMEN lamented “tourism style videos” at VNR presentations and said women continue to be excluded from VNR preparation processes.

In concluding remarks, Canney welcomed shadow reports, supported awareness raising on the SDGs, and described VNR reviews as “catalysts” for action. Schwarzelühr-Sutter highlighted four-year strategy updates and noted the role of parliamentarians in SDG implementation and accountability. Alisjahbana said the VNR process has helped to foster coordination on SDGs and clarify roles and responsibilities for implementation. Fukuda-Parr noted the lack of attention to macroeconomic policies, and to policies that support technology and the production sector. She also noted the contradiction between austerity policies supported by international organizations and the goal of reducing inequality. Hibert stressed the importance of developing a common vision that includes the whole of society.

During the wrap-up, panelists noted the role of the VNRs in: integrating the 2030 Agenda into national legislation; identifying interlinkages between SDGs; and providing governments with a mechanism to work with the private sector, local authorities, and civil society.

### *Wrap-up Session of the First Five Days*

Maria-Francesca Spatolisano, UN DESA, summarized messages from the five days, saying that while governments are on the right track, the level of ambition is not enough to achieve the SDGs by 2030. She noted that the meeting has reiterated important principles of the 2030 Agenda including: the integrated nature of the SDGs; the importance of not leaving anyone behind; the need for multiple actors for implementation; and the transformative nature of science and technology.

In her closing statement, ECOSOC President King highlighted: the importance of investing in data capacity; partnerships to facilitate peer learning; the interlinkages between decent work, economic growth and other Goals; the role of science in shaping policies; and resource-mobilization at the regional level. She urged governments to speed up implementation and kickstart transformative action.

### *In the Corridors*

What does debt have to do with aerobics? Workouts, say civil society groups. An aerobics session organized on the streets outside UN Headquarters served as a unique demonstration to draw attention to a “new wave” of debt crises, with 40% of low-income countries facing severe debt problems. Debt servicing is replacing investments in the SDGs, the civil society groups said, calling for a global “Debt Workout Mechanism” to solve the crisis without undermining human rights and SDG implementation.

The morning session on finance was another wake-up call, with UN DESA reporting a drop in ODA. The keynote speaker highlighted significant gaps between spending needs for SDGs and actual spending levels, with a total cumulative gap of at least USD840 billion per year. Where will this come from? In their interventions, many countries pointed to the need to address illicit financial flows and minimize “revenue shifting” by corporations. Time for governments to show some muscle and make multinationals sweat it out?

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