

Policy options for better aligning sustainable development goals and climate objectives

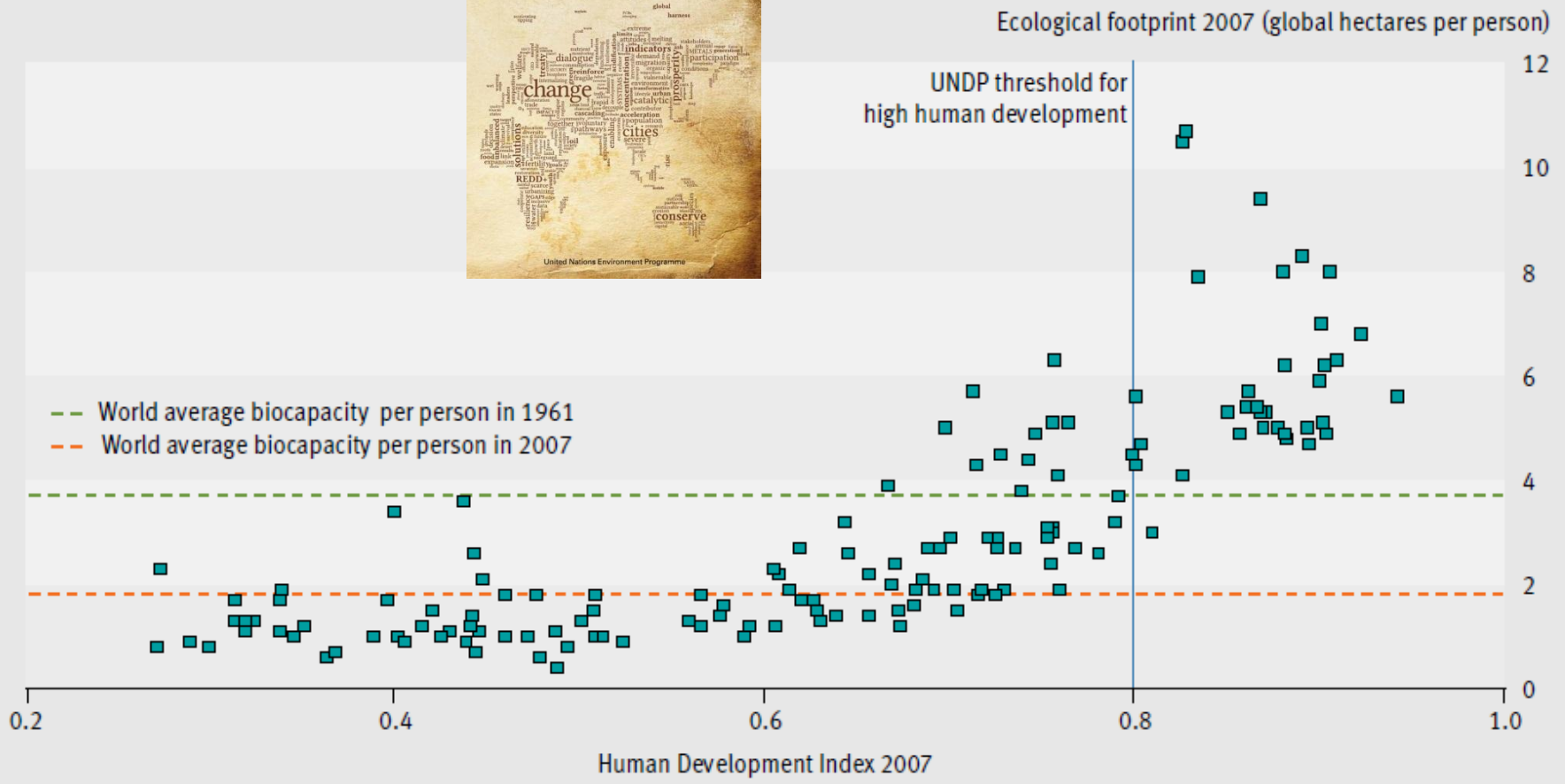
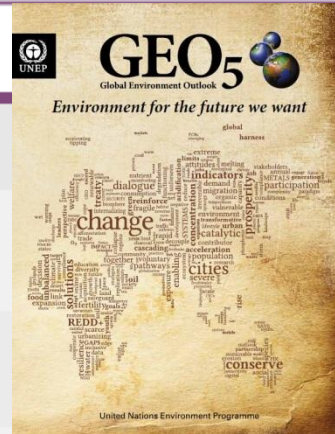
Tancrède Voituriez (IDDRI)

Tercer Foro Europa-América Latina

Cambio climático y estilos de desarrollo en América Latina – 8/9/15

Has sustainable development ever happened?

Figure 16.3 Twin challenge



This figure plots countries on the basis of two indicators: the Human Development Index (HDI) and the ecological footprint per person. In order to achieve sustainability, countries must move towards the bottom right corner and as such decouple human development from natural resource use and environmental impacts (UNEP 2011c). The figure shows that worldwide, no country held that position in 2007.

Note: A global hectare is a hypothetical area equivalent to 1 hectare of globally averaged productivity.

Source: Global Footprint Network 2010; UNDP 2009

How trigger transformation in our development styles/pathways?

- Make the best use of the two novelties of the period:
 - The sustainable development goals (SDGs)
 - The intended nationally determined contributions to address climate change (INDCs)

Main messages

1. SDGs can learn from the COP21

To better align sustainable development objectives (SDGs) and climate change commitments (INDCs), thereby genuinely transforming development styles, **we need INDCs-equivalent for SDGs.**

In short, countries should formalize Intended Nationally Determined Contributions applied to a dashboard of country-relevant SDG targets (INDCs-eq.).

Main messages

2. The COP21 can learn from SDGs

Experience shows that more equal societies perform better on SD criteria – and that are more likely to meet CC change objectives.

Countries should strongly commit to reduce inequalities (SDG – target 10.1) as a means to make CC policies acceptable, fundable and implementable.

Main messages

3. We need to keep the momentum for SD & CC policies beyond 2015 without big masses such as AGNU and COP21 to help.

There is room for UN regional institutions like **CEPAL to take on the process and further improve monitoring of ongoing policy experiments and bottom up business initiatives, and also learning and knowledge exchanges**

**1. We need INDCs-equivalent for
SDGs**

Why?

- SDGs are not self-enforcing
 - They are not binding
 - Countries (and particularly OECD countries) are still vague about their national commitment and targets

Some quotes from C. Kőrösi , vice chair of the Open Working Group (OWG)

“If we are serious about implementation, then the bulk of the work will have to be done back at home”

“Banks and institutions will not finance the SDGs; finances and other implementation means will be targeted at actual, tangible projects. On this aspect, there is still much work to be done. SDGs are in place, but most countries do not have national plans and there is certainly a lack of projects”



- One way to foster national appropriation, thereby bridging the sustainable development implementation gap, would be to develop forward-looking views of different potential development paths for 2030 at national and regional levels.

- These forward-looking exercises are ongoing in some countries for climate change and energy and agriculture.
- They could be generalized to other SDGs and lead to the formalization of what would be equivalent to Intended Nationally Determined Contributions applied to a dashboard of country-relevant SDGs/targets (INDCs-eq.).

2. Countries should strongly commit to reduce inequalities (SDG – target 10.1) as a means to make CC policies acceptable, fundable and implementable.

The bad news

- Financing low-carbon development pathways and SD pathways more broadly is costly – and particularly costly in term of public budget (too high a risk for private sector / long term investment)
- When the wealthy grasp an ever larger share of the GDP and when their wealth escapes tax, governments' fiscal basis shrinks along with gov capacity to fund the transformation of the economy toward sustainability

The good news

- For the first time ever, reducing domestic inequalities is part of the global agenda.
- SDG-target 10.1 reads like this

“By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average.”

- Question: how ambitious and transformative is this target? Is it conservative or transformative?

Table 1. Domestic inequality test per country

Country	Period	Growth of bottom 40%	National average	Pass/fail (1)
Brazil	1988-2008	76,5%	37,6%	PASS
Brazil	1998-2008	69,6%	20,3%	PASS
Brazil	2003-2008	80,2%	15,7%	PASS
China	1988-2008	78,9%	258,5%	FAIL
China	1998-2008	44,0%	81,2%	FAIL
China	2003-2008	73,5%	50,2%	PASS
Denmark	1988-2008	40,0%	32,3%	PASS
Denmark	1998-2008	73,6%	16,4%	PASS
Denmark	2003-2008	-0,7%	8,6%	FAIL
France	1988-2008	110,8%	26,5%	PASS
France	1998-2008	27,9%	9,9%	PASS
France	2003-2008	10,9%	3,0%	PASS
Germany	1988-2008	-0,5%	25,0%	FAIL
Germany	1998-2008	31,9%	8,0%	PASS
Germany	2003-2008	-5%	2%	FAIL
India	1988-2008	34,8%	101,5%	FAIL
India	1998-2008	48,9%	56,4%	FAIL
India	2003-2008	17,4%	23,2%	FAIL
Indonesia	1988-2008	145,5%	122,8%	PASS
Indonesia	1998-2008	77,8%	31,4%	PASS
Indonesia	2003-2008	30,1%	14,6%	PASS
Spain	1988-2008	49,1%	40,4%	PASS
Spain	1998-2008	5,3%	12,2%	FAIL
Spain	2003-2008	28,8%	2,0%	PASS
Sweden	1998-2008	19,0%	14,5%	PASS
Sweden	2003-2008	-1,8%	4,3%	FAIL
United Kingdom	1988-2008	190,7%	86,2%	PASS
United Kingdom	1998-2008	77,5%	28,4%	PASS
United Kingdom	2003-2008	37,6%	2,6%	PASS
United States	1988-2008	24,5%	55,4%	FAIL
United States	1998-2008	4,5%	26,9%	FAIL
United States	2003-2008	2,5%	4,2%	FAIL

Source: Based on Lakner and Milanovic database, data from national consumption or income surveys in constant 2005 USD PPP. See Lakner and Milanovic (2015) for more detail

Country	Period	Growth of bottom 40%	National average	Pass/Fail
Argentina	1988-2008	-22,22222	-17,40799	FAIL
Argentina	1993-2008	16,19433	31,02364	FAIL
Argentina	1998-2008	77,52577	15,42904	PASS
Argentina	2003-2008	247,1774	42,79051	PASS
Bolivia	1988-2008	-74,83731	25,08372	FAIL
Bolivia	1993-2008	-61,58941	21,29385	FAIL
Bolivia	1998-2008	-4,132231	14,94697	FAIL
Bolivia	2003-2008	87,09677	11,37394	PASS
Brazil	1988-2008	76,53061	37,55329	PASS
Brazil	1993-2008	141,958	37,35239	PASS
Brazil	1998-2008	69,60784	20,26651	PASS
Brazil	2003-2008	80,20834	15,65985	PASS
Chile	1988-2008	163,3721	163,1929	PASS
Chile	1993-2008	70,62147	92,68282	FAIL
Chile	1998-2008	48,76847	36,81141	PASS
Chile	2003-2008	33,8257	28,83512	PASS
Colombia	1988-2008	-42,35294	28,633	FAIL
Colombia	1993-2008	-42,18289	24,95767	FAIL
Colombia	1998-2008	127,907	24,22233	PASS
Colombia	2003-2008	188,2353	17,83724	PASS
Costa Rica	1988-2008	338,7755	49,22074	PASS
Costa Rica	1993-2008	120,8904	28,53564	PASS
Costa Rica	1998-2008	34,375	16,17577	PASS
Costa Rica	2003-2008	71,08753	16,27394	PASS
Ecuador	1988-2008	48,08511	35,13177	PASS
Ecuador	1993-2008	112,1951	33,71202	PASS
Ecuador	1998-2008	136,7347	27,22744	PASS
Ecuador	2003-2008	60,36866	19,49022	PASS
El Salvador	1988-2008	367,8161	136,4465	PASS
El Salvador	1993-2008	57,14286	42,12355	PASS
El Salvador	1998-2008	352,2222	36,05584	PASS
El Salvador	2003-2008	194,9275	20,67684	PASS
Guatemala	1988-2008	209,7561	29,9723	PASS
Guatemala	1998-2008	18,13953	11,36892	PASS
Guatemala	2003-2008	161,8557	5,211137	PASS

Honduras	1988-2008	-47,05882	34,93277	FAIL
Honduras	1993-2008	-64,40678	33,99162	FAIL
Honduras	1998-2008	-30	30,00084	FAIL
Honduras	2003-2008	-45,68966	19,74076	FAIL
Mexico	1988-2008	2,050114	61,39934	FAIL
Mexico	1993-2008	15,1671	43,08372	FAIL
Mexico	1998-2008	143,4783	28,20996	PASS
Mexico	2003-2008	4,186047	11,36523	FAIL
Nicaragua	1993-2008	189,0625	68,13138	PASS
Nicaragua	1998-2008	24,16107	33,69526	FAIL
Nicaragua	2003-2008	-21,94093	12,43387	FAIL
Panama	1993-2008	1027,778	66,7067	PASS
Panama	1998-2008	356,1798	34,0276	PASS
Panama	2003-2008	59,21569	5,410875	PASS
Paraguay	1988-2008	-47,3822	4,39453	FAIL
Paraguay	1993-2008	63,41463	-1,359009	PASS
Paraguay	1998-2008	117,2973	1,307128	PASS
Paraguay	2003-2008	55,81395	17,8915	PASS
Peru	1993-2008	137,0588	48,71177	PASS
Peru	1998-2008	85,71429	36,07781	PASS
Peru	2003-2008	24,38272	29,21891	FAIL
Uruguay	1988-2008	-3,699897	66,67388	FAIL
Uruguay	1993-2008	6,115515	46,96666	FAIL
Uruguay	1998-2008	-6,487026	12,33833	FAIL
Uruguay	2003-2008	27,13704	40,71922	FAIL
Venezuela, R	1988-2008	-37,54941	19,46183	FAIL
Venezuela, R	1993-2008	-30,39647	12,95757	FAIL
Venezuela, R	1998-2008	39,20705	29,57423	PASS
Venezuela, R	2003-2008	184,6847	46,4937	PASS

Implications

- The goal is not impossible to achieve—the objective is realistic.
- Countries might benefit from a collective learning process on how to achieve domestic inequalities reduction – rich and poor alike.
- Economic growth alone is not a good metric to monitor the reduction in domestic inequalities : sustained & dedicated policies are needed.
- ... these could be triggered by INDC-eqs.

3. We need to keep the momentum
for SD & CC policies beyond 2015

Reducing Inequalities

A Sustainable Development Challenge

Rémi Gesevey, Rajendra K. Pachauri and Laurence Tubiana (Editors)
Rohini Joshi, Tawhida Hossain and Sujay Kumar (Associate Editors)



A Planet for Life
SUSTAINABLE DEVELOPMENT CHALLENGE

Further readings



BUILDING THE FUTURE WE WANT

A Planet for Life
SUSTAINABLE DEVELOPMENT CHALLENGE

IDDRI
SciencesPo.

ISSUE BRIEF

N°06/15 SEPTEMBER 2015 | GOVERNANCE

Taking income inequality reduction seriously: a pass-or-fail test for the Sustainable Development Goals

Lucas Chancel (IDDRI), Tancrède Voituriez (IDDRI and CIRAD)

A list of 17 Sustainable Development Goals (SDGs) and their associated targets will replace and enlarge the Millennium Development Goals (MDGs) as of January 2016. Among the contentious issues remaining before finalization lies the question as to whether countries will have to commit to meeting *all* the targets at national level or will be left free to pick-and-choose among them.

The question is of utmost importance for targets such as income inequality reduction, whose final inclusion in the negotiation text came after long and fierce diplomatic battles. Using a simple pass or fail test for the income inequality reduction target, we provide robust explanation on the very reason why countries renege on choosing it as a national target, unveiling its genuine transformative dimension. Further, we suggest using the pass-or-fail test to qualify a pick-and-choose option as transformative or not, thereby shedding some light on the transformative commitment of any single Nation.

IDDRI
SciencesPo.

ISSUE BRIEF

N°03/15 APRIL 2015 | GOVERNANCE

Three commitments governments should take on to make Sustainable Development Goals the drivers of a major transformation

Tancrède Voituriez (IDDRI-CIRAD)

On the basis of the outcome document of the Rio+20 conference, the United Nations General Assembly (UNGA) mandated an Open Working Group (OWG) to propose a set of sustainable development goals (SDGs), for final adoption at the end of the 68th Session of the UN General Assembly in September 2015. "The transformation potential of the SDG package is so great that many of the countries involved in the negotiations may not even fully comprehend the possible magnitude, which may be similar to that of the industrial or digital revolutions," the OWG vice chair reckons. This brief explores tangible options for propelling this transformation.

KEY POINTS