

# 2023 to Set the Course for the Second Half of the 2030 Agenda

Policy Brief

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The Federal Ministry for Economic Cooperation and Development (BMZ) is responsible within the federal government for German development policy. The Sustainable Development Goals (SDGs) of the United Nations and the Paris Climate Agreement form the framework for its actions. It commits to fight against poverty and hunger and for healthy people in a healthy environment. The BMZ sees itself as a transformation ministry that promotes the conversion to a sustainable, climate-friendly and nature-friendly economy worldwide and at the same time strengthens peace, freedom and human rights. To this end, it engages in bilateral cooperation with partner countries worldwide and promotes strong multilateralism based on the SDGs.

In 2015 the international community achieved an incredible feat – the member countries of the United Nations (UN) unanimously agreed on a set of 17 Sustainable Development Goals (SDGs). Goals that apply equally for all the nations of the world. A triumph of multilateralism. And a strong signal for global solidarity. Because the 2030 Agenda stands for a fundamental consensus that is unique in the history of the world and that offers – in the words of the UN – a blueprint to achieve a better and more sustainable future for all.

## MID-TERM REVIEW OF THE 2030 AGENDA

2023 – half-time for the 2030 Agenda – is a key year, because we will do a mid-term review of the 17 SDGs. There isn't much to celebrate though: there are at least eight SDGs where the international community had made progress on some of the individual targets up to 2019, but that progress has now been reversed<sup>1</sup>. In the period from 2019 to 2021, the number of people in the world suffering from hunger (SDG 2) rose, while life expectancy (SDG 3) fell<sup>2</sup>. Disrupted supply chains are still a burden on the economy (SDG 8) and high energy prices mean that millions of people no longer have access to energy (SDG 7)<sup>3</sup>. Inequality in terms of income, wealth and access to social benefits (SDG 10) has risen and more people live in slums (SDG 11)<sup>4</sup>. The oceans are under threat from overfishing (SDG 14) and peace is threatened by the growing number of conflicts (SDG 16).

In many ways, however, the prospects for success have improved: the international community has at hand significantly more knowledge and experience

of implementation. Many countries have developed SDG strategies. And of course some progress has been made: Despite the COVID-19 pandemic, the world has moved a step closer to gender parity when it comes to education for girls. At all three levels of education the gender gap is now less than one percentage point on average worldwide<sup>5</sup>. More people have access to proper sanitation and hygiene<sup>6</sup>.

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The UN High Seas Treaty that was adopted just recently will help protect around 43 per cent of the Earth's surface. In addition, more and more countries now have national plans for climate adaptation and investments in global research and development have increased<sup>7</sup>. Nevertheless, from a global point of view all the SDGs are off track. Despite some good passing we are still not scoring enough goals. And

because there is no extra time, we need to up our accuracy.

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### **THE REFORM OF THE WORLD BANK: SHARED RESPONSIBILITY IN GLOBAL PARTNERSHIPS**

Climate change is continuing apace, fueling natural disasters worldwide, threatening food security and making people sick. The COVID-19 pandemic has exacerbated extreme poverty and in 2020 alone it cost an estimated 255 million people their jobs<sup>8</sup> and also claimed many lives. Climate action and pandemic preparedness as global public goods are not things that individual countries are able to deliver successfully on their own. This is because they are cross-border issues while frequently a disproportionate share of the costs (such as for protecting natural ecosystems as carbon sinks) is borne by one country alone. But the benefits are enjoyed by many countries and people worldwide. This calls for a multilateral approach and that is why, in my role as a World Bank governor, I am advocating for an ambitious reform.

The World Bank has a key role to play in tackling global challenges, because not only is it the biggest development financier, it also has the goal of promoting shared prosperity. In times of global crises, this requires a reform of the Bank's business model in order to explicitly include the protection of global public goods in the World Bank's mission statement. Incentive structures need to be improved: investing in the protection of global public

goods needs to be made more attractive for borrowing countries. In the same way, there must also be incentives for regional and international cooperation. At the analytical level, the overall economic costs – by which I mean both the private costs and the social costs – need to be taken into account when investment projects are evaluated. In the case of investments in mobility infrastructure, for instance, these costs also include aspects like putting a price on CO<sub>2</sub> emissions or the health costs of air pollution.

It is important for me that protecting global public goods does not take precedence over reducing poverty or any of the other SDGs. What we need to do is step up our overall commitment – both in terms of results orientation and in terms of funding. That is why I am advocating that the World Bank reform should entail a broadening of the Bank's funding flexibility. By making better use of its available capital, it can increase its lending capacities – and still maintain its AAA rating. I am confident that, with a reform of the World Bank, we will be able to give more impetus to the entire 2030 Agenda starting this year.

### **A FEMINIST DEVELOPMENT POLICY: RIGHTS, RESOURCES AND REPRESENTATION**

Of course, all 17 SDGs are closely interconnected. Staying on the topic of climate action: a just environmental transformation (SDGs 7, 11 and 12) will stop existing inequalities from becoming worse (SDGs 8 and 10). Integrated approaches not only recognise that, they also actively use those synergies. That is what the German development ministry envisions with its feminist development policy. A feminist devel-

opment policy has the aim of tackling the structural causes of inequality. We want to achieve gender equality on all levels – through rights, resources and representation. Equal rights are the foundation for gender equality and should be a matter of course. But in fact, women worldwide have on average only three quarters of the legal rights that men enjoy<sup>9</sup>. In some countries, for example, women are not permitted to own land or manage their own property. The inequality in how women are treated under the law then means that women do not have equal access to resources – such as wealth, education or knowledge. And precisely because they have to manage with fewer resources, women are still disproportionately more often affected by poverty, they still do the bigger share of unpaid domestic and care work, and they are more likely to work in precarious employment without social protection<sup>10</sup>.

But what can women (and men) do to change this situation? Apart from rights and resources, women also need more representation in order to be able to take part in decision-making processes. The aim of our feminist development policy is to change power structures – because power is empowering. It empowers change to make equal participation possible at all levels. And that moves societies forward as a whole. Because a feminist development policy not only promotes gender equality (SDG 5) and reduces inequalities (SDG 10), it also combats poverty (SDG 1) and hunger (SDG 2), contributes to more inclusive economic growth (SDG 8) and has enormous potential for promoting more peaceful societies (SDG 16).

In German development policy our aim therefore is that, by 2025, we will be us-

ing 93 percent of our new project funds for gender equality. Eight per cent is to be channelled into projects that have gender equality as their main objective. These are projects, for example, which are about equal access to vocational training, or to sexual and reproductive rights and to health. The remaining 85 percent will be used for projects that have gender equality as a secondary objective – which means projects that contribute to gender equality. In Bangladesh, for example, Germany is working with project partners from the private sector, the workforce, civil society and the government in the project "Promotion of Social and Environmental Standards in Industry." In collaboration with the International Labour Organization (ILO), government inspectors are being trained to carry out factory inspections. The female work-

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force is being reached via women's cafés, where they learn about their rights and are encouraged to demand those rights. Overall, the project is about realising elementary economic and social human rights. And since the workforce in the textiles and garment sector is overwhelmingly female,

this means that we are simultaneously promoting the equality of women.

### **SOCIAL PROTECTION LEAVES NO ONE BEHIND**

The goal of the German development policy is to leave no one behind. And this principle has been put to a hard test by the outbreak of the COVID-19 pandemic and by Russia's war of aggression against Ukraine. Because the poorest people are the ones who suffer the most from the impacts of crises and wars. They have the least possibility of protecting themselves from the consequences of such events. Social protection strengthens people's resilience to crises and is able to cushion both the economic and the social impacts in the long-term.

This is due to the fact that social protection not only provides quick support in an emergency – for instance with money or

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in-kind support – but also has an impact that is above all long term. Social protection is one of the most successful ways to tackle poverty and hunger – because it reaches even the poorest people. And people who are protected against poverty and hunger generally live healthier and more productive lives. Long-term studies show that social protection is a good investment in economic terms. Children from families who receive conditional cash transfers, for example, go to school for longer and are better nourished<sup>11</sup>. In rural South Africa, families who had access to the Child Support Grant are still investing more money in farming and in raising poultry years later<sup>12</sup>. This means that social protection contributes towards helping people escape poverty traps.

Stable social protection systems are also one of the most effective instruments for reducing inequalities. And societies with less inequality are not just less prone to crises. They also enable disadvantaged people to have better access to education and health, and to participate more in political and economic life. Surveys carried out in Latin America and Africa show that people in societies with lower inequality trust one another and public institutions more, and they are more inclined to support redistributive policies<sup>13</sup>.

### **GLOBAL PARTNERSHIPS FOR SOCIAL PROTECTION**

And yet, although all these positive impacts are empirically proven and are more than plausible, over half of the global population currently has no access to social protection. Four billion people are on their own when it comes to individual life risks such as illness and unemployment, moth-

erhood, disability or work accidents. They are unable to claim child benefit, compensation for loss of earnings or old-age pensions. In the case of Africa, as many as 83% of people living there have no social protection.

The German Development Ministry is therefore promoting the establishment and expansion of social protection systems both with its partner countries and at the multilateral level. Following an initiative started by the German government, the G7 has set itself the goal of enabling access to social protection for one billion more people worldwide by 2025. Together with the World Bank, the International Labour Organization (ILO) and other partners, Germany is therefore supporting the UN Global Accelerator on Jobs and Social Protection for Just Transitions. With a group of pathfinder countries, the Accelerator is piloting new approaches with a view to create decent work and enhance access to social protection for all. Within the framework of the German development cooperation with partner countries in the Global South, we are also supporting structural reforms aimed at firmly establishing social protection systems – including the funding for them – as part of the institutional landscape. Technical aspects such as household targeting or setting up inter-agency social registers are just as important here as the political negotiating process for issues like financing. And safeguarding against collective risks – natural disasters and pandemics – is also becoming more and more important.

For example, for over ten years my Ministry has been supporting the efforts of the government in Cambodia to set up a nationwide social protection system. A

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core component of this is IDPool, which is an inter-agency poverty register; it is used to determine which social benefits families can claim and thus also facilitates a rapid response in the event of a crisis. In May 2020, after the COVID-19 pandemic hit, this meant that 50,000 people at risk of impoverishment could be identified and saved from sliding into poverty. Meanwhile, in Cambodia millions of people at risk of impoverishment now have access to basic social protection, health services and other social benefits. This means that they are less often forced to get into debt, are able to eat more regularly and can let their children go to school for longer. Similar successes have been achieved in countries such as Malawi, Nepal or India, with which Germany is working together in the field of social protection. These impacts make it clear that social protection

does not just protect people from poverty (SDG 1) and hunger (SDG 2). It effectively reduces inequalities (SDG 10), promotes education (SDG 4) and health (SDG 3) – particularly for girls and women (SDG 5) – and ultimately contributes to more productive economies (SDG 8).

### 2023 TO SET COURSE FOR THE SECOND HALF OF 2030 AGENDA

These positive interactions bring me back to my starting point. Although as a global community we are a long way off from achieving the 17 Sustainable Development Goals, in 2023 we are standing at a cross-road, and we need to set a course that will allow us to hit our targets more accurately in the second half. I am certain we can do that with the right priorities. We therefore need an ambitious reform of the World Bank aimed at protecting global public goods. I am advocating for a feminist development policy to strengthen the rights, resources and representation of women. And I support resilient social protection. With these tactics the German development policy is lining up for the second half of the 2030 Agenda. Unlike a football game, we are not playing against our opponents, we are playing with our partners around the world. And that is why a good assistance means a better chance of scoring goals for all.

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