1: The UK's contribution to accelerating global progress across the SDGs

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Introduction

The UN Secretary General (UNSG)'s guidance calls on states to "identify priority areas for SDG investment and priority policy changes that would yield the greatest multiplier effects across the goals."

This paper addresses two key aspects of the UK's potential response to the UNSG's guidance. At the 2023 High Level Political Forum (HLPF), the Foreign Secretary James Cleverly identified "areas which will accelerate progress, like food security, health, renewable energy, and the empowerment of women and girls"[1] as top priorities, alongside climate action. The **first** section, then, examines UK activity around priority areas that could be said to accelerate the Sustainable Development Goals (SDGs). In addition, recent speeches, letters and announcements around the Paris Summit for a new global financing pact and the HLPF have focused on the UK's commitment to reform the global financial architecture. The **second** section takes a critical look at the UK's position around these aspects of global financial reform.

(1) UK actions to accelerate SDG progress

The reinvigoration of progress towards the UN SDGs is a thematic priority in the UK Government's Integrated Review Refresh 2023.[2] In line with the UNSG's guidance, the Foreign Secretary suggested at the HLPF a range of areas in which the UK could accelerate progress, including food security, health, renewable energy, and the empowerment of women and girls. These themes also feature as "specific initiatives" and "overarching priorities" in the Integrated Review Refresh 2023.

[1] Foreign Secretary's Speech - UN High-Level Political Forum on Sustainable Development 2023)
[2] Integrated Review Refresh 2023

The idea that certain actions could, through a range of multipliers and synergies across other policy areas, accelerate sustainable development more widely is a common response to the SDGs. It is widely established, for example, that educating women and girls could have a range of benefits across environment, economy and society.[3] Nevertheless, realisation of these benefits is contingent on removing context-specific inequalities and socio-economic, political and legal barriers. For example, globally, women enjoy only 77% of the legal rights that men do.[4] The positive effects of education on mobility and development are themselves contingent upon the extent to which states can sustainably fund social investment.[5]

Modelling policies' potential acceleration and multiplier effects across the SDGs is important but difficult work. Though progress has been made, the 'state of the art' possesses important limitations. The UNDP's 'SDG Push' methodology operates at a high level of generality to model the potential impact of different levels of investment on priority SDGs, but the generality means that there is little specific guidance on the form that investment, and the particular policy interventions it funds, should take.[6] Other models are focused around particular issues, making impacts easier to identify and evidence, but inevitably meaning that the wider impacts receive less attention. Much academic work has tried to assess the interlinkages between different SDG targets— and though progress has been made, these studies also find that understandings of interlinkages are often dependent on the particular 'issue' lens taken and very heavily influenced by context.[7]

There is a gap, then, between a UK pronouncement that development assistance in particular areas will accelerate progress, versus the detailed work needed to (i) understand the contextual factors that can influence impacts in national contexts, and (ii) analyse wider SDG linkages and impacts. Our initial investigation highlights potential challenges for the UK in both of these areas.

First, UK aid's synergy with recipient countries' priorities has been identified by a range of independent reporting as a weak point. The Centre for Global Development notes, for example "the UK does significantly worse than other donors on Indicator FI4, which looks at alignment of aid funding to recipient government priorities".[8] Similarly, the Global Partnership for Effective Development Cooperation's 2022 UK profile notes that the UK "used country-owned results frameworks and planning tools to a limited extent in 2018, a decline when compared to 2016, and below the DAC average".[9] Without alignment and

[3] World Bank - Missed Opportunities: The High Cost of Not Educating Girls
[4] World Bank - Women, Business and the Law 2023, pxiii
[5] Heike Solga, 'Education, economic inequality and the promises of the social investment state', *Socio-Economic Review*, 12:2 (2014), pp. 269–297.
[6] UNDP Data Platform SDG Accelerator
[7] See, e.g. Nilsson et al. 2022 Interlinkages, Integration and Coherence
[8] CGDEV – UK aid quality indicators (2018)
[9] GPEDC - UK 2022 country profile

coordination with recipient country strategies and policies, SDG acceleration benefits are unlikely to be fully realised (or fully captured in the metrics of National Statistics Services).

Second, the FCDO's 2021-22 Outcome Delivery Plan does a poor job of mapping the impacts of UK aid in terms of the SDGs—and this team of researchers could find no other detailed work to supplement it. For example, beyond an assertion that the UK is a "leading advocate'" for the SDGs, there are only two mentions of the SDGs in FCDO's 316-page 2022-23 Annual Report and Accounts.[10] This means the detailed connection of UK development assistance to SDG acceleration has not really been made. The Outcome Delivery Plan lists a number of SDG goals and targets against its aid priority outcome, but offers no greater specificity than that.[11] There are also some strange omissions—for example, though the UK's commitment to ocean biodiversity is held up elsewhere as an example of UK leadership,[12] SDG 14 on Oceans is not mentioned as an impacted Goal. Likewise, the UK notes sustainable agriculture as an important priority,[13] but then omits the relevant SDG target (2.4) whilst including others from the same Goal (SDG 2). In looking at how the UK accelerates the SDGs, more attention could also be paid to the UK's negative spillovers—ways in which the UK's domestic and trade policies threaten sustainable development elsewhere. The 2023 SDG Index report ranks the UK towards the very worst (142nd of 166 countries) for its global negative impacts.[14] This strengthens the need for coordinated policymaking, a theme examined in Paper 3.

The UK's commitment to climate funding is important. The urgency is clear: the World Bank's 'Poverty and Shared Prosperity Report 2020' estimates that if climate change remains unaddressed more than 130 million people in the Global South will be forced into poverty by 2030.[15] In 2020, the initial target year of the US$100 billion goal under the UNFCCC, total climate finance provided and mobilised by developed countries for developing countries remained US$16.7 billion short of that goal.[16] Given that commitments have not been met, the agreement by world leaders that "collective climate-finance goals must be met in 2023"[17] is welcome, but not a transformative statement in the absence of clearly-implemented political action.[18]

The continued squeeze on the UK aid budget as a result of in-donor refugee spend, and its implications for these climate commitments should be noted as a challenge for this

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[10] FCDO Annual Report and Accounts 2022 to 2023
[11] FCDO Outcome Delivery Plan: 2021 to 2022
[12] UK Government - Global Ocean Alliance: 30 countries are now calling for greater ocean protection
[13] E.g. UK Government: UK presses for further progress on global food security at G20
[14] SDG Index Sustainable Development Report 2023
[15] World Bank Group - Poverty and Shared Prosperity 2020, p12
[16] OECD - Aggregate Trends of Climate Finance Provided and Mobilised by Developed Countries in 2013-2020, p5
[17] 'A green transition that leaves no one behind' Emmanuel Macron, Mia Mottley, Luiz Inácio Lula da Silva, Ursula von der Leyen, Charles Michel, Olaf Scholz, Fumio Kishida, William Ruto, Macky Sall, Cyril Ramaphosa, Mohamed bin Zayed Al Nahyan, Rishi Sunak and Joe Biden
[18] UNCTAD, 2022

funding.[19] The UK is pledged to deliver £11.6bn of climate finance between 2021–22 and 2025–6. However, a government document widely reported on in July indicates that this commitment is under severe pressure due to high in-donor refugee costs.[20] Despite government assurances, this squeeze might yet present a barrier to achieving the UK's climate finance commitments, or else mean that other efforts to accelerate SDG achievement will be compromised in the effort to meet this climate commitment.

(2) The UK commitment to a "better, fairer international financial system"

The UK's focus on reform of the global financial system is one way in which a wider impact on the SDGs might be achieved. Through a series of announcements (e.g., the open letter signed by the Prime Minister Rishi Sunak and other world leaders), and the detailed priority areas in the Integrated Review Refresh, the UK has expressed a vision to "build a bigger, better and fairer international financial system".[21]

The focus on restructuring of the global financial architecture and the potential impacts on the SDGs appears a significant change in emphasis from the FCDO's 2021–22 Outcome Delivery Plan, which makes no reference to SDG targets around systemic global reform—for example, world agricultural markets (SDG target 2.b), regulation of global financial markets (10.5), increased voice for developing countries in international institutions (10.6), or tackling global tax evasion (16.4)—in its 'development' outcome (PO1) SDG mapping.

The UNSG observed in 2022 that "today's global financial system was created by rich countries to serve their interests many decades ago. It expands and entrenches inequalities. It requires deep structural reform".[22] This represents not only a widely-shared view among policymakers in the Global South, but also, increasingly, among their counterparts in the North. International Financial Institutions (IFIs) and the global financial system as a whole have long been recognised by political economists and development scholars as imperfect actors to deliver structural and sustainable development to the global majority.[23] In recent years, the increasingly visible limits of the dominant market-led and piecemeal policy responses to climate breakdown have exacerbated these criticisms and led to popular calls to restructure global finance. SDG targets 10.5 and 10.6 address these calls for more tightly regulated, equitable, representative and legitimate global financial institutions and markets.

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[19] Government response to the Independent Commission on Aid Impact's review of UK aid funding for refugees in the UK, March 2023

[20] UK planning to drop £11.6bn climate pledge, says leaked note (telegraph.co.uk); Revealed: UK plans to drop flagship £11.6bn climate pledge (The Guardian); Memo reveals pressure on UK climate finance pledge (BBC News)

[21] UK Government – UK to mobilise $40 billion for global infrastructure investment

[22] Secretary-General's address to the General Assembly, 2022

[23] Stiglitz, J. E. (2004) 'Capital-market liberalization, globalization, and the IMF', *Oxford Review of Economic Policy*,20(1), pp. 57-71.; Paul Cammack (2004) What the World Bank means by poverty reduction, and why it matters: New Political Economy: Vol 9, No 2

However, the proposed response of the government—and indeed the New Global Financial Pact arising from the June 2023 Paris Summit—leans heavily into a continuation of the mixed-funding approach that aims to shore up multilateral development initiatives with private capital, rather than more radical reform.[24] In line with existing public-private partnership models and strategies, such as the World Bank's 'Cascade' approach, this mixed-funding model is centred on a 'private sector first' perspective that aims to support green transition efforts by mobilising new streams of income, rather than systematic attempts to radically reconfigure global finance—e.g., by overhauling regulatory systems to tackle the unequal ownership and distribution of key assets.

A key shortcoming in the mixed-model approach is the funders' silence on existing, pressing issues of debt servicing and refinancing that many climate-precarious countries face today. While the Paris Summit reiterated the importance of integrating climate-specific relief clauses in future loans, there was no comprehensive strategy to address the existing debt crisis. After a decade of private and IFI-led lending, developing countries' debt burden stood at an average of 61.8 per cent of GDP in 2020, approximately a quarter of which (US$1.9 trillion) was amassed during the pandemic.[25] In 2022, 74 low-income countries spent an estimated US$35 billion to service their existing debt to bilateral and private-sector lenders.[26] In addition to interest rate rises in high-income countries and related currency dynamics, projected figures suggest that developing countries, apart from China, will have to spend $2.4 trillion per year by 2030 to fund substantial green transition projects.[27] As such, the existing debt obligations are guaranteed to present major challenges to meaningful transition efforts in the most vulnerable countries.

The position of low-income countries (as represented by the G77+China bloc) outlines a more expansive account of what a '"better and fairer" global system requires—greater voice for low-income countries; reform of the IMF and World Bank; comprehensive debt restructuring; a more expansive financial "SDG stimulus" package; and stronger international cooperation on tax.[28] It is not currently clear to this team of researchers how far the government's approach goes towards meeting this broader agenda.

[24] On reliance on private capital, see Basil Oberholzer, 'Moving Forward When There Are No Dollars: A Guide to Public Investment in Face of the Balance-of-Payments Constraint', *Review of Political Economy* (2023).
[25] Eurodad, Outlook 2021: effective multilateralism under the UN will be crucial'
[26] Masood Ahmed and Niki Baroy, (2022) 'A Spiraling Debt Crisis, LICs, and SIDS'
[27] Report of the Independent High-Level Expert Group on Climate Finance 2022, p. 7.
[28] Synthesised from G77 statement at the 2023 High-level Political Forum on Sustainable Development, and the Ministerial Declaration of the G77s 2021 annual meeting, and the Outcome Document of the G77's 2022 Ministerial Conference on Achieving the SDGs.

Conclusion

It seems clear that UK's analysis of ways in which its development assistance can best accelerate the SDGs is not currently very detailed - even before analysis of the UK's global spillover effects are examined and factored in to a more comprehensive overall picture of how the UK is accelerating (or not) global SDG achievement.

The UK's position on global reform, too, appears short on substance that would address the relevant SDG commitments or speak to the position of low-income countries. The current consultation around the UK's International Development White Paper seems to acknowledge this, asking how to "regain the trust of the global South" and "listen better to those most in need".[29]

We recommend that, in response to the UNSG's guidance, the UK (i) undertakes more detailed analysis of its global impacts in SDG terms, and (ii) engages with voices from the Global South— including with civil society organisations and social movement representatives—around a more transformative reform of the global financial system to help developing countries achieve green transition objectives.

[29] UK international development white paper: call for evidence