

2018 ECOSOC High-level Policy Dialogue
“Where are we heading? Visions and projections for the future of the SDGs”

Thursday, 19 July, 10:00 am
United Nations Headquarters, ECOSOC Chamber

Summary

The 2018 ECOSOC High-level Policy Dialogue (HLPD) was convened during the ECOSOC high-level segment on Thursday, 19 July 2018. The theme of the Dialogue was *“Where are we heading? Visions and projections for the future of the SDGs”*. The HLPD brought together international finance and trade institutions, high-level government and UN system officials, and academics and other experts to address current and future trends in the global economy and projections and visions on the advancement of sustainable development.

The Dialogue was chaired by H.E. Ms. Marie Chatardová, President of ECOSOC. Mr. Radek Vondráček, Speaker of the Chamber of Deputies, Czech Republic delivered a keynote address, and an opening statement was given by Mr. Liu Zhenmin, Under Secretary-General for Economic and Social Affairs.

In his keynote address, Mr. Vondráček stressed that multilateralism, as embodied in the United Nations and its Charter, has been a firm foundation of shared progress and development over more than 70 years and needs to be constantly strengthened. He emphasized that the Czech Republic has been actively participating in all kinds of UN activities in the past and will continue to do so in the future. He talked about many challenges in the world today such as globalization, migration, demographic shifts and terrorism. Many people still suffer from armed conflict, political oppression, inequalities and violations of their rights. ECOSOC should deal with the best practices examples of different countries, where lessons learned and experiences can be shared and analyzed.

In his opening statement, DESA’s Under Secretary-General outlined how the current and future trends could affect future implementation of the 2030 Agenda. He stressed that dynamic in population growth shows that we will live in a crowded urban world by 2050. According to the DESA’s World Population Prospects and World Urbanization Prospects, some 9 billion people will live on Earth in 2050, with 70 per cent of them in urban areas. This means an additional 2.8 billion people in cities, and 600 million fewer people in rural areas. This would require the building of another 400 megacities in and around existing cities. It also means that while an additional two billion people would be lifted from poverty and hunger, such rapid

progress would merely compensate for the growing world population and would still leave about 3 billion people with less than two dollars per day in 2050 - barely different from right now.

The Under-Secretary-General also underlined that a global middle class would have emerged amid abject poverty. Global average GDP per capita might be around US\$35,000 in 2050. In other words, incomes in most countries would be on a level of today's developed countries. Yet, some of the most vulnerable and poorest economies would remain marginalised.

Also, around 240 million people, mostly in rural areas, would likely remain without access to improved water sources, 1.4 billion people without access to basic sanitation and 1.8 billion people would remain without access to modern energy services for cooking and heating in 2050. Demand for water and energy will increase and 3.9 billion people would live in river basins under severe water stress.

Additionally, many planetary boundaries, including in terms of climate change, are expected to be breached. Irreversible environmental events are of increasing concern.

He concluded by saying that if we continue merely with incremental progress as in the past, lots of short-term progress might come at the expense of long-term deterioration in other areas. It is against this long-term, "big picture" scenario that the shorter-term economic forecasts in the next year or two should be seen. To move to more positive scenarios for our future, we need to take the kind of transformative actions the SDGs require. A transformative character of the SDGs is their integration. Another is the commitment to leave no one behind. Each requires innovative thinking and new approaches to policies and financing. Our ability to have foresight and find answers to long-term questions and challenges will have far-reaching effects on the global economy – as well as on the future of sustainable development.

The discussions that followed were split into two policy dialogues: Policy Dialogue 1 focused on *Trends in the global economy and international trade and finance*, and Policy Dialogue 2 focused on *Projections and visions on the advancement of sustainable development*, serving as an open space for discussion on projections, visions, and foresight and alternative futures for sustainable development and the Sustainable Development Goals. The moderator of both Policy Dialogues was Mr. Michael Shank, Communications Director, Carbon Neutral Cities Alliance and Urban Sustainability Directors Network.

Policy Dialogue 1: Trends in the global economy and international trade and finance

Highlights:

- At the end of 2017, there was optimism and projections of economic recovery. However, thus far in 2018, economic optimism has been dampened.
- Several said that trade has recently become one of the more challenging frontiers. The issues previously taken for granted, such as opening, inclusive, rules-based negotiated trading system, have been put under question. Despite all the evidence that nobody wins from trade tariff escalation, we are seeing a breakdown of multilateralism.
- The imposition of tariff surcharges in markets have resulted in some third-party countries benefiting. However, the downturn is uncertainty and reduced investor confidence, which offset these gains for all regions.
- The recent trade disputes are causing concern. Earlier this week the IMF predicted that the significant tariff escalation taking place between the main trading partners would cost the global economy \$400 billion by 2020.
- Taking action to ensure inclusivity and equity in trade discussion is crucial to realizing the 2030 agenda.
- At the same time, trade alone is not enough to reach economic and social objectives. It must be accompanied by a set of macroeconomic and sectorial policies that are inclusive and sustainable – and by social programmes designed to bring fairness to those who risk being left behind. Another challenge is inequality, which is on the rise, threatening social cohesion and increasing the risks of violence.
- In the area of investment, the World Investment Report 2018 shows important trends. The largest significant source of FDI flow has moved to east and southeast Asia with China, Singapore and Thailand being the main exporters of FDI from that region.
- In 2017, there was a 23 percent decline in global FDI compared to the previous year. The most significant amount of FDI flow goes to mergers and acquisitions, with limited impact on creating new livelihoods, or lifting people out of poverty.
- Fine tuning how we approach private capital, which is an important source of financing and includes FDI, remittances from migrant workers and portfolio investments, continues to be a challenge. It is important to incentivize private investment, including through the greening of stock exchanges. Mobilizing

private capital will be crucial for reaching the trillions of dollars needed to achieve the SDGS.

- With respect to debt, corporate and sovereign debts are increasingly unsustainable. Only 11 of the 67 poorest countries are not in medium-term debt distress.
- Participants also stressed the need to analyze the dynamics of financial flows, as well as to take action to address the impact of illicit financial flows, particularly those caused by tax evasion, corruption and transnational organized crime, on the economic, social and political stability and development of societies, and especially on developing countries.

Policy Dialogue 2: Projections and visions on the advancement of sustainable development

Highlights:

- Although progress has been made, the SDG index shows that, if current trends continue, the SDGs will not be realized by 2030. Despite that fact that global population growth has slowed, LDCs continue to experience high population growth, further exacerbating their challenges in realizing the SDGs.
- Although 2 billion people will be lifted from poverty by 2050, 3 billion mainly rural populations will remain in poverty. The poor are also mainly concentrated in conflict regions. About 1.8 billion people will still not have access to sanitation or modern energy by 2050.
- In education, however, it appears that universal education will be achieved by 2030.
- Population growth, migration and climate change have a direct correlation with jobs. There is a need to connect job creation with environmental concerns and seize opportunities for creating green jobs in waste and consumption and the renewable energy sectors, which will be connected to the sustainable approach to these sectors.
- Many developing countries have a high population growth rate, a large number of young job seekers and a large number of youth working in the informal sectors.
- There is a need to invest in new infrastructure for greener growth and policies to increase employment and the spending power of lower and middle-income households.

- Biodiversity provides us with many goods and services, including food, fuel, medication, and clean water. The concept of Nature Based Solutions should be included, as they can provide 37 per cent of the mitigation needed to remain within a 2-degree Celsius pathway, and there is a need to manage nature better and more sustainably. There is also a need to incorporate ecosystem services into national economies.
- Looking at alternative scenarios can assist in planning how to realize the 2030 Agenda, to make better decisions today for a better future. Using alternative scenarios to plan and to monitor and assess indicators can lead to investments in prevention mechanisms that can tackle disruptive trends. This work needs to take place at the national and global levels and should include developing integrated strategies.
- In carrying out strategic planning, there is a need for strategic foresight, looking at frontier issues to better understand the current situation, be it at the country level, in SDG implementation, or among other areas/levels. Strategic foresight can equip governments and organisations to recognise and respond to emerging threats and opportunities by developing enhanced resilience and agility.
- Strategic foresight can also be used to create an inspirational vision of the future. Insights gained from strategic foresight will allow for contingency planning and developing the ability to engage with the future as it develops. In carrying out strategic foresight, it is important to ensure citizen participation in discussions on technology and financing.