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VENRO
ASSOCIATION OF GERMAN DEVELOPMENT AND HUMANITARIAN AID NGOS

SDGs ON THE HOME STRETCH

Unleashing Positive Synergies and Tackling Negative Spillovers

CONTENT

FOREWORD

The upcoming SDG Summit in New York on 18–19 September 2023 marks the halfway point to achieving the Sustainable Development Goals (SDGs). We approach it with a sense of both reflection and absolute urgency.

In recent years, the world has faced a series of unprecedented crises – from the global pandemic that swept across nations to geopolitical conflicts such as the war in Ukraine and the escalating climate crisis. This has led to rising food and energy prices, which are pushing an increasing number of people into poverty.

While these challenges have undoubtedly had a negative impact on our chances of achieving the SDGs, they are not the only reasons for the lack of progress on the 2030 Agenda. Even before these crises unfolded, our efforts to achieve the SDGs had already stalled. As of now, we have only met 12 per cent of the targets set in 2015, and we are particularly far behind on the SDGs relating to hunger, sustainable nutrition and health. At the current rate of progress, none of the targets will be met by 2030 and, on average, less than 20 per cent of the SDG sub-targets are on track to be met.

The High-Level Political Forum (HLPF) in July 2023 served as a platform for stocktaking and reflection. In his opening remarks, UN Secretary-General António Guterres reminded us that 'time is running out, but we know what to do'. We have the knowledge and solutions to bring about the change that is so urgently needed.

Our pursuit of these solutions must be systemic and should recognise the interconnectedness of our global challenges. This publication highlights an essential aspect that requires attention – the negative spillover effects of our actions. Germany must acknowledge its responsibility for these spillovers, which affect other nations.

The presence of Chancellor Olaf Scholz at the SDG Summit is an important signal that Germany acknowledges its responsibility to address the positive and especially the negative impacts of its policies, decisions and consumption patterns. Germany must use its presence in the world to forge alliances in the interest of sustainability, overcoming crises and fighting inequalities.

Achieving the SDGs relies heavily on the active involvement of civil society. Safeguarding space for civil society thus becomes imperative, along with ensuring adequate financial resources for development policy and humanitarian aid. Reforming the international financial architecture is central to laying a foundation for systemic solutions.

In this publication, we bring together the expertise and perspectives of different civil society actors who will shed light on the state of our progress towards the SDGs, with a particular focus on energy policy, social security and development finance. We must use the remaining seven years until the deadline to bring about systemic solutions through honest assessments, proactive approaches and collective action.

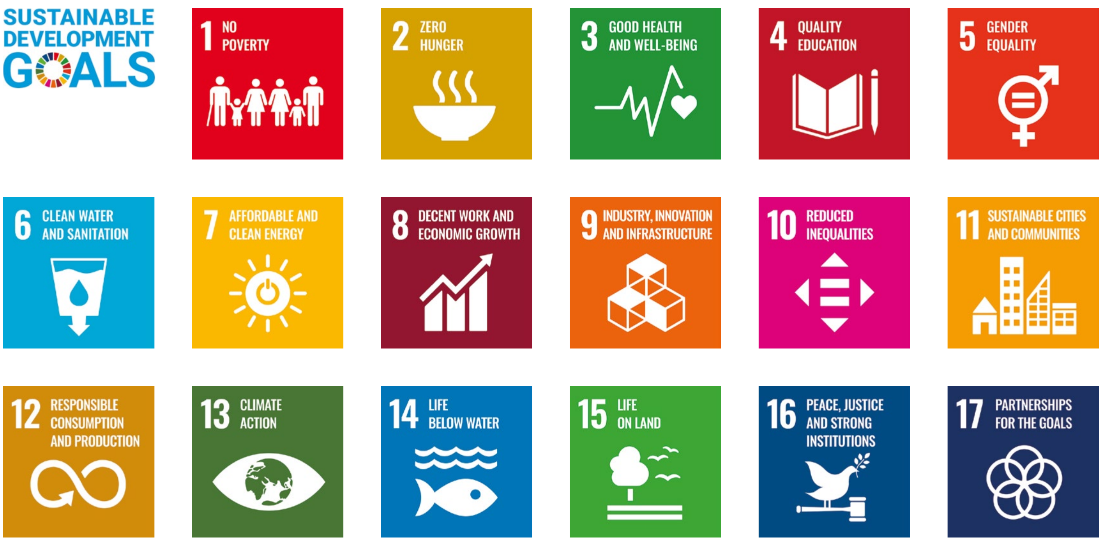
I wish you an inspiring read!

Carsten Montag

Carsten Montag Vice-Chair of the Board of the Association of German Development and Humanitarian Aid NGOs (VENRO)

SDGs AT A CROSSROADS

Interview with Paul Divakar Namala on redefining cooperation and development



With the world already halfway to the 2030 deadline for achieving the Sustainable Development Goals (SDGs), the urgency of accelerating progress and addressing complex challenges is becoming increasingly evident. VENRO spoke with Paul Divakar Namala, co-chair of the Global Call to Action Against Poverty (GCAP) and convenor of the Global Forum of Communities Discriminated on Work and Descent (GFoD), about civil society's expectations for the 2023 SDG Summit in the Global South. He advocates for a new approach that recognises the localised complexities of poverty, inequality and discrimination that exist in specific regions and communities. Highlighting the importance of incorporating data, experiences and perspectives from the field, he emphasises the need for inclusive decision-making processes to effectively address these challenges.

> "We need to reevaluate and find mechanisms to address issues such as migration flows and climate neutrality in an unequal world."

VENRO: Some of our participants may not fully understand the purpose of the High-Level Political Forum (HLPF) and the SDG Summit. Could you provide an overview of their roles in implementing the 2030 Agenda?

Paul Divakar Namala: The theme of this year's HLPF is accelerating our recovery from the coronavirus pandemic and fully implementing the 2030 Agenda for sustainable development at all levels. We are now halfway to the deadline for the SDGs, and it is becoming clear to NGOs and states alike that we will not achieve them by 2030. It is now time to identify and address the barriers that are impeding SDG implementation, particularly those exacerbated by the pandemic. It is essential that we reassess and make new commitments at the HLPF in July and SDG Summit in September.

VENRO: You have already mentioned the Covid-19 pandemic. This global health crisis is interlinked with the war in Ukraine and, of course, climate change. How do you expect heads of states to turn the tide?

Paul Divakar Namala: It is indeed a serious issue. Through VENRO, I came across a report from the Stockholm International Peace Research Institute (SIPRI) that examines defence and military spending. The findings are disheartening. Global military expenditure rose by 3.7 per cent to a staggering US$2,240 billion in 2022. That is an increase of 19 per cent over the past decade. Experts attribute this growth to Russia's invasion of Ukraine. European countries are increasing their military budgets by 13 per cent, the highest annual increase since the post-Cold War era. Strangely, military spending has also increased in Asia and Oceania, surpassing global growth. These trends are leading to growing inequalities, as highlighted by reports on extreme poverty and unequal access to vaccines and treatment. Additionally, climate neutrality may not be achieved by 2030, potentially extending the climate crisis challenges we face. Demographic change varies across regions, exacerbating inequalities. It is crucial to acknowledge that the division is not solely between the Global North and South; both regions have internal disparities. We need to reevaluate and find mechanisms to address issues such as migration flows and climate neutrality in an unequal world. Moreover, new biodiversity targets must be established. This is an opportunity to focus on addressing systemic barriers, as the SDGs cannot be achieved solely through thematic or programmatic approaches.

VENRO: Before we delve into the opportunities and implications of redefining cooperation and development, I would like to say that I find your perspective intriguing. It seems that our understanding of the world is shifting to encompass

more nuanced and micro-regional development contexts, where inequalities exist within specific regions. This requires us to develop new instruments, tools and political agendas to address these shifts. It appears that we are increasingly witnessing very localised issues that demand new approaches. I am curious about the opportunities and implications of defining cooperation and development differently for the 2030 Agenda.

Paul Divakar Namala: Absolutely. To take just one example, some northern countries have identified particular countries in the Global South as having achieved higher income levels. On the basis of aggregate data alone, India can be considered a middle-income country. However, when we examine the disaggregated data, we see gross inequalities within the country. Approximately 80 per cent of the population has access to only 12 per cent of the country's resources. This stark poverty, migration, exclusion and the impact of the pandemic are not adequately captured when we rely solely on aggregate data. We can also observe similar patterns in some northern countries. While the aggregates may seem favourable, there is a new class of people in poverty emerging, including marginalised communities in both the Global North and South. To address these challenges, we need new tools that can effectively visualise and prioritise the needs of these marginalised communities at subnational and subregional levels. Otherwise, we may achieve some targets at the aggregate level but still witness extreme levels of poverty, hunger and exclusion within these communities.

VENRO: **That is a crucial point. Data and development policy must be better integrated into our global decision-making architectures. It is not enough to rely solely on statistics; we need to incorporate data, ethnographic stories and on-the-ground experiences into policy-making. This broader range of evidence can help us identify challenges and generate ideas for dealing with them. For example, during the floods in India last year, communities' local knowledge allowed them to better mitigate damage and help those affected. This highlights the importance of better integrating the local context into our developmental collaborations. However, it raises questions about the infrastructure and support available to NGOs and individuals on the ground. How can we ensure that funding reaches those with the capacity to provide effective aid and assistance while still aligning with the SDGs and creating a new regulatory framework?**

Paul Divakar Namala: It is indeed vital to address these issues. Let me bring up another aspect related to marginalised communities in various countries across Asia, Africa and Europe. These communities have long faced a cultural exclusion that is deeply ingrained in cultural practices and not solely attributable to state policies. For instance, the Dalit communities in South Asia or the Roma and Sinti communities in Europe have historically been marginalised and continue to face exclusion and discrimination. These communities experience different development indicators than the communities around them and are subjected to environmental racism; they are often forced to live in hazardous areas and face inequality in education. Similarly, in parts of Western Africa, traditional forms of slavery persist, impacting the development and well-being of the affected communities. Surprisingly, these communities have been overlooked and are not adequately addressed within the SDG framework. It is imperative that we recognise and prioritise the needs of these communities when it comes to achieving true development and equality.

VENRO: **I want to build on that point. Considering the notion we have discussed, what role do upcoming summits such as the HLPF play in addressing these issues and opportunities?**

Paul Divakar Namala: I believe we need civil society voices and marginalised groups to have a stronger presence. However, individual countries may not want these issues to be raised as they often prefer to handle them internally. This is why it is crucial to amplify the voices of these communities.

Both the HLPF in July and the SDG Summit in September should facilitate this. But what is even more critical is moving away from business as usual and integrating financial and social justice into our approach to climate justice. Currently, some communities are bearing the brunt of climate change impacts without being included in discussions on climate finance and infrastructure. We must not leave them behind. Additionally, the upcoming World Social Summit in 2025 should foster greater trust and address these issues. German NGOs are playing a commendable role in focusing on rights and humanitarian issues. It would be beneficial if the German government and Chancellor would take a stronger position at the upcoming summit. They could speak out against vaccine inequality and take action on global patent issues. German pharmaceutical companies and the government can play a significant role in supporting the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) waiver. Financial support is important, but it must be accompanied by political backing. Sometimes, this is lacking in political dialogues such as those at the HLPF. Addressing the debt crisis is also crucial. At UN level, German NGOs and missions can contribute to achieving fair debt distribution and debt cancellation when necessary. These are critical areas, and organisations like VENRO can serve as watchdogs to ensure progress is made.

VENRO: **I have one final question to finish off with. The SIPRI report from last year discussed entering a new era of risk. It is important to acknowledge that poverty varies across regions, and we must stop lying to ourselves about it. Additionally, we need to prepare strategically for material scarcity, the end of the carbon era, resource conflicts and new water- and climate-related challenges. NGOs have the opportunity to work together and strengthen their capacities globally. That is why this year's SDG Summit holds great significance as the halfway point to the SDG deadline. What notable difference would you most like to see after September 2023, compared to the current situation?**

Paul Divakar Namala: One significant change I would be thrilled to witness would be a commitment to financial inclusion. It is crucial to address income inequality, health care accessibility and overall development within countries, particularly in the Global South. This commitment should go beyond financial flows from north to south and also prioritise financial inclusion within the Global South itself. We need to establish an architecture to make this happen. This would be a major takeaway for communities like mine representing marginalised groups such as those discriminated against based on work and descent, indigenous communities, trans individuals, sexual minorities and women worldwide.

> "This commitment should go beyond financial flows from north to south and also prioritise financial inclusion within the Global South itself."

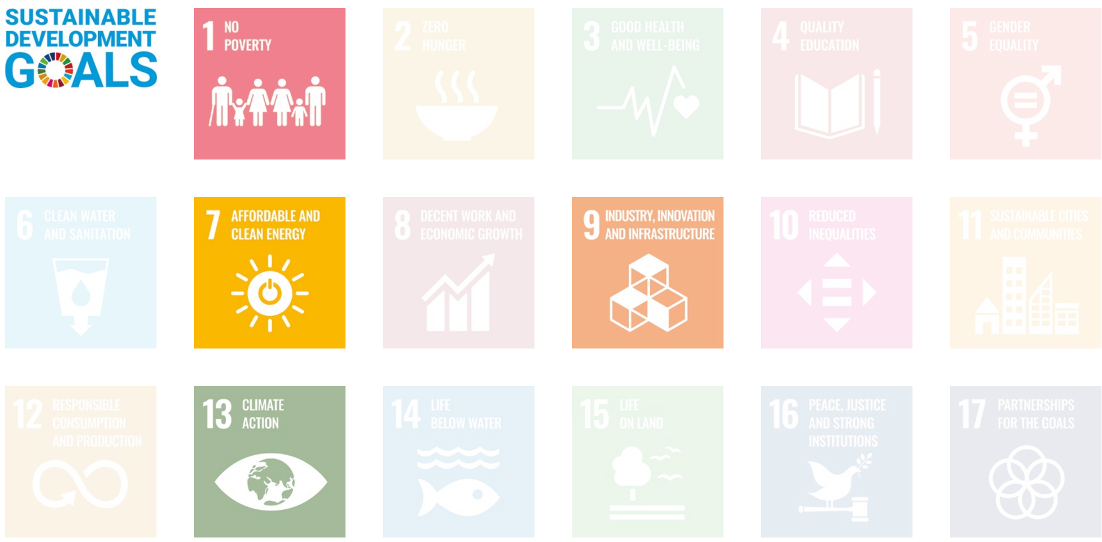
VENRO: **Highlighting these structural issues is crucial. It is not just about acknowledging them or reaching agreements but rather delving into the root causes and addressing the structural set-up and direction of financial flows. These discussions should take centre stage at this year's summit so that we can drive actual change.**

This interview took place at the VENRO event 'Civil Society Expectations of the SDG Summit 2023 – Perspectives from the Global South'

OVERCOMING HARMFUL POLICIES

Prioritising universal energy access and inclusive energy transition in the Global South

Amos Wemanya
Power Shift Africa



Energy access will play an important role in the achievement of the Sustainable Development Goals (SDGs). Achieving universal energy access will be essential if we are to create a more sustainable and equitable future. Policies and investments that will facilitate this need to be enabled, especially in regions with low access levels. However, investment in energy systems that would enable increased access in regions such as Africa has been curtailed by some harmful policies and plans.

These include the continued direct subsidisation of fossil fuel energy, which has for a long time undermined local people's access to modern energy services. Policies and plans that encourage the expansion of fossil fuel extraction for export markets leave producer countries without access to energy and with costs to bear, including the environmental and social costs associated with fossil fuel production. Furthermore, a fossil-fuel-powered energy system that is extractive in nature leads to unequal resource access and unequal development at many different levels.

The negative impacts of industry- and export-oriented energy policies

The industry-oriented electricity system in sub-Saharan Africa, which is largely urban and extractive, was designed to help integrate the continent into the global market order, and it neglects the large rural, informal and subsistence production system. This undermines the access that rural and informal systems have to reliable, affordable electricity. Today, 670 million people still lack access to energy, with vulnerable populations, especially women, suffering the negative health, social and economic consequences. These range from health issues caused by a lack of access to clean cooking facilities to a lack of education and the inability to access essential health care.

A lack of access to energy has significant direct impacts on women's and girls' well-being. Relying on polluting energy sources for basic needs disproportionally affects women and girls, who are the main users and producers of household energy. In rural areas of sub-Saharan Africa, women and girls have to spend much of their time looking for fuelwood, which is the main energy source for cooking. This also puts them at risk of violence.

Moreover, policies that encourage low-value-added fuel exports, meaning crude fuels such as crude petroleum and natural gas exports, often end up increasing higher-cost fuel imports, which limits access for low-income communities.

Energy access for those living in rural and informal areas in Africa is being undermined by export credits and continued investment in fossil fuels and highly centralised energy systems, be it through direct foreign investment, official development assistance or support from bilateral and multilateral development banks.

We need a shift away from such policies and investments. Key public finance institutions have a developmental mandate to end energy poverty while financing sustainable development, especially in regions such as Africa. Public finance investment in new and existing oil, gas and coal projects should be urgently replaced with investment in just and inclusive energy systems powered by renewable energy sources.

Empowering marginalised groups through decentralised renewable energy systems

Investment in renewable energy offers various and increasingly entrepreneurial opportunities for women. This has, for example, been demonstrated by the women-led renewable energy enterprise Solar Sister, operating in Nigeria, Tanzania and Uganda, which recruits, trains and mentors women while building women-to-women networks for the 'last mile' distribution of clean cookstoves and other devices; it provides energy services to over 350,000 people. Such enterprises

demonstrate the potential of renewable energy to empower communities that include women.

Shifting subsidies and other financial incentives from fossil fuels to renewable energy systems that promote decentralised energy provision would be useful in facilitating universal energy access and entrepreneurship, especially among vulnerable and often marginalised groups and in rural and off-grid communities.

We should put policies in place that disincentivise investment in fossil fuel expansion, for example by implementing a tax on the fossil fuel industry based on the 'polluter pays' principle. The revenue from such a carbon tax could be used to finance clean energy development for communities that do not have access to energy.

Policies should offer an opportunity to redraw the power dynamics and create new, inclusive energy systems that empower genuine African participation and address real African challenges, without overburdening the continent's already heavily burdened economies and people. We need to promote plans and practices that enable the full range of renewable electricity applications, from those connected to the grid and mini-grids to small-scale standalone systems. Priority should go to applications that meet the needs of those who are currently without access to electricity, and to supporting household needs such as universal access to clean cooking facilities.

Currently, extremely high levels of investment go into regional initiatives, most of which is then invested in large-scale energy projects. Instead, we should prioritise support for decentralised, people-centred and renewable-energy-powered systems that meet the needs of rural and off-grid communities.

In addition, platforms and frameworks for sharing information on rapidly scaled-up renewable energy initiatives are an important factor for inspiring similar initiatives in other economies. Exploring and scaling up economic and non-economic energy incentives that have worked in other countries and regions could prove important in promoting and supporting universal energy access by 2030.

If we are to attain SDG 7 and ensure access to affordable, reliable, sustainable and modern energy for all, providing a platform for multi-actor engagement will be crucial. This should include identifying opportunities for policies that promote gender-lens investing, creating economic opportunities such as sustainable jobs, enhancing technology access, supporting local economies, ensuring social protection and labour rights, and making an economic, social and environmental contribution.

The role of the SDG Summit in energy transformation

The SDG Summit provides a platform for various actors to come together and commit to formulating strategic partnerships, plans for technical assistance, research and development, and trade relations on sustainable development terms.

The summit offers an opportunity to strengthen existing partnerships and forge new ones. This will help deliver a just and inclusive energy policy, ending energy poverty and creating universal, decentralised energy access that includes access to clean cooking facilities. It will also promote accelerated renewable energy deployment and facilitate the powering of the industries and sectors that are key to Africa's socio-economic transformation.

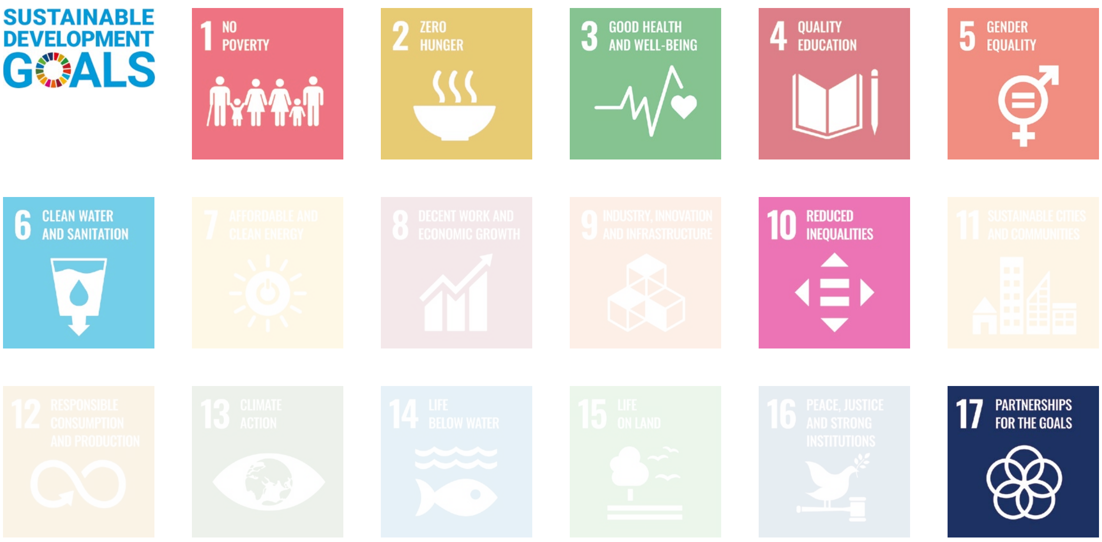
In addition, the summit can help to build implementation mechanisms that are capable of delivering the SDGs by 2030, especially the goal of universal energy access. Through this summit, we have an opportunity to prioritise strategic investment in key sectors such as energy, which are the core building blocks for achieving further SDGs. Finally, there is the opportunity to revisit and reshape policy, thus avoiding and correcting the mistakes of current policies that provide unconditional subsidies and protection to energy systems that do not support rural or off-grid communities, especially in Africa.

Amos Wemanya is Senior Energy Advisor and leader of the Just Energy Transition work of Power Shift Africa

UNMET DONOR COMMITMENTS, INADEQUATE DEBT AND TAX GOVERNANCE

How negative spillovers from the international financial system put achieving the SDGs out of reach

Jean Letitia Saldanha
European Network on Debt and Development (Eurodad)



In the midst of the current polycrisis, it is rapidly becoming unlikely that we will meet the Sustainable Development Goals (SDGs) deadline of 2030. Unequal recovery from the Covid-19 pandemic has followed the fault-lines of global power distribution. This in turn has reinforced the view that it is neither global solidarity nor the SDGs which are driving 'green' economic growth but rather the geopolitical tensions created by the Russian invasion of Ukraine and rivalry between China and the West. These factors then determine the extent to which countries in the Global South qualify for development cooperation, that is, assistance in making long-term structural changes.

These unanticipated external factors come in addition to existing spillovers from trade and finance policies and practices that are ineffective and unfair. Inevitably, this is having a negative impact on our chances of achieving the SDGs. To ensure we have sufficient funding to achieve these goals, we must consider the role of sovereign debt governance, international tax cooperation and development finance. The 2023 Financing for Sustainable Development Report by the UN's Inter-Agency Task Force estimates that, from now until 2030, the equivalent of 9.8 per cent of gross domestic product (GDP) in the least developed countries (LDCs) and other low-income countries (LICs) and 2.7 per cent of GDP in middle-income countries (MICs) will be needed for investment in core infrastructure such as roads, electricity, water and sanitation (UN Inter-Agency Task Force, 2023).

Sovereign debt governance

Even before the economic shock caused by the Covid-19 pandemic, there were warning signs that countries were spending more servicing their debt than they were investing in public services essential for SDG achievement (Fresnillo, 2020). The debt crisis has grown exponentially since 2020 (UNCTAD Conference, 2023). In 2022, the UN's Conference on Trade and Development (UNCTAD) warned that over half of LICs and a third of MICs are edging closer to the point at which they can no longer repay their debts (UNCTAD Conference, 2022). This situation – a debt default – would mean that countries could neither borrow to keep their economies afloat nor invest in achieving the SDGs, let alone import essentials like food, energy and medicines.

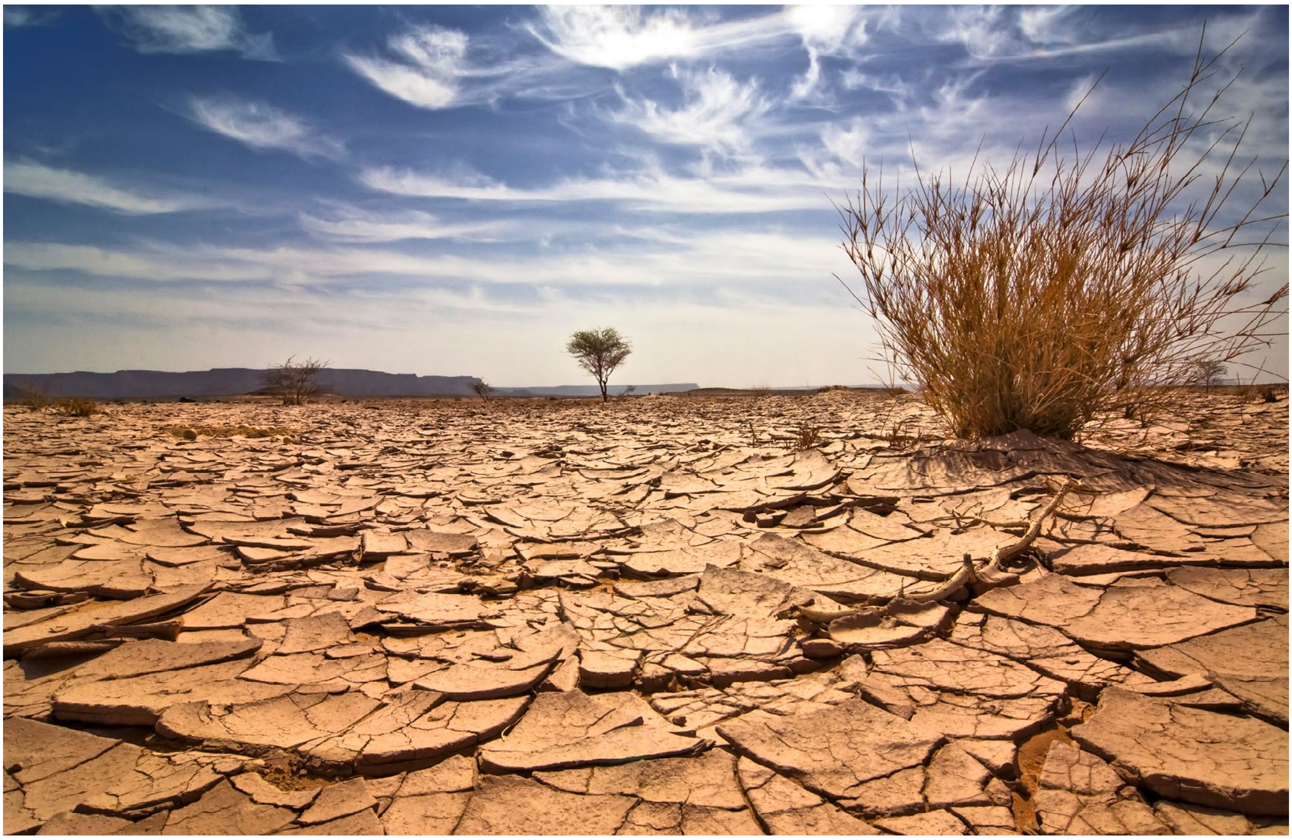
To tackle the spillover effects of debt on the SDGs, it is essential to put an end to the unfair governance architecture in which decisions on restructuring or reducing debt stocks are made on an ad-hoc basis by creditor-dominated groups such as the Paris Club. Decisions made in these fora are not binding on all creditors – in particular private actors – and are generally accompanied by austerity programmes administered by the International Monetary Fund (IMF). These undermine a state's ability to achieve the SDGs. Creditor countries, in particular the US, have disproportionate power over IMF decision-making. For example, the US veto power means its federal Congress can block any major IMF decision. Furthermore, the highly politicised rivalry between the West and China makes it difficult to imagine that the IMF or the G20 could broker a transformation purely in the interest of borrower countries in the Global South.

A new sovereign debt governance architecture is needed, and a UN-convened process would be the most effective way to design it. Such a process should be equally led by borrower and creditor countries. The institutionalised engagement of civil society in UN processes would also ensure transparency and accountability. The SDG Summit and the Dialogue on Financing for Development could play a historic role in kickstarting such a process, with Germany having the potential to assume a leadership role. The chapter on development cooperation in the German federal government's coalition treaty explicitly refers to supporting a global debt workout mechanism: 'Our goal is a new international debt management consensus. We support an initiative for a codified international sovereign insolvency mechanism, which includes all creditors and implements debt relief for particularly vulnerable country groups.' (Koalitionsvertrag, 2021).

International tax cooperation

In 2021, the Tax Justice Network conservatively estimated the annual tax loss of governments to be US$483 billion, of which US$312 billion is due to cross-border tax abuse by multinational corporations and US$171 billion to offshore tax evasion by wealthy individuals (Tax Justice Network, 2021). While higher income countries lose more in absolute terms, lower income countries lose a larger share of their total tax revenue and are thus more heavily impacted by the problem. Moreover, the Tax Justice Network stresses that most global tax abuse is made possible due to abusive tax laws in rich countries in the Global North (Tax Justice Network, 2021). The structural and long-term reversal of the south-to-north flow of finance caused by international tax dodging is essential if we are to shore up public sources of financing, including those that will support the SDGs. Agreements made by the Organisation for Economic Co-operation and Development (OECD), a non-inclusive space dominated by industrialised countries with their own specific agenda, have thus far failed to achieve this (see for example Ryding and Voorhoeve, 2022).

However, the tables are starting to turn. At the end of 2022, a historic resolution was tabled by the Africa Group and adopted by consensus at the UN General Assembly (UN General Assembly, 2022). The resolution mandates the initiation of an intergovernmental UN tax process which will consider the option of developing a UN instrument or framework to strengthen international tax cooperation. The Africa Group has called for such an instrument to take the form of a new UN



Convention on Tax (Vice-President of Malawi, 2022) and, together with the Global Alliance for Tax Justice, Eurodad has tabled a full proposal (Ryding, 2022) for how such a convention could be designed. The new intergovernmental UN tax process finally presents an opportunity to structure global tax architecture in a way that involves all countries and can serve development, human rights and environmental protection, as well as tackling climate change. The SDG Summit and the High-Level Dialogue on Financing for Development in September will represent a crucial moment on the path towards building a consensus around the ambitious implementation of the resolution. This includes making a start on the development of a new UN Convention on Tax.

Unmet donor commitments

The persistent failure of industrialised countries to make good their promise of allocating 0.7 per cent of their gross national income (GNI) to development each year has left a development financing gap of over US$6.5 trillion between 1970 and 2021 (Oxfam International, 2023). While total official development assistance (ODA) reached a historical high of US$204 billion in 2022, most of the 13.6 per cent increase stayed in donor countries and was spent on hosting refugees, particularly from Ukraine (Craviotto, 2023). Additional causes of the increase included excess vaccine donations and debt relief, which together accounted for 15 per cent of total ODA. The decreasing share of ODA going to the LDCs is the most concerning aspect of this. These countries have the most acute need to accelerate their efforts in order to achieve the SDGs by 2030.

It is vital to overcome the spillover effects of stagnating ODA budgets that have been inflated by spending within donor countries. The role of the OECD's Development Assistance Committee (OECD-DAC) must be scrutinised. This organisation sets its own rules on ODA reporting and is only accountable to itself, and it is in the process of undermining the integrity of aid statistics with an expanded agreement to include funding used to support private enterprises investing in developing countries, known as private sector instruments (PSIs) (Craviotto, 2022). The role of the UN in calling donors to account and the decreasing quality of ODA must be highlighted at the SDG Summit. This would reinforce the value of this critical source of public finance for SDG achievement, while also recognising its role in terms of restitution for the Global North's extractive relationship with the Global South, both currently and historically.

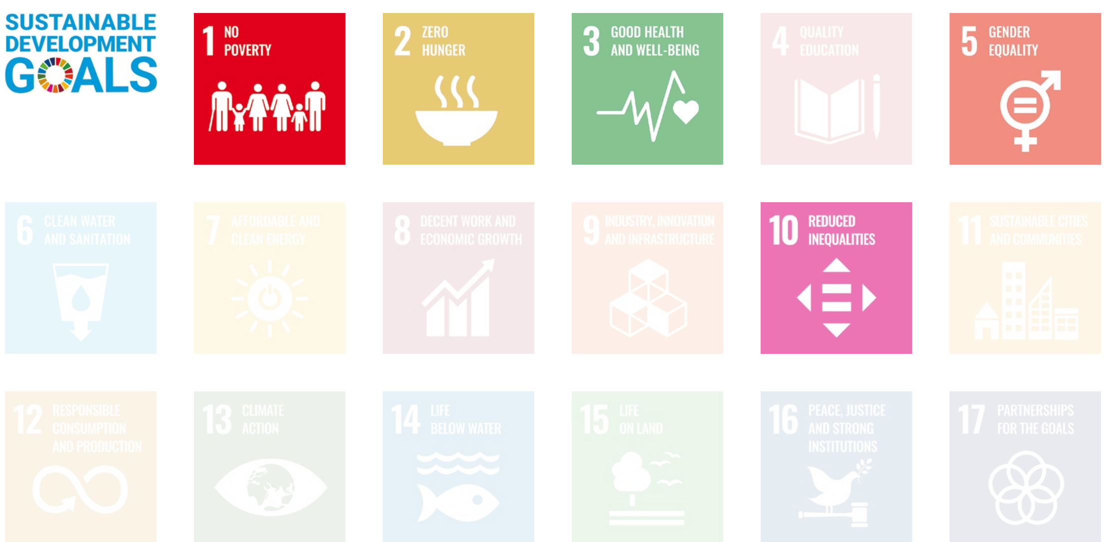
SDG Summit: An opportunity not to be missed

The severe imbalances in the international financial system and the lack of resources described above jeopardise our chances of meeting the SDGs. The groups already hit the hardest by the polycrisis, that is, women, children, gender and other minorities, the informal sector and people with disabilities, are also severely impacted by the lack of government services in areas such as health, housing and social support. We are now halfway to the 2030 deadline, and world leaders gathering for the summit must not miss this opportunity to make it a turning point in the global effort to overcome the polycrisis and achieve the SDGs.

Jean-Letitia Saldanha is the Director of the European Network on Debt and Development (Eurodad)

SOCIAL PROTECTION FOSTERS INCLUSIVE SOCIETIES

Angela Bähr
Association of German Development and
Humanitarian Aid NGOs (VENRO)



Social protection is one of the most important tools available to combat hunger and malnutrition at the population level and significantly improve people's health. Social protection systems can cover individual social risks such as early pregnancy, family support, access to education, job loss, crop failure, food insecurity, reduced earning capacity or the high costs associated with old age, disability or illness. Almost all countries now have at least minimal forms of social protection. Nevertheless, only just under half of the world's population is covered by some form of social security. Many people work in the informal sector, belong to high-poverty groups or are vulnerable, and social programmes often fail to reach them.

Social protection empowers girls, women and disadvantaged groups

When social security systems are designed to be inclusive and gender-sensitive, they contribute to the empowerment of women, girls and disadvantaged groups. Women are more likely than men to be employed in precarious, informal jobs. They are also more likely to be employed in domestic service or care work under insecure conditions or be at risk of poverty. Women are more likely to have their education or employment interrupted due to pregnancy. In addition, they are often paid less than men for the same work. Social security can reduce the risk of impoverishment. The protection gap is particularly large in countries on the African continent, where only 12.6 per cent of children, 14.9 per cent of mothers with newborns, 9.3 per cent of people with disabilities and 27.1 per cent of the elderly have effective social protection. When it comes to workers and the unemployed, only 18.4 per cent and 5.3 per cent are covered respectively (ILO, 2021).

Social protection systems help improve girls' health and education. Women and girls of reproductive age often have no protection beyond the family, and three-quarters of all girls and women worldwide carry out unpaid care work (Oxfam International, 2020). When social protection systems are in place, women and girls are less likely to be encouraged to marry early, to contribute to the family's livelihood by entering the workforce early or to provide care for the family. Girls from families receiving social benefits, for example, attend school more often and for longer periods of time, enabling them to have more control over their lives (Berlin Institut, 2022). Every day, approximately 41,000 girls under the age of 18 get married (UNFPA, 2022). An estimated 129 million girls do not attend school, including 32 million of primary school age and 97 million of secondary school age (World Bank, 2022). Girls and young women with higher levels of education also tend to have children later (Berlin Institut, 2022). In low- and middle-income countries, 21 million girls between the ages of 15 and 19 become pregnant every year, with nearly half of the pregnancies being unplanned or unwanted (UNFPA, 2022), and more than 100 million mothers are single parents (UN Women, 2019). Social security in later life reduces the care provision burden on women as they plan their lives. In some countries, for example, fertility rates decline when social, health and pension insurance is available. Introducing social security instruments on a trial basis can help shape demographic change, as in Tanzania (Berlin Institut, 2022).

In order to strengthen the positive spillover effects of social protection that can help overcome social inequalities, the following measures should be supported:

- Access to social and health services must be low-threshold and transparent. Information must be actively provided and access rights should be enshrined in law.
- Outreach work (social care) should support the implementation of social security programmes. Gender-sensitive and anti-discrimination-trained social workers can identify, directly address, counsel and refer those in need to appropriate services.

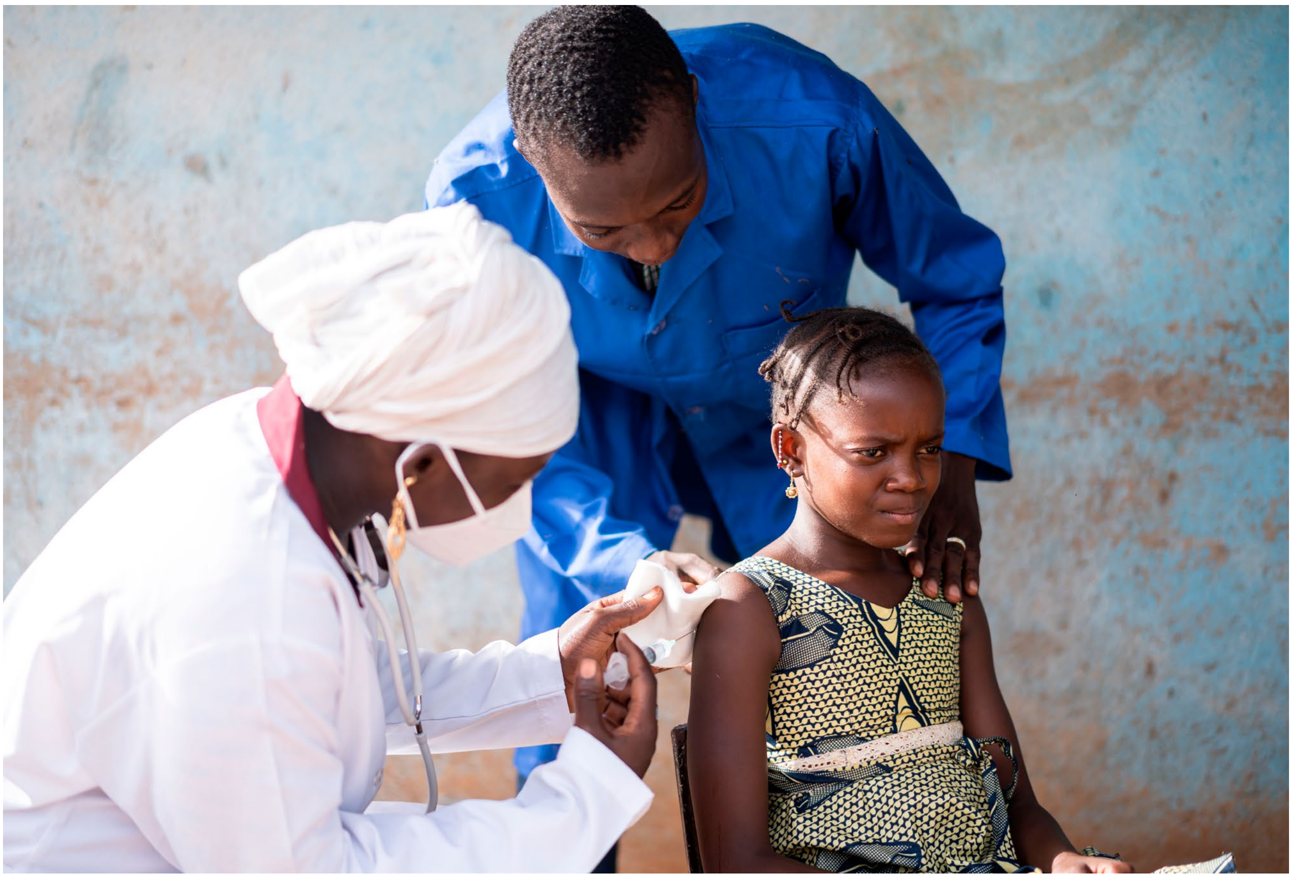
- Community-based approaches to social protection should be promoted as they provide tailor-made solutions on a local level where government services are unavailable or inadequate.

Social security must be sustainable and resilient

Social security has not yet been able to consistently achieve positive effects in terms of gender equality and intergenerational equity worldwide. This is mainly due to a lack of funding. However, the consequences of climate change are also not being taken into account to a sufficient degree in the social security systems of the poorest countries.

In particular, low-income countries cannot fully finance universal social security from their own resources over the short and medium term. On average, countries around the world spend approximately 12.9 per cent of their gross national income (GNI) on social security. In the poorest countries, the average is only 1.1 per cent of GNI (ILO, 2021). In these cases, international financing is needed until basic social protection can in general be financed from national budgets. To this end, national tax revenues must be increased through appropriate reforms that contribute to social equity. At the same time, progress is needed on international tax justice so that transnational corporations pay taxes where they operate. Furthermore, many low- and middle-income countries are heavily indebted. State budgets are weakened by debt servicing and less finance is available for building resilient social security systems.

International financing must be made available to enable the poorest countries to finance their social security systems on a temporary basis. Official development assistance (ODA) commitments of



at least 0.7 per cent of donor countries' GNI must be met, and a substantial part of this should be earmarked for strengthening social security.

Many social security systems still take too little account of demographic trends. There is a need for country-specific, innovative social programmes that are flexible over time and tailored to the population structure. For example, countries with very young populations need programmes that support teenage parents and include basic child security. Countries with growing elderly populations need to build and expand pension systems. This must be accompanied by quality education, universal health care and decent work opportunities throughout people's lives (UN DESA, 2023).

Most social security systems do not cover disasters such as floods, droughts, violent conflicts, economic crises or pandemics, which threaten the livelihoods of many people at the same time. The consequences of such events are particularly severe for poor and vulnerable populations. In addition, most social systems do not currently cover needs arising from the transition to a climate-friendly and sustainable economy. This coverage could, for example, benefit women in (smallholder) agriculture.

The development and expansion of basic social security systems must be supported internationally, with temporary co-financing of social programmes and crisis preparedness. Such funding must:

- Guarantee long-term, reliable support so that rights-based social security systems can be established in individual emergencies. Flexible protection at all ages must be ensured.
- Come from different sources and be additional funding. ODA funds should not be reallocated to other social sectors. New sources of funding, such as financial transaction, corporate, property or carbon taxes, should be developed.
- In principle, provide aid to LICs on a grant basis only. Additional debt must be avoided. International donors and development banks must ensure that their debt policies do not lead to austerity in spending on social systems. Institutional and private creditors have to be included in international debt relief measures.
- Fully involve civil society representatives in the decision-making and monitoring processes for the use of funds.

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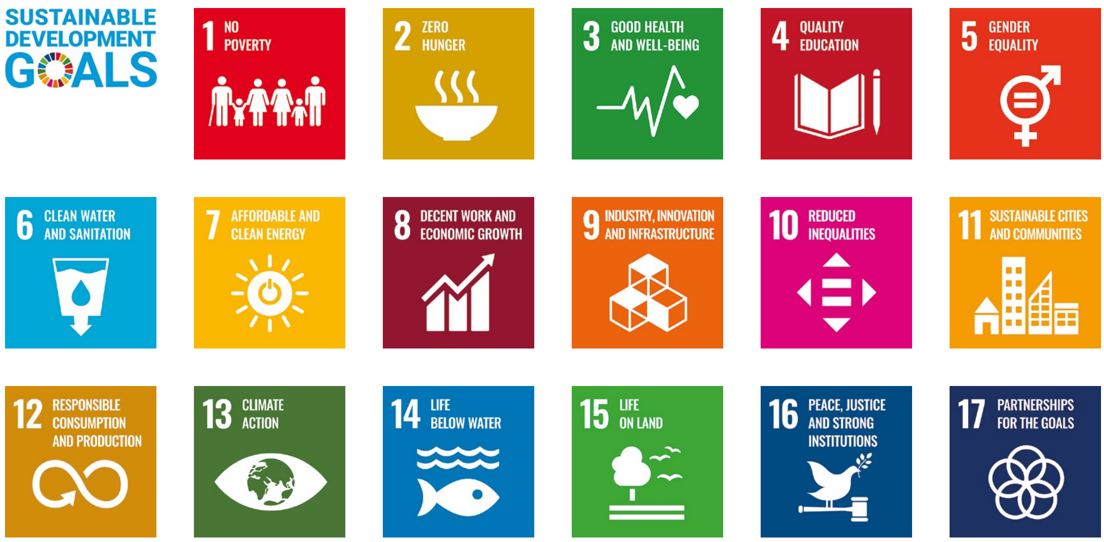
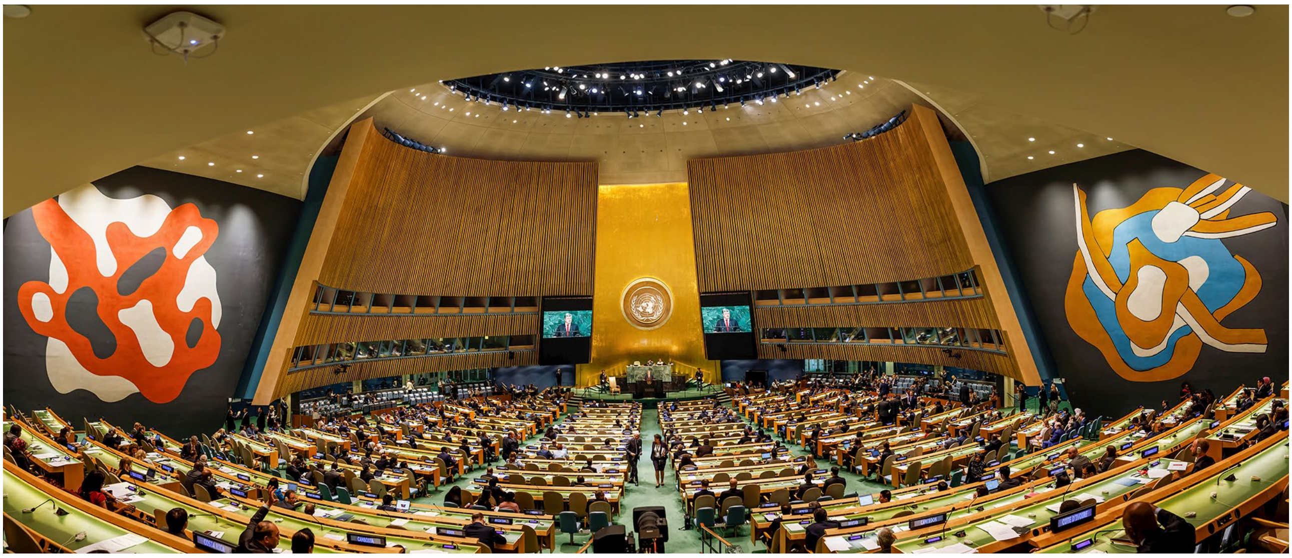
SUMMARY OF THE KEY RECOMMENDATIONS FOR THE SDG SUMMIT





Based on the contributions on the previous pages, we recommend that the heads of state and government convening at the SDG Summit in New York to 18–19 September:

- **Promote systemic and equity-based approaches by ensuring financing for development**

  Formulate new approaches to development that take into account the localised complexities of poverty, inequality and discrimination in specific regions and communities. Incorporate data, experiences and perspectives from the field to effectively visualise and prioritise the needs of marginalised communities at subnational and subregional levels. Address global challenges by placing financial, social and climate justice at the centre of decisions and actions. Lay the foundation for systemic solutions by reforming the international financial architecture.

- **Strengthen civil society voices and protect civil space**

  Amplify civil society voices and marginalised groups in global decision-making processes. Ensure civil society representatives and marginalised communities have a stronger presence at high-level events such as the SDG Summit. The active engagement of civil society is essential for achieving the SDGs. It is crucial to safeguard civil society space worldwide and to ensure adequate financial resources for development policy and humanitarian aid.

- **Strengthen social protection systems**

  Ensure that low-threshold and transparent access to social and health services for all is enshrined in law. Promote community-based approaches that address local needs and provide accessible information on available support and resources. By prioritising inclusive social protection, we can empower vulnerable populations.

- **Ensure sustainable and resilient social security**

  Undertake tax reforms to increase national tax revenues in order to finance basic social protection. Wealthier individuals and corporations must contribute their fair share to supporting vulnerable populations. For the poorest countries, provide international financing that meets ODA commitments to establishing robust and inclusive social protection programmes. Engage civil society representatives in decision-making and monitoring processes to foster transparency and accountability.

- **Establish a new sovereign debt governance architecture**

  Address the negative impact of debt on the SDGs by establishing a new sovereign debt governance architecture through a UN-convened process, equally led by borrower and creditor countries. Involving civil society in these processes will ensure transparency and address the disproportionate power dynamics that hinder equitable debt management.

- **Strengthen international tax cooperation with a new UN Convention on Tax**

  Use an intergovernmental UN tax process to create a new UN Convention on Tax that involves all countries and addresses cross-border tax abuse and offshore tax evasion by multinational corporations and wealthy individuals. This global tax architecture will support development, human rights, environmental protection and climate change mitigation.

- **Prioritise financial inclusion**

  Commit to financial inclusion to address income inequality, health care accessibility and overall development within countries, particularly in the Global South. Establish an architecture for financial inclusion that benefits marginalised groups.

- **Shift from fossil fuels to renewable energy**

  Prioritise universal energy access and inclusive energy transition by urgently replacing all investment in fossil fuels with just and inclusive renewable energy systems. Promote and subsidise renewable energy solutions, especially for rural and off-grid communities, in order to foster entrepreneurship and economically include vulnerable and marginalised groups.

- **Promote inclusive and people-centred renewable energy systems**

  Emphasise decentralisation and people-centred renewable energy systems that address the needs of rural and off-grid communities. Prioritise investment in renewable energy solutions that empower local communities and provide access to clean cooking facilities and electricity. Establish platforms to share experiences of successful renewable energy initiatives in order to inspire similar actions across economies.

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GLS Zukunftsstiftung Entwicklung

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Hoffnungszeichen / Sign of Hope
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VENRO

ASSOCIATION OF GERMAN DEVELOPMENT AND HUMANITARIAN AID NGOS

VENRO is the umbrella organisation of development and humanitarian non-governmental organisations (NGOs) in Germany. The association was founded in 1995 and consists of around 140 organisations. Their backgrounds lie in independent and church-related development co-operation, humanitarian aid as well as development education, public relations and advocacy.

VENRO's central goal is to construct a just globalisation, with a special emphasis on eradicating global inequality and poverty. The organisation is committed to implementing human rights and conserving natural resources.

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→ represents the interests of development and humanitarian aid NGOs vis-à-vis the government

→ strengthens the role of NGOs and civil society in development co-operation and humanitarian aid

→ sharpens public awareness of development co-operation, humanitarian issues and sustainable development

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