**Challenges to the Implementation of the SDGs and the Right to Development[[1]](#footnote-1)\***

1. **RTD Challenges**

We are now in the midst of several social and environmental trends that have important long-lasting effects.  Some are on the verge of reaching a tipping point, where a long-term trend produces critical and sometimes irreversible events. The realisation of the right to development requires that we identify, diagnose and address these global issues, challenges and problems. Let me highlight some of these global issues and point to their relevance to the right to development.

1. **The global economy remains uncertain, and systemic crises are emerging**

The continued economic sluggishness in developed countries, seen in growth rates that are well below pre-2008 crisis levels, has had adverse impacts on developing countries’ economies, whose own growth rates are also now much lower and in many cases converging downwards. With commodity prices down, many commodity dependent developing countries are facing reduced export earnings. Many countries are going through great fluctuations in the inflow and outflow of funds, due to absence of controls over speculative capital flows. Currencies are fluctuating due to lack of a global mechanism to stabilise currencies. Growth rates have fallen in Africa and elsewhere and some countries are on the brink of another debt crisis. There is for them an absence of an international sovereign debt restructuring mechanism, and countries that do their own debt workout may well become victims of vulture funds. The seeds of another global economic crisis of systemic proportions have been sown. All these become challenges for maintaining development, and are obstacles to the right to development, and need addressing.

1. **The challenges of implementing appropriate development strategies through industrial policy.**

Developing countries that aspire to achieving sustained economic growth and sustainable economic development face many challenges in formulating and implementing policies that work to shift and diversify their economies away from subsistence or low-skill/low value added sectors to higher value added sectors such as industrial manufacturing. There are challenges in getting policies right in agricultural production, ensuring adequate livelihoods and incomes for small farmers, and national food security. Countries that aim to industrialise face the challenges of climbing the ladder from starting viable low-cost industries to establishing labour-intensive industries to higher technology industries including overcoming the middle-income trap. Then there are the challenges to build a range of services, including providing social services like health and education and water supply, lighting and transport, developing financial services and commerce. These sectoral policies and the overall policy are even more difficult to formulate and implement due to the trend of liberalisation and the dangers of premature liberalisation as a result of loan conditionality and recently due to trade and investment agreements which also constrain policy space. In particular, investment agreements that contain the investor-state dispute settlement (ISDS) system enable foreign investors to take advantage of imbalanced provisions and great shortcomings in the arbitration system that not only cause countries a lot of costs but also put a chill or constraint on the ability to make policy. There is an increasing legitimacy problem for the investment rules regime. These challenges and obstacles to development policy making should be addressed including through processes in the right to development.

1. **Climate change has become an existential problem for the human race.**

Climate change is an outstanding example of an environmental constraint to development and the right to development. The UN Framework Convention on Climate Change and its related instruments in the Kyoto Protocol and the Paris Agreement are landmark international instruments to address climate change but much more needs to be done. In seeking a solution to climate change, one key question is which countries and which groups within countries should cut emissions by how much? The danger is that the burden will mainly be passed on to developing and poorer countries and to the poor and vulnerable in each country. A global agreement and national agreements to tackle climate change have to be environmentally ambitious, socially fair and economically viable. The Paris Agreement of December 2015 succeeded in showing the ability to reach a multilateral deal on an issue that threatens human survival. But it is not ambitious enough to save humanity; it also does not demonstrate that the promise of transfers of finance and technology to developing countries will take place; and finally it is also facing challenges in whether it will apply to all countries. The question is how the objective urgency of the situation can be met by measures that are equitable and economically feasible. This is a major challenge to development and the realisation of the right to development.

1. **The crisis of anti-microbial resistance brings dangers of a post-antibiotic age.**

Another possible existential issue that is less known is antibiotic resistance or more broadly anti-microbial resistance. Many diseases are becoming increasingly difficult to treat because bacteria have become more and more resistant to anti-microbials. Some strains of bacteria are now resistant to multiple antibiotics and a few have become pan resistant – resistant to all antibiotics. Other bacteria have been discovered to have genes with the frightening ability to easily spread resistance to other species of bacteria even to the most powerful antibiotics that we currently have. Actions needed include better surveillance, measures to drastically reduce the over-use and wrong use of antibiotics including control over unethical marketing of drugs, control of the use of antibiotics in livestock, public education, and discovery of new antibiotics. The WHO’s global plan of action to address anti-microbial resistance but the challenge is in the implementation. Developing countries require funds and technology such as microscopes and diagnostic tools; they also need to have access to existing and new antibiotics at affordable prices; and people in all countries need to be protected from anti-microbial resistance if life expectancy is to be maintained and if there is to be realisation to the right to development.

1. **The impact of rapid technological change.**

The rapid pace of technological change, including the advent of artificial intelligence and robotics, the increased digitalization and automation of productive forces in many national economies, and the explosion of digital connectivity (through the Internet and the Internet of Things) can pose significant challenges as well as opportunities for employment, production, consumption, and knowledge control particularly on developing countries. Increased automation, for example, can result in increased productivity without necessarily increasing employment and income growth. Taking advantage of opportunities will require significant strategic and directed investments into R&D, which in turn will determine who gains and loses from the new technologies emerging in energy, manufacturing, provision of services, travel and transportation, production of consumer goods. Issues of ownership and control, access, the regulation of AI and robot technology, and addressing the impact of underlying IPRs over control and access need to be addressed, particularly with respect to innovation and the sharing of innovation benefits from technology. Privacy issues and control of big data and the Internet will also be important considerations. In many countries, especially developing countries, the policy framework for strategically addressing these issues do not yet exist, and missing out on the opportunities while failing to address the challenges will adversely impact the achievement of the right to development.

1. **Demographic change.**

The global population is projected to growth from today’s 7 billion to around 9 billion in by the year 2050, with virtually all of that growth happening in most developing countries. The key challenge to achieving the right to development, therefore, in these circumstances is to ensure that the economies of developing countries are able to expand, diversify and develop sufficiently fast enough so as to be able to provide enough decent jobs and economic opportunities for the millions of young people in Asia, Africa and Latin America who will be entering the labour force and looking for jobs and economic opportunities every year. The development dividend arising from having a youthful labour force will arise only when appropriate and strategic policy interventions are made beforehand to ensure that the domestic economy is robust and able to generate enough opportunities for the youth to find paid work and contribute to the economy. Failure to do so can give rise to economic, social and political instability; internal displacement and external migration; and increased hardship, resulting in failure to achieve the SDGs, the right to development, and increased challenges to the enjoyment of all human rights.

1. **Systemic Solutions Are Needed**

Addressing these multiple challenges to development in a manner that allows the global community, and particularly developing countries, to achieve the right to development and promote the full enjoyment of all human rights, will require systemic approaches and solutions. These include the following:

1. First, a key objective of the SDGs as part of Agenda 2030, and to achieving the right to development, is to secure an accommodating international environment for development, particularly for developing countries, through an enhanced, strengthened, and supportive international policy environment for international cooperation, consistent with long-standing commitments from the developed countries to support the development objectives of developing countries. This is clearly seen in SDG Goal 17. The focus should be on helping developing countries pursue an active industrial policy to develop their domestic and regional industrial base, robust local markets, and dynamic enterprise sector (subsidies and regulations to support domestic productive capacity, SOEs where appropriate, public sector procurement, regulate ownership of productive assets (including IPR), address inequalities)
2. Second, by virtue of their circumstances, developing countries would require special and differentiated treatment and policy space and flexibility compared to developed countries when it comes to international rules and obligations, as well as with respect to the SDGs, since the goals will be applied to all countries. In this context, the Rio principles and particularly the principle of common but differentiated responsibilities (CBDR) are important principles to be reflected applied in a central way when implementation is undertaken.
3. Third, the effective implementation of the SDGs and Agenda 2030, together with the other outcomes from 2015 such as the UNFCCC Paris Agreement, as factors to help ensure that developing countries are able to achieve the Right to Development will depend on achieving systemic reforms in various global policy regimes such as in multilateral trade, global macroeconomic governance, international taxation, investment, debt workout and restructuring, and other areas, in order to create an improved international policy environment that will be fully supportive of developing countries’ development needs and priorities. These systemic reforms cannot be divorced or be seen as separate from the achievement particularly of Goal 17 of the SDGs.
4. Fourth, the entire structure of the SDGs and Goal 17 in particular is premised on there being a strong international partnership for the provision of the needed financial and technological resources to developing countries to achieve the SDGs. Such resources should be provided through an enhanced global partnership for development, in which the provision of the means of implementation to developing countries will be a key component. Implementing the SDGs, Agenda 2030, and the climate change agreements, in a manner that is coherent, comprehensive, and cohesive, will require trillions of dollars annually in new and additional financing and investments in developing countries. To this end, there are existing financing and technology transfer commitments – including in ODA and climate financing – from developed to developing countries that still need to be fully fulfilled. This should be at the core of the global partnership for development. At the same time, recognizing that North-South public financing and technology transfers will not be sufficient, developing countries need to be enabled to mobilize and retain their domestic resources themselves to finance their own industrialization and development. This means fostering rapid technology diffusion, transfer, and innovation, in both North and South, to maximize income and industrial productivity potential arising from automation, internet connectivity, and climate change mitigation and adaptation actions. It also means generating and channeling financial resources (domestic and external resources) into climate-adapted infrastructure development and productive capacity development in the South, and climate retro-fitting infrastructure in the North, and to provide social security floors; increased ODA, effective tax cooperation, curb illicit flows, debt restructuring, strategically-regulated FDI for development. This will require changes in the multilateral finance, trade, debt, and taxation policy architecture to provide developing countries with greater policy space and flexibility to be able to impose, when needed and appropriate, capital controls on outflows, lessen their vulnerability to external economic shocks, and maximize the developmental impact of domestic investments and productive activity in developing countries. The multilateral, regional and bilateral investment regimes should be reformed in order to enable developing countries to channel foreign investments into those sectors of the economy that can best spur sustainable industrial development in developing countries.
5. Fifth, to complement the provision of the means of implementation for the SDGs and the undertaking of systemic multilateral policy reforms in order to make the international policy environment more positive for developing countries’ achievement of the Right to Development, reforms in international economic governance institutions, such as the World Bank, the IMF, the Bank of International Settlements, are also required in order to provide developing countries with greater levels of voice and participation in their decision-making. Additionally, multilateral norm-making and standards-setting, particularly with respect to issues that will have economic impacts on developing countries, should be undertaken in universal multilateral institutions such as the United Nations. Stronger South-South multilateral and regional cooperation can also serve as the basis for North-South engagement; this means that South-South cooperation would also need to be focused on strategic political/policy coordination in various multilateral policy areas (trade, climate, health, IPR, science, environment, etc.), economic engagement, technology development, resource mobilization, industrial and infrastructure development.
6. **Conclusion**

Madame Chair,

The achievement of the Right to Development is the foundation upon which all other human rights are to be achieved. The Right to Development is the basis for ensuring that economic, social, and political stability and security are achieved and maintained in developing countries, and along with these the full and effective enjoyment of human rights for all. This therefore means that neither the achievement of progress towards the Right to Development nor the implementation of the SDGs can be reduced to a matter of measurement, of indicators.

A global, macroeconomic, perspective is required – a perspective that looks at whether or not developed countries are dealing with developing countries in a fair and equitable manner and addresses the challenges that developing countries face in undertaking their development in the face of the opportunities and constraints that exist in the various multilateral policy regimes (trade, finance, investment, tax, debt, climate change, human rights, etc.) that they are a part of.

1. \* Vicente Paolo Yu III, Deputy Executive Director, South Centre, 11 June 2018 [↑](#footnote-ref-1)