

JICA RI Knowledge Forum No.2 (March 25, 2019)



国際開発アジェンダとT20 Japan

TF1: 2030アジェンダ(SDGs)

~TFの概要、民間セクターの役割~

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Main Topics

- Key features of T20 Japan Task Force (TF1) on the 2030 Agenda for Sustainable Development
- 2. Policy Brief: The role of private sector in achieving the SDGs



Japan in 2019





- 2019 is a highly important year for Japan.
 - ➤ G20 Osaka Summit June
 - > TICAD 7 in Yokohama August
 - ➤ HLPF on Sustainable Development (so called "UN SDG Summit") Sept.
- As the current G20 president, Japan is actively engaged in the Think 20 (T20) 2019 process.
- In view of significance of providing policy inputs to the progress of the SDGs, the Task Force on the 2030 Agenda for Sustainable Development has been established within T20 Japan.

T20 Japan Task Forces

JICA RI is coordinating with two TFs:

TF1: 2030 Agenda (SDGs) & TF5: Cooperation with Africa

TF1	2030 Agenda for Sustainable Development	JICA RI
TF2	An International Financial Architecture for Stability and Development/Cryptocurrency and Fintech	
TF3	Climate Change and Environment	IGES & MRI
TF4	Economic Effects of Infrastructure and its Financing	ADBI
TF5	Cooperation with Africa	AfDB & JICA RI
TF6	Social Cohesion, Global Governance and the Future of Politics	JIIA
TF7	The Future of Work and Education for the Digital Age	ADBI
TF8	Trade, Investment and Globalization	RIETI
TF9	SME Policy faced with Development of Financial Technology	RIETI
TF10	Aging Population and its Economic Impact + Immigration	ADBI & KDI

Key Features of the 2030 Agenda / SDGs Task Force (TF1)

- No One is Left Behind—perfectly fits with our philosophy of development cooperation "Human Security," which Japan (& JICA) has embraced and practiced for long.
- We have chosen <u>six topics</u> for Policy Briefs.
 - Universal Health Coverage (UHC)
 - Education in development
 - Sustainable finance for development
 - Private sector's role for achieving the SDGs
 - Technology cooperation; and
 - Gender

Key Features of the 2030 Agenda / SDGs Task Force (TF1)

- These topics are chosen, with due consideration to:
 - Alignment with the Japanese government's priorities
 - Combining sector-specific topics with cross-cutting topics
 - Maintaining continuity of the past T20 discussions, while addressing new topics
 - Ensuring complementarities with the other Task Forces (e.g., Climate Change and Environment, Future of Work and Education for the Digital Age, Infrastructure)
- Selected Policy Briefs (draft as of March 15) are downloadable from the T20 Japan website:
 - https://t20japan.org/task-forces/2030-agenda-forsustainable-development/
 - https://t20japan.org/publications/policy-briefs/

The 2030 Agenda (TF1): Overview of Policy Briefs

Universal Health Coverage

Giving due consideration to the **New** discussions at the Health Working Group (Sherpa Track) and the Finance Track.

 G20's role in achieving Universal Health Coverage for all.

Education

Focusing on education in development as an enabler of SDGs

 Quality education, socio-emotional skills, Early childhood development, STEM, girls education, professionals development, etc.

Finance & Governance

 Catalyzing and mobilizing private capital for SDGs; improving the allocation of development finance; and establishing funding measures for global public goods.

The Role of the Private Sector

New

Embedding SDGs into core business strategies & operations; reshaping the
economic system around the common purpose; creating a sustainable ecosystem;
and supporting industrial & social upgrading of developing countries.

Technology Cooperation

 Importance of STI & availability of innovation-driven solutions; supporting best practices of technology cooperation.

Gender

Closely working with W20 & C20 (and other engagement groups).

- Labor equity, Finance equity, Digital equity
- Governance (private sector, public sector, measuring progress)

The 2030 Agenda (TF1): Title of Policy Briefs

Areas	Topics of Policy Briefs (Tentative)	
Universal Health Coverage	Deliberate Next Steps toward a New Globalism for UHC	
Education	 Transforming Education toward Equitable Quality Education Early Childhood Development Education and Care Gender Equality in Education How to Leapfrog Progress in Education Teacher Professional Skills 	
Finance & Governance	Sustainable Finance for Development	
Private sector	Scaling up Business Impact on the SDGs	
Technology Cooperation	Leveraging STI for Implementing the 2030 Agenda	
Gender	 A Gendered Perspective on Changing Demographics: Implications for Labour, Financial and Digital Equity Women's Economic Empowerment: Strengthening Public and Private Sector Impact through Accountability & Measurement 	

Key Milestones

Dates	Meetings & Schedule for Policy Brief Preparation
Sept. 16-18, 2018	T20 Summit in Buenos Aires
Nov. 30-Dec. 1, 2018	G20 Buenos Aires Summit (handover of G20 presidency to Japan)
Dec. 4-5, 2018	T20 Inception Conference in Tokyo
Feb. 14, 2019	SDGs Asia Consultation Conference in Seoul
Mar. 15, 2019	Deadline for submission of final draft PBs to T20 P&R Team
Mar. 18-19, 2019	Global Solutions Summit in Berlin
Mar. 31, 2019	Deadline for submission of completed PBs to T20 P&R Team
May 26-27, 2019	T20 Summit in Tokyo
June 28-29, 2019	G20 Osaka Summit

T20 P&R Team: T20 Policy & Research

Team

S20: March 6, 2019	C20: April 21-23, 2019
B20: March 14-15, 2019	U20: May 20-22, 2019
W20 & WAW: March 23-24, 2019	L20: Aug. 29-30, 2019



PB: "Scaling up Business Impact on the SDGs"

Jointly prepared by:

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Key Messages

- Achieving the SDGs requires redefining the purpose of business and scaling up their impact. The 2030 Agenda demands a new way of doing business aligned with social progress and sustainable development.
- All the stakeholders must share the common purpose and work together to reshape the economic system and create a "sustainable ecosystem" which benefits ALL.
- Political leadership should play a critical role in driving our world toward a thriving economy, society, and environment.

SUSTAINABLE GOALS 17 GOALS TO TRANSFORM OUR WORLD

Premise



- The SDGs mark a big departure from the MDGs
 - Committing <u>ALL</u> countries (developed + developing countries)
 - ➤ Bringing <u>business</u> into the scene
- Current assessment
 - ➤ Major efforts needed to implement effective & feasible measures to accelerate SDG progress
- G20 countries can make a significant impact on the SDG progress
 - ➤ G20 accounting for: 86% of global GDP, 87% of outward FDI, 2/3 of world population, etc.

Vital Role of the Private Sector in Achieving the SDGs

BETTER BUSINESS
BETTER WORLD
No word for many transfer and transfer an



- Financial needs
 - Big financial gap for achieving the SDGs (annual investment gap of \$2.5 trillion) [UNCTAD 2014]
- Huge potential for contributing to the SDGs [BSCD 2017]
 - > Job creation (380 million new jobs by 2030)
 - Significant impacts on developing countries
- The SDGs provide major business opportunities and innovation drive [BSCD 2017]
 - Economic prize (at least USD 12 trillion by 2030)

Challenges

- 1. Gap between good intentions and real actions by business.
- 2. Conflict btw. the current economic system and SDG thinking.
- 3. Limited understanding among stakeholders how their interactions impact sustainable development.
- 4. Capacity constraints of developing countries to maximize benefits of their Global Value Chain (GVC) participation and avoid potential risks.

Challenge 1:

Gap between good intentions and the real action by business.

- Generally, SDG awareness remains low among the business.
- Even for enlightened ones, only a limited proportion of companies have concrete plans or policies to achieve the SDGs.



<u>Proposal 1</u>: Embedding the SDGs into core business strategies and operations

- 1.1 Converting SDG awareness into concrete business actions
- 1.2 Linking corporate reporting to the SDGs, by using the common framework and standards
- 1.3 Promoting joint business action for the common good, utilizing major int'l events as showcases

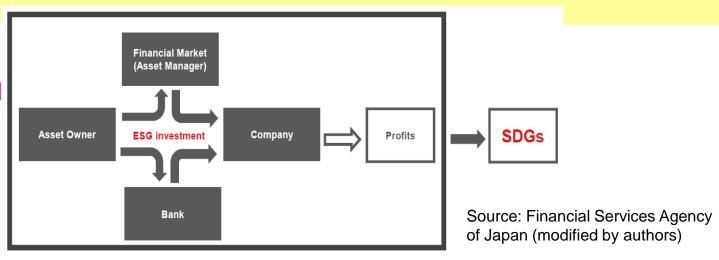
Challenge 2:

Conflict between the current economic system that values short-term profit maximization and shareholder returns and SDG thinking that requires long-term societal purpose.

<u>Proposal 2</u>: Reshaping the economic system around the common purpose of sustainable development

- 2.1 Developing a sustainable capital market
- 2.2 Promoting sustainable procurement in the public sector

ESG Investment & Sustainable Capital Market



Challenge 3:

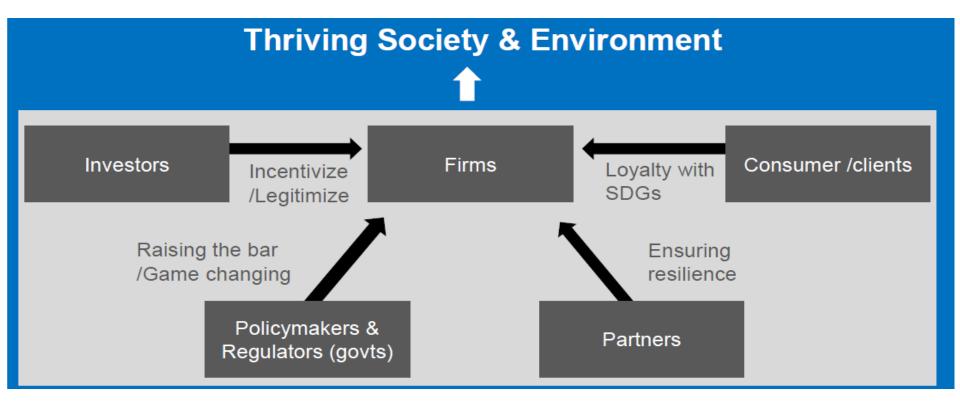
Limited understanding among corporates, citizens, and the other stakeholders of how their interactions impact sustainable development.

<u>Proposal 3</u>: Creating an ecosystem for shaping beneficial environment for all stakeholders

- **3.1** Promoting the understanding and the notion of a "sustainable ecosystem" among all stakeholders
- 3.2 Building accountability frameworks
- 3.3 Raising consumer's awareness of sustainable development

Creating a "Sustainable Ecosystem"

 For business to thrive, it needs a thriving economy, society and environment.



Source: Elaborated by the author.

Challenge 4:

Capacity constraints of developing countries to maximize benefits of their Global Value Chain participation and avoid potential risks (caused of inappropriate supply chain management by FDI companies).

Rana Plaza Tragedy

Photo: Munir Uz Zaman/AFP/Getty Images (appeared in Guardian, May 2016)





Photo: Wikipedia

https://upload.wikimedia.org/wikipedia/commons/0/0c/Dhaka Savar Building Collapse.jpg

Quality FDI -- contributing to the creation of decent and value-adding jobs, enhancing the skill base of host economies, facilitating transfer of technology, knowledge and know-how, boosting competitiveness of domestic firms and enabling their access to markets, as well as operating in a socially and environmentally responsible manner [Görg, Krieger-Boden, Moran & Seric (2017). "How to attract Quality FDI?", G20 Insights: G20 Germany.]

<u>Proposal 4</u>: Upgrading the enterprise and policy/ regulatory capabilities of developing countries to maximize potential benefits of their GVC participation.

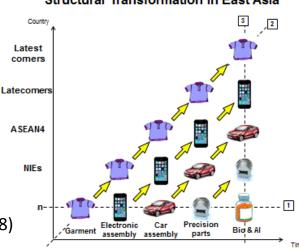
- **4.1** Promoting "Quality FDI" to developing countries, which gives due attention to sustainable management of entire value chains (incl. people and companies of the host countries)
- 4.2 Supporting capacity development of host country governments in upgrading their GVC industrial policy and improving the business environment

 Structural Transformation in East Asia





(Source) Kenichi Ohno (2018)



Conclusion

The SDGs need business, and business needs the SDGs, too.

A call for action by G20 leaders to public & private sector representatives, int'l agencies, civil society to scale up business impact on SDG achievement.

- 1. Embedding the SDGs into core business strategies and operations.
- 2. Reshaping the economic system around the common purpose of sustainable development.
- 3. Creating a "sustainable ecosystem" for shaping beneficial environment for all.
- 4. Upgrading the enterprise & policy/regulatory capabilities of developing countries to maximize potential benefits of their participation in GVCs.

Thank You Very Much.

We Welcome Your Feedbacks!

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Please visit

T20 Japan website: https://t20japan.org/

JICA Research Institute website

(for The 2030 Agenda & Cooperation with Africa):

https://www.jica.go.jp/jica-ri/news/topics/20181205_01.html