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Six Transitions: Investment Pathways to Deliver the SDGs

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I. The Indivisible Goals Demand Integrated Policy

The 2030 Agenda is the result of the most inclusive and expansive deliberation in human history. Bold, sweeping and ambitious, the 17 Sustainable Development Goals (SDGs) were adopted by all world leaders as essential facets of the sustainable future we want; of a world transformed for the benefit of all humanity.

These goals are deeply intertwined – any action taken to achieve one may advance some others. This means an integrated policy approach is needed to achieve the SDGs – one that navigates the synergies and trade-offs in taking a certain line of action. This is akin to solving a Rubik's cube, where a solution is impossible with a focus only on one side at a time: all sides must be considered in relation to each other if the puzzle is to be solved.

Yet, dominant development practice – and in large part, our institutions, markets, investment incentives and policy processes – favour siloed approaches. As a result, disparate and competing strategies and processes proliferate, with planning, policy and regulatory frameworks unevenly aligned with the Goals. Investment schemes with limited focus on long-term sustainable patterns, suboptimal budgets, low public capacities for integration, and insufficient leveraging of technologies prevail, while increases in risk factors and intersecting poly-crises impose limitations on the ability to question “business-as-usual” solutions, entrenching the status quo.

This disconnect between our 21st century ambitions and our 20th century legacy structures and processes means that SDG achievement is currently a distant aspiration. Midpoint to 2030, only about 15 per cent of targets are on track; close to half, though showing progress, are moderately or severely off track; and some 30 per cent have either seen no movement or regressed below the 2015 baseline. At current rates, only 30 per cent of all countries will achieve even SDG 1 on poverty by 2030. Hunger has increased and is back at 2005 levels. Gender equality is some 300 years away.

Too much is at stake and transformation is a matter of utmost urgency. The most pressing priority for policymakers is to ensure the integrated approach goes viral so that economic models and policy processes are revamped commensurate with ambitions, and investments are galvanized at scale for SDG acceleration.

II. Transitions for Systemic Impact

Scholarship on the SDGs has converged **on transformative entry points - or key transitions - that can have catalytic and multiplier effects across the SDGs** and an outsized determinant impact for achieving the Goals. These include: (1) food systems; (2) energy access and affordability; (3) digital connectivity; (4) education; (5) jobs and social protection; and (6) climate change, biodiversity loss and pollution.

Rooted in the 17 Goals, these transitions are not a new agenda. Rather, the transitions represent a useful organizing frame that can spotlight investment pathways to accelerate SDG progress within and across countries, with the prevailing country context determining the priority level and action accorded to each area.

This will help ensure a better convergence among the most impactful entry points to spearhead SDG acceleration, spurring donor engagement, and improving the alignment of significant work and investments already undertaken across these areas by countries, companies, civil society, cities and local actors, with the support of development finance.

Each of these **key transitions requires a consideration of multiple policy levers spanning economic, social and environmental dimensions**, i.e., actions that recognise the integrated nature of the SDGs and the 2030 Agenda. This helps ensure that collectively, efforts are multiplicative and that all policy actors amplify each other's work. Moreover, since the SDGs are interconnected, so too are these six transitions. For instance, as significant contributors to greenhouse emissions, both energy and food systems are inextricably linked with climate change, biodiversity loss and pollution. As such, achieving these transitions also calls for a transformation of the dominant traditional, siloed economic models, markets, incentives, and policies within and across countries.

Critically, the metrics of success for these transitions are primarily in how they deliver for all persons in our societies. These must be **just and equitable transitions**, with human rights, gender equality and the principle of Leaving No One Behind comprising their fundamental design elements. For instance, food systems transition can only take place if it fully and measurably redresses the food insecurity that is disproportionately experienced by women and people living in rural areas. Universal health coverage must be a hallmark of the transition on jobs and social protection. Only when energy is routinely available to the most disadvantaged groups can it be considered fully accessible and affordable.

Transitions cannot be achieved without effective means of implementation, including radical improvements in the utilisation of science, technology, and innovation, bridging the data gap, and strengthening SDG localization. It also implies strengthening governance through transformed policy and regulatory frameworks and through enhanced **national public sector capabilities** to deliver and implement policy action, as well as mobilize the required investments for market-ready projects in pipelines. The latter calls for the final critical element which is a **transformation of financing**. With an estimated gap of some US\$ 4.2 trillion per year, the SDGs require a quantum leap in finance flows – from billions to trillions. The primary financing source for countries remains the national budget, necessitating a more systematic review and alignment of the budgeting system to sustainable development financing needs through Integrated National Financial Frameworks. But public funds alone are not sufficient to deliver the goals. Additionally, national budgets in developing countries are depleted after the massive fiscal response in the last two years to offset the negative impacts of the COVID-19 pandemic, the war in Ukraine and the climate emergency. Remaining gaps will need to be covered by better leveraging all financing flows – public and private, national and international – including from international financial institutions, multilateral development banks, private sector, official development assistance, philanthropic foundations, remittances, and others; restructuring debt and lifting trade barriers.

III. Engine Room Actions by the UN Development System

The reforms of the UN development system have transformed its ability to support countries with the implementation of the SDGs. **Under the leadership of the Resident Coordinators (RCs), UN country teams (UNCTs) are now optimally positioned to act as catalysts to propel progress on the six transitions,** building on the existing optimal entry points that stem from their respective country-contexts.

The lens of the six transitions – and the critical mass of integrated policy expertise behind each – will enable RCs and UNCTs deliver better together to help countries unlock the rapid and deep transformations needed to achieve the Goals by 2030. As neutral and trusted arbiters, RCs can harness the expertise and networks of the entire UN development system and convene governments and all stakeholders in concerted partnership to accelerate SDG progress. This means that UNCTs are now uniquely able to connect the relevant entry points to national ambitions and priorities, while ensuring that the UN's collective and entity-specific programming responses enable policy and financing partnerships to make these a reality. Evidence-based and data-driven “Common Country Analyses” and “UN Sustainable Development Cooperation Frameworks” already reflects this revitalisation, with a reinvigorated ability to help countries address complex, interconnected SDG challenges.

Within each area, UNCTs will enable and deliver four **'engine room' actions** at the country level, both building on and supporting regional and global efforts. First, RCs and UNCTs will drive the shifts across **policy and regulatory frameworks**, going beyond the standard sectoral approaches. Second, RCs and UNCTs will facilitate the identification and development of **pipelines** of

bankable and market-ready national projects with participation of both public and private sectors, including by providing access to world-class expertise. Third, RCs and UNCTs will convene all relevant actors to attract the needed financing from all sources – traditional donors, development banks, capital markets, philanthropic foundations, and remittances, to help develop the **'deal room'** – a financing mix with innovative instruments – for each of the transitions. Fourth, RCs and UNCTs will commit to **capacity-building** at scale to support public institutions and civil society in this process, ensuring a steady increase in capacities over time to reinforce and sustain these investments.

At the global level, the **Joint SDG Fund** has been transformed to accompany these transitions, incubating and capitalizing new windows of financing. Such catalytic support to UNCTs will be critical for results at the country level. Additionally, **regional intergovernmental mechanisms and strengthened UN coordination platforms** are enabling multistakeholder policy dialogues around these key areas, and collaborative and coherent responses to country priorities and needs.

The SDG Summit – the half-way mark to 2030 – represents a vital opportunity to put the SDGs back on track and secure the breakthroughs and collective commitments needed to drive SDG acceleration and help deliver the future we want. The UN development system remains the world's best asset to support countries in this process and is committed to continuous improvement to accelerate momentum.

