

## The Incheon Communiqué

### 2022 Sustainable Development Transformation Forum

Against a backdrop of the triple planetary crisis - climate change, air pollution and biodiversity loss, compounded by geopolitical tensions resulting in financing, fuel and food crises, in the Decade of Action and Delivery, we, the participants at the UNOSD 2022 Sustainable Development Transformation Forum, discussed and deliberated on the following topics relevant to the upcoming 2023 HLPF and SDG Summit in 2023.

The 2030 Agenda for Sustainable Development commits us to make fundamental changes in the way that we produce and consume goods and services. The opening of the Forum set the stage by shedding light on the challenges of identifying transformative policies, while not reopening existing agreements, but focusing on these as well as policy coherence, multistakeholder partnerships within the context of participation or good governance, including discussing and identifying synergies and trade-offs. The forum dealt with the outlined agenda including exploring the Goals that will be under review at the HLPF in 2023.

**Geopolitical context and COVID-19 impact.** The COVID-19 crisis has resulted in multiple negative impacts on the implementation of the 2030 Agenda and the achievement of the SDGs. A considerable reversal of several years of development gains, especially for LDCs, LLDCs, SIDS and countries in special situations, including vulnerable groups within these countries have been documented. The negative trends for people have also been amplified by inadequate health infrastructure and minimum social protection. Economically hardest hit sectors in these countries include tourism, agriculture, manufacturing, construction, services, health and education. The crisis has had significant impacts on revenue mobilization, capital investment, remittances and human well-being. In some countries, the pandemic diverted attention from environmental policies (e.g., to combat illegal mining and illegal logging), resulting in a reversal in gains in both socioeconomic development and environmental protection.

Many developing countries feel left behind in the recovery from the pandemic. The war and unlawful occupation in Ukraine and similar ongoing conflicts in the world have added further economic strain with negative impacts on food, fertilizer and energy prices hitting those further behind hardest, especially poor and vulnerable populations, and have distracted attention in the developed world from the rising vulnerabilities in LDCs, LLDCs, and SIDS. Protecting the well-being of people and planet has become increasingly difficult. Leaving no one behind is more urgent than ever before.

The flooding in Pakistan and other climate induced disasters clearly illustrate that disruptive events and disasters may happen any time. Struck down by the egregious effects of climate change, we are reminded of the urgent need to address climate change immediately and without hesitation. On a general basis all countries will have to “build forward better” and reset the world on a more progressive path towards the future.

There is an immediate need to shift to long term resilient and inclusive development planning and better access to climate and development finance. There are also opportunities on the horizon and a better identification of changes in policy making and partnerships with the purpose of accelerating implementation of the 2030 Agenda will enable transformative pathways to a better future for all.

**SDG 6, Clean Water and Sanitation.** There is no life without water. Repeated several times, this adage provided a basis for discussion to identify solutions to global water shortages and problems. Subregions have seen reversals in progress on clean water and sanitation, and there is an urgent need to develop integrated approaches to delivering SDG6 through inclusive and participatory mechanisms, such as integrated water resource management, wastewater recycling and access to sanitation, especially in the context of the accelerating climate change and the increased water demand from it. Bringing communities in remote and rural areas of LDCs, LLDCs and SIDS into the process of water management and improving access to affordable water treatment will also strengthen water governance. It is also

important to strengthen local governments efforts to monitor industrial waste in industrial zones to avoid further pollution of water resources.

**SDG 7, Affordable and Clean Energy** requires improvements in energy efficiency, energy justice and a transformation to zero carbon energy. However, today's multiple crises are raising renewed incentives for fossil fuel extraction. A transformative energy policy is needed, encompassing an extraction tax, renewed focus on carbon pricing, removal of fossil fuel subsidies and the use of tax revenues to finance inclusive transition to clean and affordable energy, supported by strategic partnerships to develop renewable energy for low or zero carbon development. In addition, integrated lifecycle analysis is required to ensure clean energy is truly "clean" and not harmful to vulnerable groups of the community.

**Climate Change Report.** The Asia-Europe Foundation (ASEF) together with the ENVforum Partners launched the publication *Overview of Climate Change Mitigation Efforts in ASEM Partner Countries - With an Outlook on Circular Economy Transition* which looked at mitigation reductions potential in member countries and provided analyses and recommendations for the energy, agriculture and forestry sectors while also offering broad policy recommendations. Key points included the need for a good and strongly increased climate financing system to follow through on commitments, the importance of sharing technology to develop renewable energy resources and ensure affordability. It showcased the presence of large ambition gaps in several countries, and the need for increased capacities in developing and middle-income countries to access funding. Funding for adaptation should also be improved.

**SDG 9. Resilient Infrastructure:** Many developing countries that are at high risk of disasters lack resilient infrastructure and thus may expect more lives lost in general. Huge economic losses from climate related disasters may also become part of 'the new normal'. Investments in climate- and disaster-resilient infrastructure —although representing higher upfront costs— can deliver multiple benefits outweighing the costs of repair and rebuilding in addition to the likely results of reducing direct human and material losses and the indirect costs of disruption following natural disasters or extreme weather events. Resilient infrastructure is also an essential element in building forward better. Such resilient infrastructure will, as much as possible, integrate nature-based solutions, support local job creation, modernization, and reduce climate risks and recovery costs. However, there is a need to scale up investments, which requires developing innovative ways of mobilizing additional financial resources from multiple sources, including new forms of transformative public private partnerships that are collaborative, and seeking to benefit all stakeholders and leave no one behind.

**Inclusive and Sustainable Industrialization and Innovation:** Micro, small and medium-sized enterprises (MSMEs) account for 90% of global businesses, 60-70% of all employment, and 50% of GDP worldwide. They represent a critical element in decarbonization of industry and need incentives, regulatory support, capacity building and an enabling environment to develop responsible business practices individually and throughout their value chain. MSMEs have a huge potential in positively contributing to inclusive and sustainable industrialization and innovation through supporting the transition to circular economy, reducing greenhouse gas emissions, and achieving the SDGs. They face, however, many challenges with limited capacity and access to resources, requiring a range of supports in areas of human and financial resources and coherent policies and regulations.

The Fourth Industrial Revolution (4IR) is seen as an essential pathway to achieve inclusive and sustainable industrialization. In LDCs, where low productivity sectors such as traditional agriculture services often dominate, a comprehensive re-configuration of productive ecosystems integrating, for instance, digital technology, can help these countries leapfrog development stages. For LDCs, LLDCs and SIDS, digital technology offers unprecedented tools for greener practices in relation to energy and resource efficiency and can enable the provision of new products and services and stimulate circularity, wealth creation and reduce poverty. However, this transformative shift should be implemented in such a way that it does not widen the digital gap within and across countries bearing in mind that the digital economy also needs affordable and clean energy. It will require youth engagement and participation of

marginalized and vulnerable groups supported by massive investments in education in the areas of science, technology, engineering, and mathematics (STEM) as well as in entrepreneurial capacities, while also supporting older workforce transitioning through vocational training with the goal of leaving no one behind. This will also require substantial investments in digital and network infrastructure and skills development. Enhanced and new partnerships to facilitate the technology transfer including a supportive policy environment that will also address reducing inequalities among and within countries are equally imperative.

**SDG 11 – Sustainable Cities and Communities.** Local communities are already bearing the brunt of the triple planetary crisis, while their human and financial capacity to address this often in urgent time frames, are limited. More than two thirds of the 169 SDG targets can only be achieved through the substantial involvement of local actors, where local governments and local stakeholders play an essential role in adapting and implementing those SDG targets in cities and communities. Localizing the SDGs and local action need to be widespread, make use of circular economy and nature-based solutions, and be proactively and practically supported by higher levels of government including the donor community. It also calls for an alignment of efforts with the private sector and civil society, while respecting each other's integrity, recognizing trade-offs and synergies and achieving policy coherence and measurable progress towards locally relevant targets.

Land use change for exploitation of resources, agricultural conversion, and urbanization is a large threat to biodiversity. Cities can minimize their negative environmental impact by integrating green infrastructure such as urban forests, parks and gardens, wetlands and stormwater ponds and even urban agriculture. This will, in addition to a positive economic development, bring benefits to people's health and social interaction. It will further contribute to reduce effects of air pollution, absorb greater amounts of water from intense rainfalls, thus help mitigate effects of climate change and improve community resiliency. Bringing people into the process of redesigning public space including access to this space will also strengthen urban governance. Localising decision-making processes and the implementation of the SDGs has proven to yield positive results and should be prioritised as it empowers communities and further strengthens all efforts to leave no one behind. On climate finance, the commitment of developed countries to jointly mobilize \$100 billion per year until 2025 is crucial to help developing countries cope with the impacts of climate change.

**SDG17 – Partnerships for the Goals.** As a key enabler of all SDGs, implementing SDG17 is more crucial than ever in light of the dramatic increase of man-made and natural disasters. Financial and technical assistance are paramount for the worst hit countries to accelerate recovery and the achievement of SDGs. This will require the need for meaningful Means of Implementation, resource mobilization, intensified international cooperation, stakeholder collaboration and collective actions, as well as greater transparency regarding all targets of SDG 17 as key elements for accelerating SDG implementation

Realizing the transformative potential of the 2030 Agenda depends importantly on accounting for synergies and trade-offs. Increased capacity building is essential to help speed up transformative implementation. Inclusive institutional arrangements to deliver transformative change through partnerships should be prioritized. The VNRs offer a repository for learning and should be integrated in capacity building. Policymakers also need support to make the necessary practical steps. Science and evidence-based research can play an increased role in understanding and leveraging interlinkages. Partnerships which bring together all relevant stakeholders could help find the best way to manage these interactions in each context based on country needs and priorities and deliver local solutions. Involving local communities and businesses in (multi-stakeholder) partnership with the authorities and, based on principles of good governance, can help prioritise the necessary actions to be taken and involve them in making the transformation.

**Countries in special situations** are among those suffering most from the pandemic. They are also vulnerable to the effects of climate change and extreme weather events, whose impacts, in turn, may

also indirectly increase the risks of conflict. With current mitigation pathways set to exceed 1.5C, climate tipping points for coral reefs will likely be bridged in the coming years, resulting in substantial economic losses from tourism in SIDS. It is crucial that SIDS as well as LDCs and LLDCs receive assistance to diversify their economies, build resilience to future shocks and improve human wellbeing. Investment should prioritize increasing human capital through skills training and education, while increasing tertiary enrolment and access to education. Building a culture of science and evidence-based policy would help increase resilience. SIDS, LLDCs and LDCs should be allowed concessional access to funds from development banks and funders to pay for adaptation to climate change and build resilience.

Peace is key to achieving the SDGs and a challenge now in several parts of the world. Conflicts and crises are resulting in increased migrations and refugees and transformative changes are needed to deal with this. The Humanitarian Development Peace nexus requires an integrated approach that goes beyond social equities and strengthening public institutions

**Transformative actions to account for interlinkages between SDGs.** There is a need to look at the SDGs in a holistic manner, to avoid cherry picking any goals or aspects. To enable proper accounting for synergies and trade-offs, capacity building, practical tools, and policy advice on how to apply these tools in practice are key at national and local levels as well as across countries. Turning high level concepts underlying SDG interactions into tangible and actionable priorities requires dialogue and trust to affect outcomes in real and measurable ways. There is an urgent need to better account for the environmental dimension of each goal and to link the SDGs with other commitments such as the Paris Climate Agreement. Lack of quality data and institutional capacities have hampered implementation in several areas. Good governance structures are urgently required to support effectively common and shared mechanisms for integration, including process management capacity to facilitate knowledge sharing across stakeholders and incorporating all administrative levels to empower effective operations on the ground. Integrated approaches should account for indigenous knowledge in local communities. While there has been progress on integrating the SDGs in national planning, and procedures for participatory budgeting, sharing good practices on integrated approaches and peer learning should be essential aspects of the VNRs, country capacities and learning.

**The summit as a lever for accelerated action and Sustainable Development Governance.** We are at mid-term between 2015 and 2030 and resetting the 2030 Agenda at the upcoming Summit is important. Given the triple planetary crisis and ongoing global conflicts, the world needs an ambitious plan to move forward and accelerate implementation. As there is a widespread mistrust towards a potentially overoptimistic outcome, for instance based on lack of fulfilling the 0.7% target for aid from developed to developing nations, managing expectations with the outcome from the Summit is necessary.

Collaborative efforts by countries working to fulfil the 2030 Agenda have by now produced nearly 350 VNR reports. These reports are not only produced for the HLPF but are also a repository for good practices in implementing the SDGs at all levels and can be used as accelerators for action.

Looming large are several global crises, and governments must deal with many crises at the same time. Crises oriented actions are often made with urgency and speed and tend to be largely reactive and based on short term goals. Consultative processes are often ignored as time is argued to be of the essence. In such circumstances non-state stakeholders especially from marginalized and vulnerable groups are often ignored or not included. Continued emergency situations may thus pose a threat to democracy and good governance.

The 2023 HLPF should be used as a powerful springboard for the Summit bearing in mind that the 2030 Agenda with the SDGs are our framework for getting out of the many crises which the world is now facing.