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Busy Week at the East River

Ukraine, SDGs, climate change, and financing for development: The High-Level Week in New York showed the urgent need for reform and action to restore trust in multilateral solutions.

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The High-level Week of the 78th UN General Assembly (UNGA78) unfolded amid a fraught backdrop of converging conflicts and crises, including an ongoing war, stalled development gains, and escalating climate change. Russia's war in Ukraine and the UN's inability to end it has struck a blow to the multilateral system, undermining its credibility. A multi-trillion dollar financing gap threatens hard-won progress towards the 2030 Agenda and the promise of a better, sustainable future for all. Meanwhile, the climate crisis—the existential threat of our time—steadily worsens in the absence of bold policies and initiatives.

Effective multilateral solutions to these global challenges are needed more than ever. However, in a time of deepening geopolitical division, the global community is struggling to respond to the urgency of the moment with the requisite political will and ambition. Drawing from the High-level Week discussions, this report will examine three of the most-pressing challenges for the UN system, underscoring where multilateral action has fallen short, where progress—however incremental—has been made, and what further steps are needed.

Rethinking Effective Multilateralism and the Role of the UN in the Shadow of the Ukraine War

The unprovoked invasion of Ukraine and the breakdown in Russia-West relations has placed multilateralism under strain. It has also reignited global questions about the role and effectiveness of the United Nations. On September 20, 2023, and in response to such geopolitical tensions, the Albanian presidency of the Security Council called for an open debate in connection with "upholding the purposes and principles of the UN Charter through effective multilateralism: maintenance of peace and security of Ukraine." In a three-day session, 62 Heads of State and other senior Government officials attended the Security Council meeting and addressed various challenges to sustain the principles of the UN Charter in the context of the war in Ukraine.

Russia's war of aggression on Ukraine constitutes a violation of the principles of the international rules-based order. 33 European countries; nine from Latin America; eight from

Asia; three from Africa; and the U.S., Canada, and Australia denounced Russia's full-scale aggression as an unlawful and unjustified violation of international law and the UN Charter. Heads of State and high-level officials stressed how the invasion is triggering geopolitical tensions and divisions, threatening regional stability, increasing nuclear threats, and deepening fractures in a progressively multipolar world. UN Secretary-General António Guterres noted in his introductory remarks that "all this comes at a time when cooperation and compromise for multilateral solutions are needed more than ever to tackle challenges from the climate crisis to unprecedented levels of inequality to disruptive technologies." In this context, President of Ecuador Guillermo Lasso forcefully urged the Russian government to comply with the International Court of Justice's (ICJ) provisional order issued on March 16, 2022, ordering the Russian Federation to immediately suspend military operations in the territory of Ukraine. Russia's constant disregard of international law also raises questions of both the effectiveness and enforceability of

international judgements into domestic jurisdictions. Furthermore, the Russia-Ukraine war has manifestly exposed the gradual division of the global community into opposing blocs. This international polarization is having a profound impact not only on UN leadership, but in all multilateral institutions. In the face of a changing balance of power and growing uncertainty, the Secretary-General reminded Member States that the UN Charter continues to be the road map to a more peaceful world.

Justice and accountability are essential pillars of the world's policy on Russia's war of aggression against Ukraine. Member States agreed that the high volume of atrocities committed in Ukraine requires pursuit of accountability efforts—mostly at the international level. An overwhelming majority of Member States condemned the atrocities committed against Ukrainian civilians. German Chancellor Olaf Scholz publicly denounced how thousands of Ukrainian soldiers and civilians have been murdered, raped, and tortured by Russian soldiers. Above all, he expressed great concerns about the thousands of children who have been abducted by Russian forces and transferred to occupied territories. Chancellor Scholz also reminded Member States about the value of diplomacy to prevent conflict, drawing attention to past meetings between France and Germany with Moscow and Kyiv since 2014 to promote peace. "Russia chose war over diplomacy," he said.

The war in Ukraine has wider repercussions for international peace and security. Russian President Vladimir Putin has repeatedly backed up his escalation in Ukraine with nuclear threats. Many countries—including Brazil, Japan, Malta, Switzerland, and the U.S.—urged dialogue between both parties, voicing concern for the conflict's threat to nuclear security. Prime Minister of Japan Kishida Fumio deemed Russia's nuclear rhetoric irresponsible and condemned the deployment of nuclear weapons in Belarus and the occupation and militarization of the Zaporizhzhia Nuclear Power Plant. Despite the warning from the West about the recent meeting between President Vladimir Putin and Kim Jong Un, the deepening cooperation between these

two leaders to collaborate militarily was mostly overlooked by Member States in this meeting. However, U.S. Secretary of State Anthony Blinken cautioned that the transfer of arms between Moscow and Pyongyang violates multiple resolutions of the Council. Addressing the current food crisis, Chancellor Olaf Scholz also condemned Russia's use of hunger as a tool of war. Calling attention to Russia's withdrawal from the Black Sea Initiative earlier this summer, he decried the deliberate removal of "tons of grains and fertilizer from the world market which many countries around world need to guarantee food security."

The UN architecture must be reformed for the institution to rise to the challenges of its time.

In his first in-person appearance before the Security Council, Ukrainian President Volodymyr Zelensky challenged conventional wisdom and declared that "humankind no longer pins its hopes on the UN when it comes to the defense of the sovereign borders of nations." Indeed, the Russian-Ukrainian war has exacerbated a negative perception of UN bodies, including the role of the Security Council in maintaining peace. Instead, "world leaders are seeking new platforms and alliances that could reduce disastrous scope of problems," he said.

Unlike other Member States, whose interventions included regular condemnations and calls to end the war, President Zelensky presented specific reform proposals and urged Member States to utilize Ukraine's Peace Formula as the basis for updating the existing world security architecture, restoring the real power of the UN Charter, and upholding the rules-based international order. Chancellor Scholz lauded Ukraine's peace plan as a comprehensive effort to attain peace and underscoring that "No one longs more for peace than the Ukrainians."

Strong leadership on the Security Council is needed now more than ever. Despite growing support for Security Council reform, including from U.S. President Joseph Biden in his address at UNGA78, Member States have been unable to pivot from rhetoric to action. The absence of France's Emmanuel Macron, Britain's Rishi Sunak and India's Narendra Modi demonstrates such

inability. Their absence raised concerns, particularly as France and the UK hold permanent seats in the Security Council. Only one Head of State from the P5—President Biden—spoke before the General Assembly, but he did not attend the Security Council high-level meeting in which, for the first time since the beginning of the war, President Zelensky traveled to New York to speak before the General Assembly and the Security Council to gather support and strengthen alliances. The absence of three out of the five Members of the Security Council in this high-level meeting not only sends a negative message to the world about their commitment to multilateralism, but also questions their nations' own pledge to peace and security when the world demands more than ever reliable and consistent leadership.

Financing for Development: Unlocking Catalytic Investment for the Achievement of the 2030 Agenda

The High-Level Dialogue on Financing for Development (FfD) was held on September 20, 2023, following on the tails of the SDG Summit. The dialogue marked an opportunity for Member States to match the political commitments made during the SDG Summit with commensurate levels of financing to accelerate progress and reinvigorate international commitment. The dialogue did not necessarily present novel issues; however, Member States did demonstrate a new level of political commitment to meet the USD 3.9 trillion per year financing gap for SDG implementation. The key question surrounding international financial architecture reform boiled down to how we should change, rather than if we should change. What takeaways can be gleaned from the UNGA High-level Week on the issue of FfD?

Existing roadmaps for financing the goals remain unmet. Member States cited a slew of unmet promises, including those of the Addis Ababa Action Agenda, the Official Development Assistance (ODA) target of 0.7% gross national income, and the <u>USD 100 billion</u> goal for climate finance. Similarly, several nations pointed out the skyrocketing levels of global military spending as development budgets have been scaled back,

with South Africa asserting in its UNGA statement, "It is a grave indictment of this international community that we can spend so much on war, but we cannot support action that needs to be taken to meet the most basic needs of billions of people." Developing countries rightly called attention to such implementation gaps and the importance of holding developed countries accountable for pre-existing commitments. In addition, the long-term effects of the global pandemic and climate crisis have made the need for finance in developed nations ever more critical. As stated by the UN Secretary-General, debt distress leads many nations to face a dire choice of servicing people, or servicing debt. Relieving crippling debt was approached as a first, critical measure to be taken within broader international financial architecture reform efforts, as it is a pre-condition to financing development and opening fiscal space to fuel the SDGs.

There is also recognition that national development budgets on their own are insufficient. Even if national commitments are fulfilled, Governments stressed the role of private capital and enhancing public-private partnerships. On the margins of the SDG Summit, the UN Private Sector Forum took place on 18 September to mobilize business ambition to fill the financing gaps which Governments are unable to meet on their own. The European Union (EU) stressed a cooperative and multistakeholder approach, highlighting how the EU is de-risking investment by mobilizing public budgets to unlock private capital.

As the founders of today's multilateral financial institutions, the West committed to introducing reforms to the international financial architecture. Calls were made at the highest levels to reform the Bretton-Woods system, with the UN Secretary-General calling for "a new Bretton-Woods moment when countries come together to agree on a global financial architecture that reflects today's economic realities and power relations." Our multilateral financial institutions were created 80 years ago, when many UN Member States were not yet independent from colonial rule, and so all countries can appreciate that financial

institutions no longer match the realities of our world

Broad consensus from Western nations was seen on introducing reforms through the Multilateral Development Banks, both in terms of expanding participation and improving access to financing. The U.S. announced the expansion of World Bank lending for low-income countries. Similarly, Germany announced that it will be the first country to invest hybrid capital at 305 million euro into the World Bank to support the provision of more than two billion euro in additional loans. Western nations also expressed support to amplify the representation of developing countries in the International Monetary Fund (IMF). The African Union's recent inclusion as a permanent member of the G20 was cited as an exemplary step in this regard to emulate across other fora. In terms of expanding access to finance, there are a range of innovative financing mechanisms and proposals on the table including the reallocation of special drawing rights, blended finance, nature-debt swaps, and the SDG Stimulus.

While the West is willing to reform, they also expect developing countries to do their part in strengthening domestic resource mobilization, good governance, and anti-corruption efforts. To date, the top ten Member State contributors to the UN system are all, except for China, members of Organisation for Economic Co-operation and Development Assistance Committee (OECD-DAC). In terms of volume, Member State contributions to the UN rose from USD 42 billion in 2020 to USD 48 billion in 2021, with USD 38 billion of this coming from OECD-DAC members. The steadfast financial commitment of the West to the UN system should therefore not be overlooked in the FfD debates.

The intersection of climate change and sustainable development is an area for acceleration. Reform of the international financial architecture and the just climate transition are increasingly approached as one agenda. For developing countries, the triad of climate change, debt, and sustainable development can only be addressed through comprehensive solutions. The USD 100 billion

promised for climate finance under the Paris Agreement will finally be met this year to support climate adaptation efforts (despite the slow pace at which this commitment has been met with), and yet the Loss and Damage Fund for vulnerable countries remains under-financed. The High-Level Dialogue on FfD demonstrated that stronger action is required from developed and industrialized economies on climate finance. The G20 must play a role commensurate with its impact, as G20 nations are responsible for 80% of global greenhouse gas emissions. Given that the new vision of the World Bank as captured in the **Evolution Roadmap** recognizes the intertwined nature of climate change, poverty, and fragility, there should be greater scope to scale-up climate finance moving forward. The World Bank also proposed a repurposing of fossil fuel subsides to unlock USD 1.25 trillion per year for the just transition. This shift opens opportunities for the West to meet developed economies halfway through policies on technology transfer, green bond markets, climate-resilient infrastructure, and carbon pricing, for instance. During the General Debate, Germany announced its commitment to a just transition by recognizing the need to decouple economic development with CO2 emissions using technology.

It was crystal clear that reform is inevitable.

However, exactly how quickly the multilateral system will bridge divides between developed and developing countries is yet to be seen. On one side, developing countries face pressures of climate change, instability, and the triple planetary crisis. Small Island Developing States and Least Developed Countries showcased their steadfast commitment for bold proposals such as the **Bridgetown Initiative**, the **Multidimensional** Vulnerability Index, and a UN-led convention on international tax cooperation—all of which are likely to shift power and decision-making away from wealthy nations and towards lower-income countries. On the other side, the West faces renewed pressure to uphold the values of the UN Charter and multilateralism at a time of intense geopolitical contestation and multipolarity. For this reason, the West may perceive international financial architecture reform as a means to preserve their influence within traditional institutions. The EU Council President captured

this sentiment during the High-Level Dialogue on FfD, advocating for "not a revolution, but an evolution." And yet, evolution may be too slow a process as suggested by the Prime Minister of Barbados during the General Debate, stating, "the problem is that those whose actions we most need may be so confident in their survival that they do not act early enough for us."

As the Secretary-General stressed, "It is time for a global compromise", adding that the world now needs "statesmanship, not gamesmanship and gridlock." How much leadership the West demonstrates in scaling-up financial commitments will send a message that they are as serious about reigniting global solidarity as they preach. As a positive indication, several development and climate finance pledges were announced during the High-Level Dialogue on FfD and General Debate by Canada, Denmark, Germany, and Ireland, amongst others, as a demonstration of political will and ambition.

Crises will continue to deepen if the international community do not act now, and so it is imperative that countries come together to agree on an ambitious plan for international financial architecture reform, in line with the political declaration. Concrete proposals should be made in time for the Summit of the Future in September 2024, and the next FfD Conference in 2025.

The Climate Ambition Summit: Moving the Needle Towards Transformative Action

2023 marked record-high temperatures, devastating wildfires, floods, and droughts, and a host of extreme weather events, upending lives and economies worldwide. Yet progress towards implementation of the Paris Agreement remains insufficient, and the window of opportunity to keep the 1.5 degree Celsius goal alive is rapidly closing. At this critical juncture, the Climate Ambition Summit (CAS), convened on September 20, 2023, brought together a coalition of solution-oriented leaders from across government, business, finance, and civil society to catalyze further transformative action towards the Secretary-General's Acceleration Agenda. What is

the current state of play in the climate fight? In the lead-up to November's COP28 in Dubai, what takeaways from the CAS can help guide future climate action?

Ambitious climate leadership is lacking from the world's geopolitical heavyweights. The CAS opened with a session of nearly 40 "first movers and doers" from government, civil society, and finance to highlight their credible actions, policies, and plans to accelerate climate action. Noticeably absent from the line-up of movers and doers were the world's top three emitters of greenhouse gases—the U.S. China, and India— This was no glaring omission, but rather, a pointed (albeit unspoken) message that these global powers have not been pulling their weight in tackling climate change. In contrast, leaders at the subnational level have been stepping up to the urgency of the moment. Governor of California Gavin Newsom called attention to his state's recent landmark <u>lawsuit</u> against major oil companies for their role in exacerbating the climate crisis. Mayor of London Sadiq Khan illustrated how cities are leading the charge, announcing that 97 cities of the C40 have pledged to cut fossil fuel consumption by half in the next seven years.

The Global South is a powerful force for **change in the climate fight.** The voices of the Global South rang loud, calling on wealthier, developed countries to step up responsibility and implement their climate commitments. But as many countries also emphasized, the Global South is eager to play an active role in securing a green future. In outlining Kenya's climate ambitions, President William Ruto remarked his country was prepared to "leapfrog into a completely green paradigm" and help set "global production and consumption on an ecologically sustainable path." Countries across the Global South shared the diverse and concrete measures they have taken in transition planning, from Colombia's elimination of petrol subsidies to Nepal's pivot to electric vehicles to South Africa's pipeline of renewable energy projects. Another such bold call to action has been the Fossil Fuel Non-Proliferation Treaty Initiative, spearheaded by Vanuatu and Tuvalu, to tackle the root cause of the climate crisis and end the era of coal, oil,

and gas. With support from their Pacific neighbors, the European Parliament, and the World Health Organization, the initiative is gaining momentum and would serve as a muchneeded complement to the Paris Agreement.

Developed nations must honor, and ramp up, their climate finance commitments if progress is to be realized. A near universal theme throughout all interventions was the critical need for greater financing and investment in climate action, and the essential role of developed nations and international organizations in mobilizing this capital. The Green Climate Fund (GCF), a key pillar in the global climate finance architecture, announced its new goal to capitalize USD 50 billion by 2030 by overhauling its accreditation processes, accelerating project review and approval, and reorienting operations to focus on country programming. Several countries also pledged contributions to the GCF's second replenishment to further its work in developing countries. The IMF called attention to the increasing amount of fossil fuel subsidies (more than USD 7 trillion in 2022)—money which, in the alternative, could have been spent on supporting a green transition. Additionally, IMF announced its intention to deploy USD 40 billion to create a new Resilience and Sustainability Trust to help vulnerable low- and middle-income countries build resilience against climate shocks.

Although clean energy is cost-competitive and readily available, decarbonization is not progressing quickly enough. To achieve net zero by 2050, accelerating the decarbonization of high-emitting sectors will be critical; in certain sectors, like heavy industry, reaching this goal has proven more difficult. To that end, several countries announced earlier deadlines by which they will be carbon free, including Barbados by 2035 and Austria by 2040. Others, such as Canada through its Global Carbon Pricing Challenge, have sought to incentivize greater investment in clean energy through carbon pricing. Some countries highlighted efforts to scale-up research and development of clean and carbon-free energy sources, as Korea has. Decarbonizing the global economy, however, will

require unprecedented levels of cooperation and coordination across all borders and sectors.

Net-zero transition plans must be backed by credibility and accountability, not mere wishful thinking. Since the adoption of the Paris Agreement in 2015, net-zero commitments from non-State entities, including businesses, investors, cities, and regions, have varied widely in quality. The reliance on vague criteria and benchmarks in setting net-zero pledges has resulted in greenwashing and unsubstantiated claims. To ensure credibility and accountability, participants called for stronger criteria and standards—in line with those set out in the Integrity Matters report—such as the establishment of stepping stone targets for fossil fuel phase-out, prohibitions on building or investing in new fossil fuel supplies, prohibitions on lobbying against government climate policies, and requirements to report publicly on implementation every year. Participants also emphasized the need for a policy and regulatory architecture to better scrutinize the ambition, integrity, and credibility of transition plans.

As climate change continues to impact those most vulnerable and least responsible, advancing climate justice must be a fundamental component of climate action going forward. In addition to calls for the operationalization of the Loss and Damage Fund at COP28, climate justice in the context of the clean energy transition was also at the forefront of discussions. As demand for critical transition minerals grows, it remains imperative that the extraction and mining sectors be managed justly, equitably, and sustainably so not to leave anyone behind. Participants voiced support for the creation of a UN-led effort establishing global voluntary principles that would guide mineral sourcing and ensure climate justice for mineralrich developing countries. Developing countries stressed that the energy transition must be mutually beneficial, allowing them a fair opportunity to leverage and benefit from their natural resources. As Power Shift Africa's representative remarked, the clean energy transition presents an opportunity to kick-start an industrial revolution built on innovation, not on slavery and exploitation.

Funding needs to be distributed more equitably between adaptation and mitigation.

Mitigation efforts alone are insufficient to battle the devastating effects of climate change. In the past five decades, nearly 70% of deaths resulting from climate-related disasters have occurred in 46 of the world's least developed countries. Helping the most vulnerable adapt to life in a changing climate is a matter of climate justice and should be an essential component of any climate strategy, yet adaptation remains vastly underfunded, receiving less than 10% of climate finance. The CAS showcased several successful collaborative models and partnerships that have implemented life-saving adaptation measures. Through the Early Warnings for All (EW4All) initiative, Mozambique has been able to expand and modernize its severe weather forecasting capacity. Through the Adaptation Pipeline Accelerator (APA), Tuvalu has partnered with Australia and the United Nations Development Programme (UNDP) to develop its Long-Term Adaptation Plan (L-TAP), an elevated land territory that allows for the safe and sustainable relocation of its national population. In increasing recognition of the life-saving importance of adaptation measures, multilateral banks announced their commitment to scale-up support for EW4All, as did the GCF who allocated an additional USD 1 million for the program.

Conclusion

The UNGA78 showed that the multilateral system is under pressure. The international community is far from achieving the SDGs by the 2030 target. Accelerating progress towards sustainable development and in the fight against climate change requires not only a significant boost in

resources, but an overhaul of the global financial architecture, as well. Additionally, Russia's war against Ukraine shows the limits of the current UN system when it comes to resolving conflicts involving major powers.

As the theme of the UNGA78 on "rebuilding trust and reigniting global solidarity" suggests, the international community will need to come together for effective responses to these challenges. While not insurmountable, they will require all stakeholders to collaborate on a roadmap for a sustainable future. Further, it is imperative that Member States honor their commitments to restore trust in multilateral solutions. Time is running out to address these challenges, though, and concrete results are needed now more than ever. The Summit for the Future in September 2024 will provide a platform for which global leaders can reconvene at the East River to crystalize a new vision for effective multilateralism equipped to safeguard peace and security for future generations.

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