

## **ADVANCING GOOD GOVERNANCE in International Development**

### **Peace, Security, and Governance in Goal 16: How Do We Tackle This?**

9 – 10 June 2016

Rhodes House, Oxford

#### **Closing Plenary: Transforming the Institutions of Global Governance: What Does Goal 16 Demand?**

This session examined the effectiveness of social and organisational institutions and their role in establishing strong governance for the advancement of Goal 16. Participants highlighted the urgency presented by climate change as an instance that provided particular impetus for collective initiatives to achieve change, with the global community inspiring action by established institutions. While not unanimous in portraying the Paris Climate Accords as a model of international cooperation and institutional coordination, the panellists concurred as to its limited success. Finally, the panel concluded by assessing the changing role of international financial institutions, such as the World Bank, the Asian Development Bank, the Asian Infrastructure Investment Bank and the International Monetary Fund, as both facilitators and partners of national governments in the pursuit of Goal 16 and broader development priorities.

#### **Key Points from the Session**

- 1. There has been a breakdown in trust between civil society and governing institutions on the local, national, and international levels.** Sharply rising rates of inequality have led the public to question vast accumulations of wealth in certain key sectors. For example, Britain's leadership of the G8, the banking crisis of 2008, and the revelations of the Panama Papers have convinced constituencies that there are discrete sets of rules for the haves and the have-nots. The result has been anti-establishment politics on both sides of the spectrum, notably right-wing movements in Europe and the Brexit campaign in the United Kingdom. Because this crisis of legitimacy may have negative consequences for institutional capacity, it must inform the strategies for progress in an increasingly globalised legal and political landscape.
- 2. Governance is needed where there are conflicting interests; it provides rules, arrangements and norms that can contain conflict and permit collective action.** Bangladesh is an example of a nation where divided interests have led to a governance vacuum. Historically, tensions between the Muslim population and the secular establishment have led to political bifurcation between the ruling power and a heterogeneous opposition group. In the absence of well established governance, changes to the equilibrium between those two groups has led to conflict. The Paris Agreement on climate change exemplified the successful adoption of norms in the pursuit of environmental and economic stability. Where participating nations made voluntary commitments to limit global warming to 2°C, they found a structure that bridged the "growth conundrum" and the Sustainable Development Goals. In such a way, the Paris conference represents the emergence of a collective institutional arrangement that has established commonly agreed norms. The extent to which the Paris conference evidences an effective governance structure will become apparent when accountability is asserted against those who have committed to action against climate change.

3. **Non-governmental organisations (NGOs) need to find a balance between providing services themselves and mobilising citizens to hold their governments accountable.** In an atmosphere of increased distrust, some governments have missed the opportunity to motivate and engage their own citizens. NGOs have been seen as prime movers in fomenting grassroots approaches that embrace civil society as advocates for change. However, those same NGOs have also taken on the role of service delivery. This has led to a weakening of government provision of services and responsiveness to citizens. To avoid this, NGOs must act as facilitators rather than substitutes for domestic leadership and action.
4. **International financial institutions (IFIs) have a decreasing influence over rapidly emerging economies.** In the wake of the financial crisis, less developed nations have access to a widening pool of capital that is not wholly reliant on the IFIs. Some have raised funds from their own natural resources and have accessed alternative sources of financing including bilateral loans from other governments, funding from regional development banks and other counterparties. However, the debt capital markets still favour richer nations and more robust economies by providing debt-raising governments with better terms including lower interest rates. In addition, the use of such funding is not necessarily restricted or directed towards well governed projects tackling the greatest development needs. The IFIs therefore remain an important source for funding, and in maintaining good standards of regulation, transparency and accountable commitment to the Sustainable Development Goals.

### **Emerging Questions**

1. Are our present-day institutions adequate for implementing the ambitions we have set for ourselves? If not, can they realistically be reformed such that faith in them is restored? Does the collective action model of the Paris agreement provide a viable alternative?
2. Should political leaders prioritise expending their resources in developing infrastructure or good governance?