

Switzerland and the Agenda 2030

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# Switzerland and the Agenda 2030

Discussion paper on the implementation of the  
Sustainable Development Goals in and by Switzerland

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## Background

In September 2015, UN Member States adopted the “Agenda 2030 for Sustainable Development” with its 17 Sustainable Development Goals (SDGs). Switzerland is also required to achieve these goals by 2030.

In the next few months, the Swiss Federal Council will set out its priorities for the implementation of Agenda 2030 in and by Switzerland:

- The Federal Administration is identifying possible courses of action for the implementation of Agenda 2030;
- Changes to the Federal Administration’s internal institutional set-up for sustainability policy are under discussion;
- Switzerland will present its Country Report to the UN in July 2018;
- Preliminary work is starting on the development of the Sustainable Development Strategy 2020-2023.

Between June and August 2017, non-governmental stakeholders from business, civil society and the scientific community together with the cantons and communes have had an opportunity to comment on the Federal Government’s assessment of current progress and shortcomings with regard to the implementation of Agenda 2030, if applicable to supplement that assessment and also to indicate what contribution they can make to the successful implementation of the Sustainable Development Goals.

This Discussion Paper by the Sustainable Development Solutions Network (SDSN) Switzerland<sup>1</sup> contains comments and recommendations from a scientific standpoint on the requirements, obligations and framework for action that could be applied to a transformational strategy for Switzerland geared to sustainability.

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<sup>1</sup> See also summary “Sustainable Development Solutions Network Switzerland” on last page of this document

## Summary

### 1. Recommended Actions – Switzerland

- 1.1 Strengthen the management and coordination of sustainability policy in Switzerland by establishing an institutional unit positioned above the Federal offices.
- 1.2 The Sustainable Development Strategy 2020-2023 must articulate concrete actions for the implementation of Agenda 2030 and anchor them in all three levels of government – Federal, Cantons and Communes.
- 1.3 Future Dispatches on International Cooperation (2021-2024) and the Promotion of Education, Research and Innovation (2021-2024) must include specific contributions to the implementation of Agenda 2030 in and by Switzerland.

### 2. Recommended Actions – Concepts

- 2.1 The interdependencies between individual SDGs must be reflected in an integrated way when implementing the Agenda 2030; synergies (*co-benefits*) and conflicts of interests (*trade-offs*) between individual sectoral areas must be identified so that appropriate transformative measures can be agreed.
- 2.2 The analyses and resultant actions for implementing the SDGs must include the indirect impact of the consumption in Switzerland of goods produced as a result of economic activity abroad.
- 2.3 Swiss statistics must be supplemented by the systematic inclusion of cross-border resources and financial flows.

### 3. Recommended Actions – Policy Coherence

- 3.1 Switzerland must carry out regular reviews on the extent to which Swiss law and political actions are coherent in terms of sustainable development and so meet the requirements of Agenda 2030.
- 3.2 Trade agreements should be reviewed prior to signature in order to identify their impact on the environment and human rights; the same applies to policy areas that are highly integrated and so at risk from a lack of coherence.
- 3.3 The statutory framework should be amended to ensure that the institutional setup of the Federal Administration and the decision-making processes adequately reflect the criteria for Policy Coherence for Sustainable Development (PCSD).

### 4. Recommended Actions – Finance

- 4.1 In view of global competition and the rapidly changing environment, Switzerland as a financial centre must display a consistent alignment to the requirements of Agenda 2030; it should exploit its comparative advantages, e.g. with innovations in asset management and education and training.
- 4.2 Efforts by Switzerland to alleviate poverty and promote sustainable development in emerging and developing countries should be strengthened; public spending on international cooperation should be increased to 0.7% of Gross National Income.
- 4.3 The negative impact of Swiss (foreign) economic policies on developing countries, particularly in the areas of finance and taxation, must be eliminated by prompt and effective action.

### 5. Recommended Actions – Scientific Community

- 5.1 The dialogue on sustainable development between the scientific community and politics should be strengthened by the creation of a scientific committee and a national research group.
- 5.2 Inter- and transdisciplinary research and education that favours the process of transformation and sustainable development must be strengthened and represent a distinct element of Swiss research funding and a priority element of international cooperation.
- 5.3 To improve monitoring of the Agenda 2030 process, the Swiss Federal Council working with the scientific community should supplement its actions and indicators by adding specific targets for the period until 2030.

## 1. Switzerland's responsibilities

Agenda 2030 with its 17 Sustainable Development Goals (SDGs) and adopted in 2015, together with the Paris Agreement on climate change, committing the global community to a path of climate-neutral development, define ambitious goals that apply to all industrial, emerging and developing countries. In addition, the Addis Ababa Action Agenda on Development Finance – also agreed in 2015 – is a central plank of international policy on sustainability. Following on from the UN Conference on Environment and Development in 1992, this is the second time that the fight against poverty and sustainability has been included in an Agenda.

### Paradigm shift in politics, business and society

In the light of current geo-political tensions, it is important that Agenda 2030 is not marginalised or its priority downgraded. In reality, Agenda 2030 offers significant opportunities: For example, a far-sighted policy on sustainability can encourage social equality and facilitate investment in environmentally sound technology and infrastructure. However, this requires more than just minor steps designed solely to change individual sectors or geographic regions.

In particular, the following principles of Agenda 2030 necessitate a paradigm shift in politics, business and society:

- *Universality*: Unlike the previous Millennium Development Goals that were targeted at developing countries and in particular the fight against poverty, Agenda 2030 with its SDGs are much more ambitious. The Agenda applies equally to industrial, emerging and developing countries and so provides a new basis for a global partnership. Implementation requires all countries to take responsibility for their actions and their long-term, global impact.
- *Integration*: The SDGs link economic, ecological and social development with the principle of sustainability. Without this linkage, effective social change and greater prosperity cannot be achieved within planetary boundaries. That means that a sectoral silo mentality has little chance of success.
- *Deal with the causes and not the symptoms*: Many SDGs deal with causes. This requires actions that facilitate sustainable policies and development processes involving all sectors of society and all stakeholder groups.

- *Timescale*: The time frame for implementing transformative processes geared to sustainability is very short and ends in 2030.

### Transformative policies geared to sustainable development

How can and should Switzerland translate the major stimuli provided by Agenda 2030 into a transformative policy for sustainability?

SDSN Switzerland believes that the following should head the list of priorities<sup>2</sup>:

- Reduce the ecological footprint resulting from unsustainable consumption and production processes in Switzerland (Chapter 2);
- Align institutions and governance to Agenda 2030 (Chapter 3);
- Encourage sustainable, private and public investment, including funding for international cooperation (Chapter 4);
- Central to the transformative processes are evidence-based, social, economic, technological and institutional innovations developed in conjunction with society itself (Chapter 5).

The integrated and transformative approach of Agenda 2030 places centre stage the interaction between sectoral policies and domestic/foreign policies and demand a paradigm shift in politics and the administration: The requirements of Agenda 2030 must be replicated in a coherent way in the various strategies. This applies in particular to the following: the Sustainable Development Strategy, which should cover the implementation of both domestic and foreign policy, the Dispatch on Legislative Planning, the Foreign Policy Strategy and also highly integrated sectoral policies such as the Agricultural Policy 2022+. Of particular relevance are the upcoming Dispatches on International Cooperation and the Promotion of Education, Research and Innovation (ERI). These Dispatches should structure development cooperation and ERI policy in a way that is sensitive to SDGs, incorporate cross-sectoral approaches and strengthen the close relationship between internal and externally-oriented measures.

It is important to anchor the priorities of the sustainability policy in all levels of government. In a country such as Switzerland with a federal structure, this is an essential requirement for the implementation of the SDGs. It is crucial that local stakeholders are partners in the implementation process, partly because negotiations will be required

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<sup>2</sup> Outcomes from the SDSN Switzerland kick-off meeting on 5 May 2017 <http://www.biovision.ch/en/news/kick-off-sdsn-switzerland/>

to resolve the conflicts arising from structural changes and to strike a balance between diverging interests. Switzerland's system of decentralised government and direct democracy should be seen primarily as an opportunity, e.g. the broad support for decisions. However, they also represent particular challenges in terms of the coherent implementation of Agenda 2030. The establishment of an organisational unit positioned above the sectorally-focussed Federal offices would strengthen the ability of stakeholders to act and also to achieve consensus at all institutional levels. It would also ensure that Agenda 2030 is implemented in and by Switzerland in a coherent manner. Not least, such a unit could help to anchor the required long-term perspective in politics, business and society.

Switzerland cannot adequately exploit the transformational potential of Agenda 2030 without reforms to international cooperation. The criteria, mechanisms and tools needed for cooperation with emerging and developing countries should be geared to the fight against poverty – in the sense of “*leaving no one behind*” as identified in the Agenda 2030. As a major financial donor, Switzerland can – with appropriate stimuli – align the strategies of international organisations to the requirements of sustainable development.

#### **Investment in enlightened self-interest**

To implement Agenda 2030 and the Paris climate agreement both in Switzerland (domestic policy) and by Switzerland (foreign policy), the changes (paradigm shift) to be negotiated at the societal level and the associated options for action geared to sustainability are absolutely essential. The generation of knowledge across and between individual disciplines will lay the foundations required for innovation and learning processes and an exchange of experience on the factors that foster or inhibit implementation policies. In this way, the cooperation between politics, the scientific community, business and civil society can be significantly strengthened.

Switzerland is one of the world's most globalised countries: As a beneficiary of that status, it has a special responsibility to lead the way, to set a good example and to be innovative in how it contributes to the joint success of the global agreement on sustainability, climate protection and development finance. However, Agenda 2030 is also an opportunity for Switzerland to position and distinguish itself from the global competition. Switzerland must, therefore develop coherent policies that significantly improve the process of coordination at international, national and local level and make a commensurate contribution to

overcoming the financial challenges associated with Agenda 2030.

#### **Recommended Actions – Switzerland**

- 1.1 Strengthen the management and coordination of sustainability policy in Switzerland by establishing an institutional unit positioned above the Federal offices.
- 1.2 The Sustainable Development Strategy 2020-2023 must articulate concrete actions for the implementation of Agenda 2030 and anchor them in all three levels of government – Federal, Cantons and Communes.
- 1.3 Future Dispatches on International Cooperation (2021-2024) and the Promotion of Education, Research and Innovation (2021-2024) must include specific contributions to the implementation of Agenda 2030 in and by Switzerland.

## **2. Conceptual challenges**

The Sustainable Development Goals (SDGs) of the Agenda 2030 represent significant progress compared with earlier development goals such as the Millennium Development Goals. Firstly, they link poverty and the environmental agenda in a credible way and secondly place obligations on developing, emerging and industrialised countries in different ways. Those sceptical of Agenda 2030 ask whether a list of 17 goals with 169 targets is not just a random wish list without any prioritisation.

For SDSN Switzerland, Agenda 2030 is primarily a compass; it is the direction of travel that global development can and should take towards sustainability. The Agenda allows some leeway in terms of implementation and so there will inevitably be contradictions and conflicts of interest – so-called *trade-offs* between the various SDGs. As clarification of this point, we raise a hypothetical but not unrealistic question for Switzerland: What land use guarantees demand for food, is climate compatible, protects biodiversity, improves farming incomes and is compatible with market requirements? To answer such questions requires input from various sectoral areas of activity involving different tiers of government and timescales together with numerous stakeholder groups. This means that the answers will be both complex and require political and normative decisions.

The process of societal negotiation, the direction of development and the prioritisation of individual policy areas are, therefore, of major importance. The conflicts (*trade-offs*) and synergies (*co-benefits*)

between various interests and goals must be revealed in order to identify potential development trajectories. For example, the interaction between more intensive food production and the protection of biodiversity must be clearly identified and the associated political actions must be mutually compatible.

#### Focus on interactions

In addition to a sectoral focus, the Federal Administration's inventory together with the Country Report on Agenda 2030 and the Sustainable Development Strategy 2020-2023 must demonstrate, in particular, that the various areas of activity have been considered in a systemic way. The type of decentralised and so fragmented collection of information way chosen by the Federal Offices for each of the 169 targets is not suitable for the integrated approach of Agenda 2030. This makes it difficult for the inventory to identify factors with a leverage effect that will facilitate the successful implementation of the SDGs, i.e. *co-benefits* and the factors that inhibit implementation, i.e. *trade-offs*. There is a risk that the measures put forward by Switzerland will primarily satisfy sectoral requirements and will be unable to achieve their full potential.

#### Inclusion of cross-border effects

The successful implementation of Agenda 2030 demands a commitment by all countries, making action at the national level absolutely crucial. In particular, actions by wealthy countries will have an impact across national borders. International economic ties and foreign investment will have a significant impact on whether or not the SDGs are achieved in developing and emerging countries. There is a broad consensus amongst experts that the extra-territorial effects of global supply chains must be reflected consistently in measures by national governments designed to encourage sustainability.

An example from a recent publication by the Bertelsmann Foundation und SDSN<sup>3</sup> clearly demonstrates the problem. The report confirms that Switzerland is doing good work in respect of several SDGs. At the same time, the country has the highest negative impact per capita on other countries (*spillover effects*). This finding is a confirmation of previous scientific research: For example, 86% of the land used to produce goods for consumption in Switzerland is outside its borders. It is a similar picture with indirect water consumption: 82% of the water required to produce goods for consumption in Switzerland is located outside the country. This

indirect consumption of resources in Switzerland intensifies the competition – particularly in poorer regions of the world – for limited natural resources.

The results are hardly surprising given increasing international interdependence and the significant economic power and limited resources of Switzerland. At the same time, it is clear that in the today's globalised world, the development and implementation of policies that fail to look beyond national borders will not achieve the desired effects. Switzerland must take account of this interdependence and extraterritorial impact, making it an integral and essential element of its master plans for Agenda 2030. The Federal Administration's existing inventory fails to take sufficient account of this central issue and so supplementary work is required to remedy this omission. In order to fill the gaps, Switzerland and also other industrialised countries must integrate the cross-border flow of resources and funds into their national statistics.

#### Recommended Actions – Concepts

- 2.1 The interdependencies between individual SDGs must be reflected in an integrated way when implementing the Agenda 2030; synergies (*co-benefits*) and conflicts of interests (*trade-offs*) between individual sectoral areas must be identified so that appropriate transformative measures can be agreed.
- 2.2 The analyses and resultant actions for implementing the SDGs must include the indirect impact of the consumption in Switzerland of goods produced as a result of economic activity abroad.
- 2.3 Swiss statistics must be supplemented by the systematic inclusion of cross-border resources and financial flows.

### 3. Policy coherence for sustainable development

If we are to achieve the Sustainable Development Goals (SDGs), individual policies within and between individual countries must not only be free from contradictions but must also be inter-related and oriented to the SDGs. For example, poverty (SDG 1) can be reduced if both the climate (SDG 13) and inequality goals (SDG 10) are included. Similarly, economic policy should focus on innovations (SDGs

<sup>3</sup> Bertelsmann / SDSN "SDG Index & Dashboards Report" 2017



8 and 9), the protection of environmental resources (SDG 15) and social development (e.g. SDGs 2 and 8). In turn, environmental resources can only be conserved if our consumption patterns are more sustainable (SDG 12) – in wealthy countries this generally means consuming “less”. In other words, the implementation of SDGs equates to “squaring the circle”. It requires processes that identify conflicts between individual goals and facilitate politically transparent negotiations. The main driver in the negotiations should be SDG 17 and in particular the target 17.14 – “Policy Coherence for Sustainable Development”. However, this term does not mean “political coherence” in the traditional sense, the aim of which is to ensure that the Swiss Federal Council speaks with a single voice. Rather, it means that all policy areas – local, national and international – are reviewed for their compatibility with the SDGs in order to reveal contradictions and identify synergies.

#### **Issues of policy coherence**

The issue of PCSD arises in all policy areas. However, paramount in the discussion on coherence are issues such as the interaction between foreign and domestic policy, in particular the gap between the global North and South and the structural causes of a lack of political coherence. To what extent do the foreign policies of donor countries, including Switzerland, and domestic policy that has an impact outside Switzerland encourage or inhibit the sustainable development of poorer countries? Efforts to encourage “Policy Coherence for Development” (PCD; a sub-concept of PCSD) must ensure that we do not “give with one hand” merely to “take away with the other”. In this respect, the primary focus should be on foreign trade and security policies but it also includes policies on migration, financial markets, business and agriculture. The successful implementation of SDGs depends upon whether and to what extent Switzerland and other wealthy countries allow people from so-called third countries to enter the job market, communicate tax-related bank data to developing countries and grant effective market access to food produced sustainably in poorer countries.

This means that the concepts of PCSD and PCD require political players to make political decisions subject to the completion of a transparent process that balances individual interests. This is required

not only under international environmental and human rights legislation to which Switzerland is a co-signatory but also the Swiss Federal Constitution. Article 54 states that in foreign policy matters, the Confederation shall ensure that “the independence of Switzerland and its welfare is safeguarded” and Article 101 stipulates that it shall “safeguard the interests of the Swiss economy abroad”. However, Article 54 also stipulates that foreign policy should also contribute to “the alleviation of need and poverty in the world and promote respect for human rights and democracy, the peaceful co-existence of peoples as well as the conservation of natural resources”.

The current system in Switzerland for consultations and hearings is such that interests can only be balanced on a piecemeal basis. In practice, however, the results are frequently unsatisfactory. As a result, the interests of poorer countries and future generations and the protection of global public goods (e.g. a clean and intact environment) are regularly neglected and when conflicts of interest are identified, the political negotiations to resolve them are often inadequate. Agenda 2030 demands much greater consideration to be given to these “weaker” interests.

#### **Tools for measuring policy coherence**

PC(S)D monitoring systems can identify a wide range of conflicts of interest and raise awareness of the interdependence of our world. They use scientifically recognised indicators to measure the extent to which Swiss law and policies are coherent in terms of sustainable development and whether processes already initiated are moving in the right direction. Both the OECD<sup>4</sup> and the scientific community<sup>5</sup> have recently developed methods for measuring political coherence and these can be applied to the implementation of Agenda 2030.

In addition, evidence-based impact assessments are a useful tool for identifying specific sustainability conflicts and demonstrating how they can be resolved. Last and not least, they can be used in discussions on trade agreements. When reviewing trade agreements for their impact on the environment and human rights, these tools facilitate the following questions: where should markets be opened up, where should markets be protected and where should sustainability standards be imposed in order to stimulate the economy, promote human rights and respect environmental limits? Unlike the

support players in politics, business and society to set implementation priorities in a complex system of 17 SDGs and 169 targets and to develop strategies that are coherent and integrated.

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<sup>4</sup> OECD “Policy Coherence for Sustainable Development” 2017

<sup>5</sup> Tools such as Gapframe.org from the Business School Lausanne or iSDG.org from the Millennium Institute

EU, Switzerland has to date failed to undertake such impact assessments, citing problems with methodology and the relative small size of the country. However, the methods have improved over the years. In addition, there is a growing awareness that the trade agreements concluded by Switzerland – whether unilaterally or in conjunction with EFTA (*European Free Trade Association*) – can also influence human rights and the environment in both Switzerland and its partner countries. The Control Committee of the National Council in a report of 4<sup>th</sup> July 2017 on the Evaluation of the impacts of free trade agreements FTA [*Auswirkungen von Freihandelsabkommen FHA*] recommended to the Swiss Federal Council in Recommendation No. 1 that in future it should consider the completion of sustainability studies in order to acquire baseline information on FTA negotiations.

#### **Weak statutory framework**

To date, Switzerland has had a weak statutory framework for evidence-based decision-making processes that are consistent with sustainable development. There are proposals on the table to introduce new legislation on commercial policy, international trade and sustainability in order to improve the existing framework provided by the Parliament Act (in particular Article 141 ParlA). This would also enhance the democratic legitimacy of foreign policy. The implementation of Agenda 2030 in and by Switzerland offers the opportunity to address plans to strengthen political coherence and so ensure that important political decisions are based on a comprehensive, “systemic” approach.

#### **Recommended Actions – Policy Coherence**

- 3.1 Switzerland must carry out regular reviews on the extent to which Swiss law and political actions are coherent in terms of sustainable development and so meet the requirements of Agenda 2030.
- 3.2 Trade agreements should be reviewed prior to signature in order to identify their impact on the environment and human rights; the same applies to policy areas that are highly integrated and so at risk from a lack of coherence.
- 3.3 The statutory framework should be amended to ensure that the institutional setup of the Federal Administration and the decision-making processes adequately reflect the criteria for Policy Coherence for Sustainable Development (PCSD).

## **4. Financing sustainable development**

According to UN estimates, a total of USD 5-7 trillion is likely to be needed annually to finance the SDGs, of which some USD 4 trillion will be required in developing countries.<sup>6</sup> Public funds will not be sufficient to cover this need. There is a consensus in the international community that the private sector will have to make a contribution to the funding required for implementing Agenda 2030 and that financial markets will have to act to direct more private-sector investment towards sustainability.

The implementation of Agenda 2030 offers significant development opportunities and so it is essential that financial systems are brought into line with the needs of sustainable development. Long-term entrepreneurship will also bring with it financial rewards. Modifications to the financial system will require close cooperation between public-sector institutions such as legislators and regulators on the one hand and market players such as asset managers, pension funds, insurers, trustees, rating agencies and stock exchanges on the other. In addition, educational and training institutions must play a major role.

#### **Is Switzerland at risk of losing touch?**

Numerous initiatives by the G20 (*Green Finance Study Group*), the EU (*High-Level Expert Group on Sustainable Finance*) and the Financial Stability Board (*Task Force on Climate-related Financial Disclosures*) demonstrate that discussions on financial systems geared to sustainability are becoming increasingly dynamic. The broadly supported and widely respected research initiative “UNEP Inquiry: Design of a Sustainable Financial System” contains important principles and outlines recommendations for actions to policy makers.

Although the reputation and capacity of Switzerland is such that it would provide a suitable environment for a leading centre for *Sustainable Finance*, numerous studies have concluded that Switzerland is losing ground in the face of international competition. In particular, there is a criticism that the existing regulatory framework does not create the incentives required for a sustainable financial sector. The voluntary action so far favoured by market players is not enough. The inventory by the Federal Administration confirms the hesitant attitude of the Confederation to an active, sustainable financial policy. For example, although Target 8.10 should pave the way for innovations such as Fintech or sustainable investments, there are no proposals for concrete actions.

<sup>6</sup> UNCTAD “World Investment Report” 2014



The alignment of financial policy to the requirements of Agenda 2030 will affect the image the financial sector has of itself and its business model. In view of the finance required to protect global public goods and achieve the SDGs together with the strategically important role to be played by financial markets in securing funding, this raises the question of whether the reluctance displayed by the regulators is appropriate.

### **Sustainability in asset management**

How can additional funds be mobilised? In recent months, trade associations, research institutions, federal agencies and organisations in civil society have put forward measures that would align Switzerland as a financial centre more closely to sustainable development.<sup>7</sup> These measures range from the inclusion of transparent ESG (Environmental, Social and Governance) criteria in investment decisions, the mandatory disclosure of climate risks in investment portfolios right through to a greater focus on sustainability in financial education and training. From our perspective, these measures should be implemented quickly.

Asset management is also important: Assets worth USD 9.2 trillion are currently held globally, of which some USD 2 trillion are held by Swiss financial institutions. Pro-rata, Switzerland is Number 1 in cross-border Private Banking. High-Net-Worth Individuals (HNWIs; assets > USD 1 million) make up 1% of the global population, i.e. a relatively small group. At the same time, we know that some 60% of HNWIs are interested in sustainable investments but less than 10% of their assets are actually invested sustainably.<sup>8</sup> The reasons for this are various: For example, sustainable financial products are likely to be less standardised and so are often more expensive. In addition, the long-term investment horizon often means that sustainable investments are less liquid. According to a study by the Universities of Zurich und Hamburg, intermediaries (private-client advisers) could possibly exert leverage.<sup>9</sup> Investors are often not asked whether they want to consider sustainable investments. Instead of the present

*“opt-in”* to sustainable investments, investors should be able to expressly exclude non-sustainable investments when discussing portfolios with advisors (*“opt-out”*). In behavioural economics, such options are known as *“nudging”*.<sup>10</sup>

### **Public funds as a lever**

Two questions arise with regard to the investment of public funds in international cooperation: How can Switzerland best support the implementation of Agenda 2030 at an international level? How can the negative spillover effects of the Swiss financial market policy be reduced in line with PCSD criteria?

In principle, funding for sustainable development goes far beyond *“traditional development policy”*. Agenda 2030 is both integrated and transformative and so a rethink by policy makers is required; this will include for example traditional development cooperation and the application of systemic approaches in line with the *“5 Ps”* of the Agenda: *People, Planet, Prosperity, Peace and Partnership*. Public funds for development cooperation should be invested in those areas where developing countries have no or only limited access to unconditional loans and credit: to cover the basic needs of the poorest communities (*“leave no one behind”*); for sustainable infrastructure with a high societal benefit; for global public goods (e.g. peace building, ecosystem services, climate-resilient development); to encourage transformative research and education as well as social and technical innovation.<sup>11</sup> Public funds, including contributions by Switzerland to international financial institutions, should bring about a strategic leverage effect and mobilise additional funds, e.g. by means of risk guarantees and start-up capital. As well as increasing the funds on international cooperation to 0.7% of Gross National Income for poverty reduction and sustainable development – a long-standing commitment by wealthy countries – additional funds should be made available for climate protection.

A further challenge is to structure (foreign) economic policy so that it is aligned more closely to sustainability (see Chapter 2). In the areas of finance

<sup>7</sup> Federal Office for the Environment (FOEN) *“Proposals for a Roadmap towards a Sustainable Financial System”* 2016; Swiss Finance Institute *“Sustainable Finance in Switzerland: Where do we stand?”* 2016; WWF Switzerland *“Sustainable Finance – now or never”* [*“Sustainable Finance - jetzt oder nie”*] 2017; foraus *“Vision Financial Centre 2030”* [*“Vision Finanzplatz 2030”*] 2014

<sup>8</sup> Paetzold F, Busch T *“Unleashing the powerful few: sustainable investing behaviour of wealthy private investors”* 2014 *Organisation & Environment*, 27(4): 347-367

<sup>9</sup> Paetzold F, Busch T, Chesney M *“More than Money: Exploring the Role of Investment Advisors for Sustainable Investing”* 2015. *Annals in Social Responsibility*, 1(1), 194–222

<sup>10</sup> See also Swiss Sustainable Finance *“Sustainable Investing: A unique opportunity for Swiss private wealth management. Ten arguments and practical tools for client advisors”* 2017

<sup>11</sup> Schmidt-Traub G, Sachs J. / SDSN *“Financing Sustainable Development: Implementing the SDGs through Effective Investment Strategies and Partnerships”* 2015

and taxation, Switzerland continues to generate indirect, negative effects (*spillover effects*) on other countries.<sup>12</sup> This not only prevents developing countries from achieving the SDGs but also subverts the efforts of Switzerland in the area of international cooperation. Switzerland must take prompt, proactive action to improve coherence. It must reinforce its efforts and introduce effective measures, e.g. blocking unfair and illicit financial flows.<sup>13</sup>

### Recommended Actions – Finance

- 4.1 In view of global competition and the rapidly changing environment, Switzerland as a financial centre must display a consistent alignment to the requirements of Agenda 2030; it should exploit its comparative advantages, e.g. with innovations in asset management and education and training.
- 4.2 Efforts by Switzerland to alleviate poverty and promote sustainable development in emerging and developing countries should be strengthened; public spending on international cooperation should be increased to 0.7% of Gross National Income.
- 4.3 The negative impact of Swiss (foreign) economic policies on developing countries, particularly in the areas of finance and taxation, must be eliminated by prompt and effective action.

## 5. Scientific community as important partner

In Agenda 2030, SDG 17 (Strengthen the means of implementation and revitalize the global partnership for sustainable development) stresses that success depends on partnerships between policy makers, the scientific community, civil society and business. For the scientific community, this provides an opportunity to be a partner and make available knowledge for the negotiation, learning and decision-making processes. To progress from the current situation to the target defined for 2030 will require single and multi-disciplinary knowledge and technical know-how on dynamic, spatial and time-dependent processes at different scale levels (system knowledge). In addition, given that sustainable development is subject to diverging

interests and is evaluated differently, there will also be a need to work with the relevant stakeholders using transdisciplinary methods in order to define the desired changes (target knowledge) and develop joint pathways for implementation (transformational knowledge).

### Interface between science, politics and society

For the scientific community, this means partnerships with researchers from various disciplines and with players from outside their community who normally work independently of each other. Researchers must, however, enter into active, ongoing dialogue with civil society and policy makers by providing knowledge and adapted communication products. To ensure that this dialogue can take place, researchers must acquire new and additional skills and develop a better understanding of the needs of policy makers. In return, politicians, authorities and civil society must be willing to enter into a continuous dialogue with the scientific community and seek evidence-based decisions. Although the current representation of the scientific community and civil society on the various committees for sustainable development and Agenda 2030 does permit a degree of dialogue, it is not yet sufficient. Switzerland should, therefore, follow the example of Germany and not only establish an advisory scientific committee but also consider the development of a research-based policy advice centre or grouping for sustainable development.

### Growing demands on science and politics

In order to do justice to its role, the scientific community must make available new research and solutions in a suitable form. The processing of complex issues on sustainable development is made more difficult by the frequent lack of complete, current or high-resolution data. In addition, issues relating to sustainability research are characterised by a wide range of dynamic determinants and the relationship between individual determinants is either unknown or known in only rudimentary form. In addition, the way they manifest themselves differs depending upon the geographic or societal context. The research community is required, therefore, to improve the existing tools for the analysis of sustainability issues and the management of the interactions between various SDGs. For the Federal Administration's inventory, this means that the relevant areas of activity – with their sectoral

<sup>12</sup> In the Bertelsmann / SDSN SDG Index & Dashboards Report 2017, Switzerland had the worst score for financial secrecy and as a tax haven.

<http://www.sdgindex.org/assets/files/2017/2017-SDG-Index-and-Dashboards-Report--full.pdf>

<sup>13</sup> Included as an aim in the Swiss Federal Council's Strategy on Sustainable Development 2016-2019.

and often uni-dimensional indicators – must be supplemented by the addition of multi-dimensional measured variables. SDSN Switzerland also recommends that the Federal Council amplifies its possible options for the implementation of Agenda 2030 – and in particular the corresponding indicators – by adding ambitious targets covering the period between now and 2030. It is fundamentally important, therefore, to determine accurately the current status for each individual target area.

#### **Forward-looking research policy**

There is unanimous agreement that research and education are crucial for the successful implementation of Agenda 2030. However, research into sustainable issues is relegated to a niche position in Switzerland. This type of research is doubly marginalised: Firstly, the research community affords comparatively little recognition to inter- and transdisciplinary research as traditionally it has focused on single-discipline and basic research. Secondly, it is often regarded by politicians and the administration as divorced from reality and of little use in practice. This marginalisation is clear from the Dispatches on promoting Education, Research and Innovation (ERI) 2017-2020 and International Cooperation 2017-2020. Both Dispatches emphasise the importance of research for global sustainable development. However, when it comes to responsibilities each refers to the other and there is no binding commitment to provide funding.

Against this background, the comparatively small amounts of research funding in the few funding instruments in Switzerland is hardly surprising. At the same time, there is evidence that other countries are significantly increasing the importance attached to research into sustainability. Countries such as the United Kingdom and Germany together with the European Union have significantly increased their contributions to research into sustainability and published associated guidance for their implementation. For example, the British government recently launched a five-year research partnership programme valued at CHF 2 billion to meet the global challenges; it is a central element of its efforts to implement Agenda 2030 and a central plank of its development policy. The European Union is currently considering giving greater emphasis to transformational and sustainability research in its next research framework programme.

In view of preparations for the next Dispatches on Research, Education and Innovation and International Cooperation, this would be an ideal time for a re-alignment of research funding in Switzerland in favour of transformational research.

In this respect, funding streams, including the relevant departmental research pots of individual Federal Departments, should be aligned; activities should be coordinated and provided centrally with significantly more funds.

Global sustainable development can only be achieved in cooperation with developing and emerging nations. Unfortunately, these countries often lack the baseline data and information that are crucial to the process of negotiating and managing the relevant development. As a result, investments in these countries should be designed to increase research activities and their quality. However, it takes time to build capacity and so external support is absolutely essential so that baseline data of relevance to sustainability is made available as quickly as possible. Switzerland has many years of internationally recognised experience in transnational research partnerships with countries in the global South and so is ideally placed for such capacity building. It has been shown that investment in the development of research capacity exerts a positive, cost-efficient leverage effect on sustainable development in the global South. Moreover, it would allow the research community in Switzerland to generate high-quality output in areas of relevance to sustainable development. As a result, the next Dispatch on International Cooperation 2021–2024 should include research and educational partnerships between scientific institutions in Switzerland and developing and emerging countries and this should stand alongside the vocational training already included.

#### **Recommended Actions – Scientific Community**

- 5.1 The dialogue on sustainable development between the scientific community and politics should be strengthened by the creation of a scientific committee and a national research group.
- 5.2 Inter- and transdisciplinary research and education that favours the process of transformation and sustainable development must be strengthened and represent a distinct element of Swiss research funding and a priority element of international cooperation.
- 5.3 To improve monitoring of the Agenda 2030 process, the Swiss Federal Council working with the scientific community should supplement its actions and indicators by adding specific targets for the period until 2030.



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## Sustainable Development Solutions Network Switzerland

SDSN Switzerland mobilises universities, research centres, civil society organisations and business to co-create and implement transformative solutions to achieve the Agenda 2030 and the Paris Agreement on climate change in Switzerland and beyond.

SDSN Switzerland pursues 3 objectives, each of which builds on the other:

- **Shape multi-stakeholder dialogue:** Accelerate the continuous exchange of ideas and experiences and create thinking spaces for the scientific community, government, business and civil society in order to foster system solutions, build commitment and mobilise action.
- **Foster transformative solutions:** Harness scientific and trans-disciplinary knowledge to generate new evidence-based solutions, integrated policies and systemic changes.
- **Advise decision-makers:** Offer evidence-based advice to decision-makers in politics, business and society in order to fill policy gaps and motivate normative change.

*Background:* In 2012, the UN Secretary-General Ban Ki-moon launched the UN Sustainable Development Solutions Network (SDSN) to mobilise global scientific and technological expertise to promote practical problem-solving for sustainable development. Following the adoption of the Sustainable Development Goals and the Paris Agreement on climate change, SDSN is committed to supporting the implementation of these agreements at local, national, and global levels. Currently, SDSN counts more than 500 member institutions from over 80 countries, and more than 20 national and regional SDSNs.

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