

Peaceful and Just Societies: A Key Factor in Financing for Sustainable Development

Input to the third Financing for Development Conference

Published: May 2015

Recommendations:

1. Include language in the final outcome document on reducing and reallocating military spending to fund the Sustainable Development Goals (SDGs).
2. Establish an expert inter-agency working group, within the framework of the UN's High-Level Political Forum or other follow-up mechanism, to develop a roadmap for reducing and reallocating military spending to support the SDGs.

Introduction

As the Third Conference on Financing for Development (FFD) in Addis Ababa sets out to resolve the challenges of development financing, the World Future Council and the International Peace Bureau, with the endorsement of other civil society organizations, take this opportunity to outline their position and present recommendations. They put a particular focus on peace as a Sustainable Development Goal, and will address the financing shortfall, focusing on the Domestic Public Finance aspect of resource mobilization.

Our recommendation is that the pursuit of peaceful and inclusive societies (Goal 16) must remain one of the central aims for which FFD policies are created. This is on account of the inextricable link between a secure environment and the capacity for sustainable development. Military budgets comprise a significant portion of national budgets worldwide¹, and are often both excessive and ineffectual in achieving security. In our view, these excess resources should be used to fund the SDGs. Further, the increasing militarization of the planet negatively impacts the ambitions of the sustainable development agenda. For these reasons we call for reduction in military spending and reallocation of the saved resources to fund the SDGs—and also efforts to tackle climate change.

¹World Bank statistics reveal a range of percentages, up to a high of 44.3% in 2012:
<http://data.worldbank.org/indicator/MS.MIL.XPND.ZS>

Domestic Public Finance

We note with concern the absence in the Domestic Public Finance section of the Action Agenda of any mention of pursuing peace in the FFD outcome document, and we repeat the crucial importance of a peace-focused environment in order to ensure sustainable development. The section highlights the need to strengthen the mobilization and effective use of domestic resources. We further recommend that there be special emphasis on military spending at national level, since it is a well-documented fact that the defense sector suffers from both inefficiency and corruption².

We also draw special attention to previous UN documents such as Article 26 of the UN Charter, which explicitly requires that international peace and security be promoted and maintained with “the least diversion for armaments of the world’s human and economic resources.” In 1992 the Rio World Summit endorsed *Agenda 21* which, when addressing innovative financing, explicitly recommends the reallocation of military spending towards funding developmental and environmental goals. (*See Annexe for references*).

Military funding as a way to fill the gap

One of the main tasks of the FFD Conference, as outlined by the UNGA, is to identify financial resources for development and other means to support the implementation of the Post-2015 Development Agenda. Two key recommendations identified in the UN Sustainable Development Report are to raise new and additional resources and to reallocate existing funds toward sustainable development. While studies show there are currently substantial financial shortfalls in funding for development, they also demonstrate that other resources would be available to fund the SDGs if the political will to reallocate could be generated. What is needed now is the effective mobilization of these resources.

Military spending is a source of domestic public finance that should be of particular interest due to its discretionary nature in most national budgets. Global military expenditure reached an estimated \$1.78 trillion in 2014³, a higher total than at the peak of the Cold War. Meanwhile many states have not yet achieved the UN’s development aid target of 0.7% of GNP, and even wealthy countries fail to effectively tackle their own socio-economic challenges. If a portion of global military expenditures were freed up, they could provide a significant source of SDG funding.

The specific call put forward by the International Peace Bureau and World Future Council is for an annual 10% reduction in military spending by all states, to be reallocated over the 15-year period of the SDGs to the financing of both the Post-2015 Development Agenda and the Green Climate Fund.

We recognise that there is no guarantee that if governments decide to reduce military spending the funds would necessarily be reallocated to social and development programmes. It is therefore vital to establish a mechanism within the framework of the FFD process to ensure savings are actually transferred to such programmes. For this, an interagency working group under the auspices of the UN within the framework of the High-Level Political Forum (or other follow-up process) should be established. As indicated above, what is needed to ensure the successful implementation of the Post-

²https://www.transparency.org/whatwedo/publication/working_paper_02_2007_addressing_corruption_and_building_integrity_in_defen

³ www.sipri.org

2015 Development Agenda is sufficient political will to ensure a comprehensive approach to financing sustainable development. The working group could establish procedures, targets and benchmarks to ensure inclusion of military budgets in the scrutiny of domestic funding sources.

Peace as an SDG in reference to the FFD Outcome Document

While Financing for Development is a distinct process from the Post-2015 Agenda, going well beyond funds for the proposed SDGs, the two processes are obviously interlinked and synergistic. The Financing for Development outcome document should therefore support the achievement of all proposed SDGs. Of particular importance is proposed **SDG 16** to “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.” Creating an enabling environment is impossible without ensuring peaceful and just societies. This should be kept in mind and consistently referred to in the final outcome document of the FFD Conference.

Security Benefits of Funding the SDGs

Pursuit of the SDGs not only promises the moral benefits of improving the situation of all populations world-wide; it also offers practical benefits for nation-states. Development and peace are two key concepts that work to reinforce one another, since development is impossible in an environment lacking peace and security, and conversely peace and security cannot be achieved without adequate provision of public goods, which is accomplished in large part through sustainable development programmes. In well-developed, stable societies where there is respect for the rule of law, there should be less need for heavily-funded, states-of-the-art-defence forces. This argument applies both within countries, between them and ultimately at the global level. Ensuring that the SDGs are fully and effectively financed will in the long run not only benefit disadvantaged communities, but will concretely improve the international security system on which development depends.

UN Precedents

The connection between disarmament and development within the context of the UN is not new. The argument that too much money is spent on the military and not enough on human welfare and development has been made repeatedly, and many UN resolutions have been adopted to challenge the disparity. The FFD outcome document should therefore remain consistent with this well-established UN position. Specific references should be made to the military spending of governments in the Domestic Resource Mobilization section of the Action Agenda. A reduction of military spending and reallocation of the saved funds to the SDGs should be considered as a matter of priority at the FFD conference.

This paper was prepared by the World Future Council and the International Peace Bureau, and endorsed by numerous Civil Society Organizations. Further endorsements can be sent to Jennifer Pampolina (jennifer.pampolina@worldfuturecouncil.org)

For further information, please contact:

Holger Guessefeld, World Future Council holger.guessefeld@worldfuturecouncil.org

Colin Archer, International Peace Bureau secgen@ipb.org

ANNEXE: References to Disarmament and Development in UN documents

(1) Charter of the United Nations (1945), Chapter 5, Article 26:

“In order to promote the establishment and maintenance of international peace and security with the least diversion for armaments of the world's human and economic resources, the Security Council shall be responsible for formulating, with the assistance of the Military Staff Committee referred to in Article 47, plans to be submitted to the Members of the United Nations for the establishment of a system for the regulation of armaments.”

(2) Long series of UNGA Annual Resolutions on Disarmament and Development, from the 1950s onwards – most recently [A/C.1/69/L.42 – October 2014](#) :

“...Urges the international community to devote part of the resources made available by the implementation of disarmament and arms limitation agreements to economic and social development, with a view to reducing the ever-widening gap between developed and developing countries;

...Encourages the international community to achieve the Millennium Development Goals and to make reference to the contribution that disarmament could provide in meeting them when it reviews its progress towards this purpose, as well as to make greater efforts to integrate disarmament, humanitarian and development activities..”

(3) 1987 UN Conference on Disarmament and Development: (attended by 150 governments)

“The world can either continue to pursue the arms race with characteristic vigour or move consciously and with deliberate speed towards a more stable and balanced social and economic development within a more sustainable international economic and political order; it cannot do both” (from the Final Document)

(4) UN World Summit 1992 in Rio de Janeiro, Agenda 21, Chapter 33, Articles 16 and 18:

33.16. Funding for Agenda 21 and other outcomes of the Conference should be provided in a way which maximizes the availability of new and additional resources and which uses all available funding sources and mechanisms. These include, among others:

33.18. Innovative financing: New ways of generating new public and private financial resources should be explored, in particular:

.....33.18. (e): The reallocation of resources presently committed to military purposes.

(5) UN Fourth World Conference on Women 1995 in Beijing, China, Strategic Objective and Action Plan:

E.2. Reduce excessive military expenditures and control the availability of armaments:

Actions to be taken by governments:

143.a. Increase and hasten, as appropriate, subject to national security considerations, the conversion of military resources and related industries to development and peaceful purposes

143.b. Undertake to explore new ways of generating new public and private financial resources, inter alia, through the appropriate reduction of excessive military expenditures, including global military expenditures, trade in arms and investment for arms production and acquisition, taking into consideration national security requirements, so as to permit the

possible allocation of additional funds for social and economic development, in particular for the advancement of women

(6) UN General Assembly, 23 June 2004: The relationship between disarmament and development in the current international context, Report of the Group of Government Experts:

Paragraph 41: *“The acquisition of arms is rooted in a State’s concern for its security and independence, which are protected under the Charter of the United Nations. A State is unlikely to willingly reduce or eliminate weapons without its security being ensured by other means. In this regard, weapons reduction or collection, confidence-building, adherence to international law, cooperation in multilateral and regional forums, respect for human rights and fundamental freedoms, and good governance are examples of possible ways to promote peace and security at lower levels of military expenditure. A **higher level of security at lower levels of armament** can create an environment conducive to economic and sustainable development, paving the way for trade and technological cooperation and **freeing resources for more productive activities and for combating non-military threats to peace and security.**”*

Paragraph 46: *“Reducing military expenditure in itself does not necessarily mean that additional resources will be available for development. **There must be a decision at the national level to reallocate released resources to development, for either national socio-economic spending or ODA.**” (our emphasis)*

(7) UN Human Rights Council: Report of the Independent Expert on the promotion of a democratic and equitable international order, July 2014 (devoted in large part to the issue of military expenditure):

“Downsizing military budgets will enable sustainable development, the eradication of extreme poverty, the tackling of global challenges including pandemics and climate change, educating and socializing youth towards peace, cooperation and international solidarity. A concerted effort at the conversion of military-first economies into human security economies will also generate employment and stability.”
