

Briefing note

External stresses and the post-2015 framework: Three key questions

The transnational nature of external stresses that fuel conflict, insecurity and underdevelopment means that international cooperation is required to find lasting solutions. The post-2015 development framework offers an opportunity to catalyse such action. This commentary explores three key issues that need to be considered in more depth as final negotiations on the post-2015 agenda are set to start.

The evidence is clear that poverty can't be eradicated without addressing violence and its drivers. Domestic factors drive violence, but it is also fuelled – and made more intractable - by external factors, reflecting dynamics beyond a country's borders. Prominent examples include the trade in conflict commodities like diamonds, the market for illicit drugs, or the flow of arms. External stresses like these are driven by forces of globalisation that span continents. Their roots in developed countries can be far removed from their destructive impacts on affected communities from the Congo to Colombia. While developing countries need to build domestic resilience to reduce the impacts of external factors, lasting solutions require all countries to buy into collective action at the global level.

Whether the existing system of global governance is able to act decisively is open to question. The post-2015 development framework which will succeed the Millennium Development Goals (MDGs) is a chance to affirm a more decisive, effective approach to external stresses. As a common developmental vision of our future world, the post-2015 framework would be neither successful nor comprehensive without a strategic focus on the most significant external stresses.

Recognising these concerns, the UN Secretary-General's High Level Panel on post-2015 usefully highlighted external stresses as an issue to be addressed in the new framework – and the Open Working Group (OWG) on Sustainable Development Goals has just followed suit: agreeing a target (16.4) to 'significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime'. However, while there is little doubt that these issues will feature in the final negotiations on the post-2015 framework at the UN General Assembly, to be finalised by September next year, they need to be discussed in much greater depth to ensure full buy in to the right commitments. How and what to prioritise? What should targets look like? And how should they link to existing initiatives and the rest of the goals and targets?

1. Prioritising external stresses

Saferworld recommends using three **criteria** to assess whether a particular external stress should be included in the post-2015 framework:

- a. its impact on sustainable development should be high
- b. progress in addressing it should be measurable
- c. sufficient consensus should exist between states on the nature of the stress and the need to address it in a development framework

Starting with the assumption that **environmental stresses** will unquestionably be a key focus of the framework, and that the role of **national security agendas** in driving conflict is a controversial issue that the

UN Security Council is placed to address, a <u>new Saferworld report launched in April</u> examined seven other categories of external stresses for inclusion in the framework:

- Illicit financial flows
- The illicit trade in drugs
- International trade in conflict resources
- International arms flows

- Violent extremism and terrorism
- Migration
- Volatile commodity prices and financial shocks

Based on the criteria above, we suggested four external stresses be prioritised for discussion:

<u>Drugs</u>	The illicit drugs trade is a huge driver of violence and source of profit for violent actors
	around the world. 50%-85% of the profits of transnational organised crime were
	attributed to drugs in 2010. The drugs trade has an annual value between \$100 billion
	and \$500 billion. Added to this is the cost of the war on drugs, in all its guises. The
	human toll of the drugs trade and securitised responses to it is further illustrated by the
	estimated 60,000 deaths from drug-related violence in Mexico alone since 2006.
Arms	Arms flows can impact on the duration, lethality and intensity of a conflict. Of the 49
	major conflicts in the 1990s, small arms were the key weapons in 47 of them. Nearly all illicit arms have their origins in the legal market, so our commitments to refrain from irresponsible arms trade as defined by the Arms Trade Treaty will be crucial for
	enabling peaceful and sustainable development.
Conflict	There is a robust body of evidence that suggests that when other conflict risk factors
commodities	are present then the international demand for certain natural resources can have a significant impact on both the risk and nature of conflict. The extremely destructive Congolese civil war is perhaps the context where the links between violence and the trade in conflict commodities has been best documented, but there are many other examples, including Nigeria, Cambodia, Myanmar, Liberia, Angola and Sierra Leone.
Illicit financial flows	International Financial Flows (IFFs) pour out of developing country economies at a staggering rate. Estimated at roughly \$1 trillion per year, they dwarf Official Development Assistance and Foreign Direct Investment. What is less well known is that, bound up with the trade in arms, drugs and conflict commodities, IFFs have fed conflict or significant violence in a number of contexts in recent decades. Transnational crime and illicit financial flows are also weakening the governing institutions that are vital to both peace and development, because those who gain from illicit financial flows often have an interest in corroding institutions.

1. Turning priorities into targets

Ideally, each external stress would have its own individual target in the post-2015 framework. However, this is unlikely: one of the biggest challenges member states currently face is consolidating the huge number of targets that have been proposed. This means that a commitment to address external stresses will need to be squeezed into one or possibly two targets. These targets should:

- articulate the actual outcome required targets that focus on actual reductions in the stresses themselves (less irresponsible arms trading, lower illicit financial flows etc) will be more effective in motivating the right actions than targets that focus only on capacities (tax and customs systems, financial transparency laws and information exchange etc).
- require all countries to take a fair share of responsibility addressing external stresses will require
 concerted action by countries responsible for driving them. Strengthening international frameworks and
 mechanisms should not absolve individual countries from their responsibility.
- do no harm the complex nature of external stresses could lead to unintended consequences.
 Approaches to dealing with drugs trafficking exemplify the risks: military and law enforcement responses to the problem have in some cases multiplied violence without solving the problem. The evidence suggests that innovative international cooperation is required to address this problem in more effective and less violent ways. So any target on drugs must be framed carefully to address this concern.

Saferworld is recommending two targets covering four priority issues:

- By 2030, reduce illicit financial flows, including money laundering, tax evasion, trade mispricing, transnational corruption and bribery by x%, and recover at least y% of illicit financial flows, by 2030.
- By 2030, significantly reduce international stresses that drive conflict, including irresponsible trade in arms and conflict commodities, and the violent impact of drugs trafficking.

These targets allow for a more nuanced focus on the important issue of illicit financial flows alongside careful wording on the other issues. We listed indicators that could offer the basis for measuring these two targets in our April report.

An alternative approach would be a single target covering four priority issues:

Prevent the illicit and irresponsible flow of finance, arms, drugs and conflict commodities.

This option contributes to the consolidation of targets and is simple to understand. However, it would require a range of carefully selected indicators to effectively measure such a wide array of issues.

2. To catalyse or to duplicate?

In terms of how such targets could best be implemented, at a recent Saferworld conference on external stresses, one expert described international initiatives on external stresses as 'a flotilla for which the post-2015 framework could be the admiral'. Existing initiatives include the focus on responsible arms transfers under the UN-negotiated Arms Trade Treaty (ATT), the work of the Financial Action Task Force to curb illicit financial flows, and the efforts to end the trade in conflict commodities under the Kimberley Process and the Extractive Industries Transparency Initiative. To avoid adding to the considerable challenges facing global governance, we need to build on rather than duplicate such mechanisms.

One way to catalyse action through existing frameworks would be to use them as the basis for indicators under each target on external stresses. For example, a target which includes a focus on arms transfers could use the ratification of the ATT and progress reports on its implementation to generate two key indicators.

At the same time, some existing international processes are currently ineffective in addressing external stresses: member states should avoid binding themselves more tightly to them or focusing attention where it will have no impact. A further challenge here is that not all member states buy into prominent multilateral frameworks – either actively rejecting them or arguing that they played no role in their creation. This calls for renewed dialogue to extend political buy-in to shared priorities.

External stresses within a holistic framework

Beyond specific targets to address external stresses, it will also be important to analyse the rest of the framework to ensure it helps address external stresses or at least manage their impact. For example, targets related to natural resource management have obvious implications for conflict commodities. An effective target on corruption would reinforce one on illicit financial flows, just as a target on people's security could support a target on transnational organised crime. Progress on a range of governance targets would be very important for achieving progress on a host of transnational threats. Finally, issues of economic and social inclusion often explain why some stresses take root in different localities. This means we need to look across the framework as a whole.

Conclusion

External stresses must not be overlooked in the post-2015 framework. But addressing them effectively will need patient discussion of the evidence so the right issues are prioritised and framed in a way that establishes the right incentives, does no harm, and assigns responsibilities to the right places. As the dust settles on the OWG, and with final negotiations on the horizon, much work will be needed to generate buy-in to renewed, urgently-needed global action.

This briefing note is based on Saferworld's <u>own research on external stresses</u> and a seminar held in May 2014 in The Hague which bought together a group of security, development, organised crime and global governance experts from across the world to foster a shared understanding of transnational threats and stimulate innovative thinking on responses. You can find the <u>seminar report here</u>.

About Saferworld

Saferworld is an independent international organisation working to prevent violent conflict and build safer lives. We work with local people affected by conflict to improve their safety and sense of security, and conduct wider research and analysis. We use this evidence and learning to improve local, national and international policies and practices that can help build lasting peace. Our priority is people – we believe that everyone should be able to lead peaceful, fulfilling lives, free from insecurity and violent conflict.

We are a not-for-profit organisation with programmes in nearly 20 countries and territories across Africa, Asia and Europe.

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