
Keynote address by Ms. Izumi Nakamitsu
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Thank you for the kind invitation to this Conference.

I very much welcome the opportunity to discuss with you the key trends and challenges affecting sustainable development and peace and security globally, as well as the areas for cooperation that I see. This forum is particularly important because these challenges - and the solutions they require - are not confined to the United Nations or to governments, but in fact affect everyone.

I am grateful for the chance to speak to a private sector audience – an opportunity I do not get too often. This community, and financial institutions in particular, have a key role to play in addressing many of the critical issues facing our common humanity. This includes, notably, the Agenda 2030 and Sustainable Development Goals and the myriad of threats to peace and security, including the two existential threats – the Climate Crisis and the increasing threats posed by nuclear weapons.

In my brief remarks, I will try to summarize the global trends we are facing in the areas of international relations, sustainable development and peace and security; the challenges and opportunities these trends present; and possible solutions for joint action.

The global context, trends and challenges

Today, the global picture is increasingly complex, and possibly showing signs of a “tectonic shift.”

While we have witnessed the promise and hope presented by the Agenda 2030 and its universal Sustainable Development Goals, we have also seen the geopolitical sphere become increasingly fragmented, distrustful and militarized. A spirit of international cooperation has turned to unilateralism in many countries, initially triggered by the migration and refugee crisis in 2015 and the frustration and despair of the people who feel left behind by the benefits of globalization.

We are also seeing global norms and the rules-based international order challenged and undermined by so-called “great power politics.” The world today is much more complex than the bipolar system under the Cold War, with several regional powers on the rise with
increasing economic, military and political influence. Terrorist and cross-border criminal organizations increasingly seduce unemployed and marginalized youth.

Against this background, conflicts continue to flare across the world and are becoming increasingly complex and protracted.

The human and financial toll of these conflicts has been devastating. The number of people fleeing war, persecution and conflict is the highest on record. Illicit arms trade and the proliferation of weapons further fuel and exacerbate violence.

The economic cost of this violence is also staggering: The Institute for Economics and Peace estimated that in 2017, the economic impact of violence on the world economy was $14.76 trillion – or about 12.4% of global GDP. The majority of this is in military expenditure, highlighting the criticality of ensuring national security through increased diplomacy and disarmament.

Changes to the nature of conflict and crisis are not occurring in isolation. Climate change, and the ramifications it has on the availability of already scarce resources and livelihood opportunities for people around the globe, represents both a crisis in and of itself and a catalyst for further conflict.

Finally, among these various developments at a global scale, revolutionary developments in technology will also have profound impact on every aspect of our lives and society. New technology will bring enormous benefits, including on the prospects for sustainable development. But artificial intelligence, cyber technologies, or hypersonic weapons could profoundly change the nature of conflict, and our ability to maintain international peace and security.

We are seeing many of these dynamics play out in my field of disarmament, where the erosion of multilateralism on these issues could have catastrophic consequences.

Our work in the disarmament field is, on the one hand, increasingly focused on preserving the tenuous existing international norms and the web of instruments designed to prevent any further use of weapons of mass destruction and to bring about their elimination. On the other hand, there is a clear need to start reflecting on a new vision for arms control and disarmament in a world that is going through these major shifts.
What should we do?

Having painted a rather disquieting picture, am I in despair? My answer is no; I am hopeful, and I can tell you three reasons why. First, we have a solid, comprehensive and universal framework called the Agenda 2030 and the Sustainable Development Goals, around which all of us can galvanize our actions on these various challenges in a coherent manner. Second, as we see challenges to multilateralism, we also hear rising voices and energy to defend it, and even further strengthen and develop it to make it more inclusive and relevant in this century. And third, we are beginning to witness new partnerships, new concrete ideas and initiatives with the private sector in tackling our global challenges. Let me elaborate briefly.

The Agenda 2030, SDGs and Disarmament Agenda

The Agenda 2030 set our sights on a fair globalization and opportunity for all on a healthy planet through: an end to extreme poverty and hunger; equality for women and girls and empowered young people; a low carbon, climate-smart economy with decent jobs, inclusive growth and shared prosperity; and peaceful and just societies, human rights for all, and respect for the rule of law. And to borrow the Secretary-General’s words, “The good news is that the 2030 Agenda is coming to life.”

We know that there is still a tremendous amount of work ahead of us, but we see that governments, north and south, central to municipal to local, have begun integrating the Goals into their plans and strategies. The private sector is coming to understand that green business is good business. The SDGs are no longer just a measure for companies’ corporate social responsibility, but they are beginning to be mainstreamed into core business strategies. This is a major change.

Another reason why I see hope in the Agenda 2030 and the SDGs is its comprehensive and universal nature, which enable us to further develop detailed strategies on a given aspect, and to build clear linkages between sustainable development and other issues. Key new commitments for climate action in the framework of the SDGs are a case in point. Put simply, there is no quick fix to the challenges I painted earlier. Implementing the SDGs and taking further and additional actions within that framework is the only way.
In 2018, the Secretary-General also took the initiative to launch his comprehensive Agenda for Disarmament, which has a clear link with the SDGs.

His Disarmament Agenda focuses on practical measures across four pillars: disarmament to save humanity, disarmament that save lives, disarmament for future generations, and partnerships for disarmament.

Through 40 practical actions, it seeks to foster peace and eliminate the risk posed by weapons of mass destruction, while ensuring strict regulation of conventional arms and emerging weapons technologies.

It places disarmament within the broader scope of our international security work, including on sustainable development, conflict prevention and peacebuilding.

The connection between disarmament, arms control and development is clear: excessive arms accumulation and military spending diverts much needed resources for development while fueling armed conflict with severe humanitarian consequences. This connection is even written into the UN Charter, which cites disarmament as a precondition for durable peace, security and development.

Sustainable Development Goal 16 on peaceful and inclusive societies, justice and strong institutions encapsulates the linkages between disarmament and development and their contribution to broader international peace and security.

Objectives such as reducing armed violence and related death rates (16.1) and reducing illicit arms flow (16.4) clearly tie disarmament objectives to development. By removing the means for violence and creating more peaceful societies, we are creating the necessary conditions for positive and inclusive economic growth.

Goal 16 is not the only place where disarmament and development objectives overlap – both agendas also support women’s empowerment, greater protections for civilians, and decent work and economic growth.

*Revitalizing multilateralism in the 21st century*
The United Nations is set to celebrate its 75th anniversary next year. Following the devastation of the WWII, governments came together and created an instrument called the UN, composed of governments, to resolve disputes peacefully through dialogue and negotiation, agree and promote norms, and help the most vulnerable people through humanitarian and development actions. This is called multilateralism.

In today’s increasingly connected, flatter and borderless world, it is clear that governments alone cannot solve the challenges. Partnerships, including with the private sector and civil society, will be critical to achieve our common goals and combat the challenges I mentioned before.

In the Secretary-General’s speech to the General Assembly last month, he spoke of a networked and inclusive multilateralism that included closer cooperation with other international and regional organizations, as well as business, civil society and other stakeholders.

A diverse range of voices, including women and youth, will be key to harnessing the full breadth of humanity’s creativity and innovation to find new solutions to existing problems.

A new form of multilateralism is already emerging. As one concrete example, I spent considerable time during the High-Level Week of the General Assembly last year and again this year with private industry people discussing issues related to cyber security and the impact of new technologies on international peace and security. For the first time, the United Nations will be organizing an important global “multi-stakeholder conference” on this subject in December.

Let me focus now in the critical role of business and the financial sector.

**The role of the business/financial sector in advancing sustainable solutions**

It is widely recognized that, to achieve the SDGs by 2030, the private sector must be fully on board. With an estimated development investment gap in the trillions of dollars, closing the funding gap cannot be achieved through official development assistance alone. However, SDG achievement hinges not only on mobilizing more money. It is about the interaction of public and private actors in tackling the different dimensions of sustainable development – economic, social and environmental.
SDG achievement through responsible, long-term investment

Historically, the private sector has played a key role in economic development and poverty reduction – creating jobs, advancing innovation and efficiency, harnessing social investments, and advocating for new social norms and behaviors. This role remains paramount today. However, the SDG era compels businesses to fundamentally reassess their investment strategies and choices, incorporating social, environmental and governance considerations into a responsible and long-term focused approach. It requires them to move beyond traditional risk management to a more diversified approach.

Businesses can contribute to SDG achievement, and through it also to international peace and security, by making economies work for all: supporting inclusive growth and promoting new business models and responsible investment practices that drive sustainable, green, developed economies. Social impact business models, including social impact and green bonds, as well as blended financing approaches, can be critical accelerators in this regard. So too can instruments such as disaster risk insurance in helping to increase resilience to the consequences of the growing Climate Crisis. The tremendous growth rate of green bonds in global markets over the past five years is testimony to the financial sector’s recognition that responsible investment is not only a moral imperative, but also good business.

Indeed, the impact of responsible investing can be diverse and profound. It can support gender equality and empowerment by making more loans available to women and ensuring their equal representation. It can enable essential climate action by divesting from fossil fuels and pollution and promoting green energy. Given the interlinked nature of the SDGs, investment in one supports the advancement of all.

Principles for Responsible Banking

As representatives of the financial sector, your role carries particular weight. In this regard, let me say a few words about the Principles for Responsible Banking, launched at this year’s UN General Assembly with the support of the Secretary-General. They provide a useful and positive framework through which private sector and financial institutions can contribute to sustainable development. Jointly created by the UN and the finance industry, they are aligned with the achievement of the SDGs and the Paris Climate Agreement and stand to contribute significantly to global efforts on both.
Over 100 banks, including several here in Japan, have already become Signatories, which is an encouraging start. These institutions have committed themselves to take on a leadership role in accelerating changes to our economies that are critical to achieving the SDGs. I understand the Japanese sustainable finance forum, Japanese Principles for Financial Action, held an event on the launch of the Principles in Tokyo just a few weeks ago. I applaud this effort, and I hope some of you will consider joining this endeavor if you have not already.

*Private sector and peace and security*

I see also a key role for business and the banking sector when it comes to contributing to global peace and security, including disarmament.

Firstly, through a “do no harm approach” to investment. Investments must be sensitive to conflict dynamics, considering not only the business environment, but equally political and socioeconomic factors.

As the UN-World Bank report, *Pathways for Peace*, lays out, the best way to prevent societies from descending into crisis is to ensure that they are resilient through investment in inclusive and sustainable development.

As I mentioned, business should give careful thought to their investments in industries that derive their profits from products that are counter to the SDGs, such as weapons manufacturers and fossil fuels. If we can take the money out of those industries and put them behind the SDGs, we will take a massive step in the right direction: towards sustainable development and peace.

Secondly, let me highlight the important link between game-changing digital technologies and achievement of SDGs and peace, and the role of the financial sector. As the Bank of Montreal’s Chief Information Officer Ms. McGowan stated at the UN in May this year, “even multibillion-dollar companies are finding it hard to keep up. For the 3 billion people who lack connectivity, it is natural that many feel a sense of excitement, but also fear, confusion and anxiety”. We must work to safeguard development gains, prevent further digital divide, and minimize conflict risk by ensuring new and emerging technologies are used for peaceful purposes.
The financial industry knows well the potential harm caused by cyber-attacks and are best placed to help ensure cyberspace remains a domain of peace and prosperity for all.

As part of the solutions, the private sector can lead in fostering and implementing responsibility in innovation, for instance by ensuring that the software they develop is as secure as possible, and to not sacrifice security for speed of marketing. It can also help to educate the next generation on ways to harness technology’s power for good.

Your businesses can also become cyber-norm leaders. As the international community enters into more serious debates on these issues, we want to work with business leaders, researchers, industry, and educators to encourage responsible innovation of science and technology. We must together ensure that the so-called “fourth industrial revolution” brings benefits to humanity, helps achieve SDGs, and maintains human security for all.

Towards a new era of partnership and inclusive multilateralism

As I outlined at the outset of my remarks, our planet and humanity are facing unprecedented challenges on a range of issues.

Looking towards 2020 and the UN’s 75th anniversary, the UN Secretary-General has issued a call to “join the world’s biggest conversation” – a conversation on how we collectively can reinvigorate global cooperation to share a viable future for all. This requires work across borders, sectors and generations.

I spoke earlier of a “networked, inclusive” form of multilateralism, one that harnesses expertise from all sectors. Don’t get me wrong. This does not mean that governments will be set aside, or that governments will no longer have to take responsibility. Quite the contrary.

However, the level of ambitions of the SDGs, and the existential challenges that confront us in the Climate Crisis as well as in ensuring peace and security in the 21st century will require collective actions by all of us, at the global, regional, national and local levels. Actions that stand to transform our societies in lasting ways.

I look forward to hearing your views on the issues and possible pathways I have described, and to learning from your experience. I hope I can count on you to be part of the conversation and change that will shape our common future.
Thank you.