

Input by Janez Potocnik to the HLPF consultation process

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Session: Protecting the planet and building resilience

Pursuing policies, investments and innovation to address disaster risk reduction and protect the planet from degradation

Introduction

The 2030 Agenda is rooted in the idea that human development and wellbeing cannot be achieved without simultaneously safeguarding and investing in nature and managing disaster risk in a systemic manner—otherwise development gains will be short lived and unequally distributed. Biodiversity loss, land and forest degradation, climate change, and disasters are threatening progress toward sustainable development. Actions to advance economic and social development need to address these threats and build resilience including through nature-based solutions, sustainable consumption and production practices and accounting for the true value of nature.

The past decade—in particular the COVID-19 crisis—has revealed the systemic nature of risk and the cascading impact of disasters across all three dimensions of sustainable development. The natural environment is humanity's first line of defense against many hazards, and nature-based solutions must be scaled up to manage disaster risks, build resilience and leave no one behind. These issues are addressed directly in SDGs 12, 13, 14, and 15, but they are foundational to the entire 2030 Agenda, including poverty eradication, health, food security and inclusive economic growth and sustainable livelihoods. The current session will highlight opportunities and innovations that can build resilience and manage risk while securing livelihoods and safeguarding the planet.

Guiding questions

1. *Systems transformation*

What are the fundamental systems transformations needed to halt nature degradation, reverse loss and manage risk, while eradicating poverty, ensuring food security for a growing population, securing livelihoods and promoting resilience?

In short: The systems transformation needed is ‘Decoupling’ – transforming the economy to targeted societal needs at minimal resource use and thereby delinking socioeconomic development from natural resources use and negative impacts.

Explanation:

Achieving systems transformation requires building a new economic model that shifts from uncontrolled resource use and further degradation of our natural resources to an efficient and circular model of purposeful consumption. *Decoupling* prosperity from resource use and environmental impacts must therefore become our economic paradigm to secure a safe future for humans and redefine growth.

A first step to understand the described challenges can be applying the ‘DPSIR’ logic [IRP (2019) Global Resources Outlook Report 2019]. Systemic challenges to the SDGs can be better understood when considering the DRIVERS, PRESSURES, STATES, IMPACTS and therefore effective RESPONSES. Systems transformation will be successful when the underlying drivers of challenges are addressed, not only their symptoms. The way we manage natural resources, currently mostly in wasteful and polluting production and consumption models, is a root cause for most of today’s economic and environmental challenges – driven by adverse economic market structures that incentivize mass production rather than purposeful (circular) production to service societal needs with minimal resource input.

The IRP Global Resources Outlook report (2019) demonstrated the systems-impact of natural resource use. Extraction and processing of resources alone (biomass, metals, non-metallic minerals and fossil fuels) caused 90% of global land-use related biodiversity loss and water stress in 2017, and over 50% of climate change impacts. Moreover, global economic growth has been a main driver for global resource use to more than triple since 1970. Crucially, global material productivity – the efficiency of the use of resources – grew until the end of the 20th century, but then started to decline and has stagnated in the recent years due to the structural shift of the production from more to less resource-efficient countries. Resource use is not only wasteful, it is also highly unequal around the world. High-income countries such as Europe and North America consume about 13 times more material resources than lowest-income countries (measured in Material Footprints).

The many reasons humanity is currently on the path to failing the targets set by the Sustainable Development Goals (SDGs) can be traced back to a core principle: the wasteful, inefficient, and unequal production and consumption of natural resources and the economic incentives driving these patterns. In effect, SDG 12, “Sustainable Consumption and Production,” is more than just one out of 12 goals – it is a systemic lever to address almost all other SDG ambitions.

In short, decoupling of the economic growth and wellbeing from the resource use and environmental impacts should become an explicit perspective in all SDG relevant policies, for example climate and industrial policies.

2. Specific actions to drive transformation

Please describe 2-3 specific, promising actions at different levels that can drive these systems transformations. These actions could relate for instance to scaling up the use of nature-based solutions, sustainable consumption and production, or other approaches. How have these actions helped (or how could they help) break down siloes, support the systemic management of risk, and trigger positive changes in society? How can co-benefits between actions be maximized and the risk in trade-offs stemming from these actions (i.e. negative impacts on other aspects of the 2030 Agenda) managed?

In short: The required specific actions to drive transformation are actions of resource efficiency and circular economy in market incentives and policy, technological and business leadership.

As described in the question above, the key component to drive transformation the International Resource Panel (IRP) suggests is 'smarter resource use'. This means the purposeful, efficient use of natural resources across the whole value chain to meet societal core needs (e.g. mobility or housing) at minimal resource input and pollution.

Importantly, these resource efficiency actions are not only mitigation tool, focused on making things "less bad" or "less costly", but a powerful approach to reaching a new type of economic development that increases prosperity, improves health and overcomes our dependency on natural resource consumption.

Smart resource use in decoupled business models is a huge untapped field for innovation and can have positive effects on economic development and wellbeing. IRP modelling suggests that an increase of 8% in the global economy above a historical trends is possible until 2060 through efficiency measures in construction and manufacturing alone (IRP 2019). (Note that this modelling is still using GDP as indicator for economic development. When counting with an integrated picture of prosperity, the gains would be even larger).

To give concrete examples of resource efficiency and circularity actions in key areas of societal wellbeing:

- For a resilient and SDG-conducive urban environment we must shift towards material-efficient mobility and housing models which reduce emissions by increasing the intensity of use as well as their material durability and circulation. This includes smarter multi-party residences of modern design and construction technologies, that provide high-comfort and healthy living at minimal material and space use. This also includes multi-modal transport systems with car-pooling and sharing that make private car use largely unnecessary, avoiding the currently great losses in urban productivity caused by congestion, underutilized space, and pollution. Furthermore, city planning, and urban investments should focus, particularly in developing and fast-growing cities, on 'circular urban metabolisms' including the planning in high density, mixed-use and resource-efficient settlements, well connected by multi-mode and low-carbon

transport systems. [IRP (2020) Resource Efficiency and Climate Change: Material Efficiency Strategies for a Low-Carbon Future; IRP (2018) The Weight of Cities].

- For a resource-efficient food system we have to be more efficient both in the ways we produce, and we consume. This includes investing into plant-based proteins (as calories from meat are highly inefficient) and reducing waste (e.g. by incentivizing the collection and composting food residues and recycling nutrients as production inputs) on the consumption side. It also includes improvements on the production side, e.g. investing in new farming technologies (e.g. drip irrigation, 'low till and precision agriculture' or digital monitoring and planning) and higher crop variety (for better resilience) to increase productivity and lower nitrogen losses and water use. Other measures, such as promoting better value chains by connecting smallholder farms to urban markets play a role. Crucial is the fundamental redesign of financial incentives (e.g. payment for ecosystem services) and subsidies and quotas (biofuels, meat production) that lead to inefficiencies, overproduction, water depletion and land degradation. [UNEP (2016) Food Systems and Natural Resources; IRP (2019) Global Resources Outlook]
- For an efficient use of the valuable resource of land, it is crucial to apply an integrated landscape approach to planning that considers matching the use of land with its 'sustainable potential', and thereby getting the best economic and health outcome for particularly vulnerable communities. Land restoration of the large share of global land that is today degraded (ca. 29%) plays an essential part in enabling prosper livelihoods as well as powerful solutions to climate change and water security. Actions include: Investing in quantitative and qualitative modelling, including scenario development, at local and global scales to guide future investments and to help structure and navigate the complexity of factors that determine the extent to which co-benefits of land restoration will be realized. [IRP (2019) Land Restoration for Achieving the Sustainable Development Goals UNEP (2016) Unlocking the Sustainable Potential of Land Resources: Evaluation Systems].
- For the manufacturing sector we must encourage a shift towards circular economy principals including so called 'value retention processes', for example by eliminating the regulatory barriers that impede the movement of remanufactured goods between countries and invest in innovation to accelerate the adoption of Value-retention processes such as remanufacturing, as well as advancing consumer demand.

3. *Means of implementation and the global partnership for development (SDG 17):*

Achieving the 2030 Agenda relies on a combination of means of implementation to catalyse action and engagement, harness synergies and reduce trade-offs. Please discuss the means of implementation, including finance, partnerships, and capacity building, needed to make the necessary transformations. How can science, technology and innovation (STI), including social innovation and local and indigenous knowledge, be mobilized to advance these transformations?

In short: To implement the mainstreaming of resource efficiency and circularity approaches at a global scale we must apply key principles of ‘multi-beneficial policy-making’, particularly in national/regional planning and international governance.

Multi-beneficial policy making is conceived by the International Resource Panel (GRO 2019) as a range of choices for developing comprehensive strategies which are able to address the needs of a range of stakeholders and policy actors. The Global Resources Outlook 2019 proposes 7 key approaches for policy makers and industry to implement sustainable resource management – displayed in Figure 1.

Figure 1: Key elements of Multi-Beneficial Policy Making for sustainable resource management; adapted from 'Global Resources Outlook 2019'



Detailed explanations for each policy principle are given in the report accessible at: <https://resourcepanel.org/reports/global-resources-outlook>

For this question, we here underline the importance of ‘Indicators and targets (for resource use)’, ‘National Plans’, ‘International exchange and cooperation’, as well as ‘sustainable financing’.

A recent crucial example for the aspect of ‘National Plans’, while not being national but regional, is the European Green Deal, which “is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from

resource use". While the decoupling goal still needs to be substantiated with clear indicators and concrete targets (e.g. for 'absolute' decoupling), the direction given is a fundamentally very important step.

While national plans are crucial, to implement sustainable resource use in today's context of global supply chains, the world needs a better international governance framework for natural resource use, particularly in advancing the necessity of 'indicators and targets' and 'sustainable financing'. Currently natural resource use is not the focus of any of the international conventions which address SDG goals such as climate change or biodiversity protection. Natural resource management, being a key driver of most SDG-related challenges and solutions, needs to either be integrated more clearly and centrally into existing global governance, or needs a dedicated framework, e.g. a dedicated convention on natural resource management, that would work closely together with existing conventions.

4. *Covid-19 crisis*

What does the Covid-19 crisis reveal about the human-nature relationship and systemic risk creation? How can nature-based solutions contribute to a post-COVID-19 economic and social recovery that is more sustainable, equitable and resilient? What immediate and medium-term steps are needed to ensure that the post-COVID-19 economic and social recovery is sustainable, equitable and resilient. How can we redirect financial flows and direct recovery efforts to create better outcomes for people, prosperity and planet?

Some are saying the world after Covid-19 will not be the same again. It will be the same. We will just understand it better. We face the emergence of a single, tightly coupled human social-ecological system of planetary scope. We are more interconnected and interdependent than ever and the frequency and severity of health-related outbreaks, climate related extreme weather events ... will in the future very likely increase. We need to rethink the way we are managing the risks, as individuals and collectively, as private companies and public policy makers, locally and globally. We need to be better prepared and more resilient.

While the crisis has made us recognize the importance of ecosystem services and resource dependence more clearly, it has not fundamentally changed the main risks to human well-being and the priorities to pursue: smarter resource management focused on societal wellbeing rather than purpose-less mass production and hence depletion of resources impeding fair access to vital resources particularly for the world most vulnerable people. In short, the SDGs are as crucial as ever, and reaching them still needs a fundamental transition of economic incentives and international cooperation.

As a result of the COVID-pandemic a profound social and economic crisis is looming. The International Resource panel emphasizes in its upcoming statement on COVID-19 that the priority for global leaders should be keeping all people, particularly the most vulnerable sectors, afloat. We must also improve societal resilience to further shocks that may occur as the system responds to the profound impacts that the pandemic is having upon business as usual. That is why nature-based solutions, as well as smarter resource management, must be at the heart of an economic recovery which supports inclusive and sustainable economic growth.

With an unprecedented global stimulus package, it is important to ensure that this aid does not create the wrong incentives. Biodiversity loss, climate action, and sustainable resource management are urgent and should be prioritized in the recovery phase to avoid fast-tracking the next crisis with even harsher impacts. Decisions made by global leaders on deploying these funds will shape our economies and societies for decades to come. Adopting “green” stimulus packages with elements of resource efficiency can lead to cost savings and stimulate economic recovery and growth. We must not let the COVID crisis distract us from previous climate and SDG targets, but rather use this moment as an opportunity to draw new urgency to this mission.

As described above, the sustainable management of natural resources, including resource efficiency, can also create new economic opportunities, including for already vulnerable communities. This is why decoupling natural resource use and environmental impacts from economic activity and human well-being is an essential element in the economic recovery and overall global transition to sustainable development. As the IRP’s recommendations for smarter resource management have

always had the focus of resilience and social-environmental co-benefits, the recommended recovery priorities overlap with the actions listed under question 2.