Leadership Dialogue 2: Achieving a sustainable and inclusive recovery

About the Leadership Dialogues
The international meeting at Stockholm+50 is a commemoration, and a time for bold action and engagement. It presents an opportunity to reflect, connect, accelerate, and scale actions for a better future on a healthy planet with prosperity for all.

The 2030 Agenda and the continuing COVID-19 crisis have highlighted the importance of a healthy planet for human progress and prosperity. A degraded planet poses limits to wellbeing and prosperity, creating obstacles to a better future. The thought piece “Stockholm+50: a healthy planet for the prosperity of all – our responsibility, our opportunity” introduces this global challenge and the opportunities it presents for the upcoming meeting.

The aim of the Stockholm+50 Leadership Dialogues is to engage governments, international organizations, major groups, and stakeholders as well as the private sector in an exchange on the opportunities to overcome barriers to implementation, to connect actions, and to create new change pathways across generations. The Dialogues also create a platform to share state-of-the-art approaches that address the global climate, environmental, biodiversity, and health crises and help deliver on the Sustainable Development Goals.

Leadership Dialogue 2 is focused on “Achieving a sustainable and inclusive recovery from the COVID-19 pandemic”. It will address the specific actions needed to build back from the pandemic and its adverse impacts on people, planet, and prosperity and to put the world back on track to deliver the SDGs. This Dialogue will also explore how best to transform high impact sectors of the economy.

Recognizing the diversity of approaches, the Dialogue will identify recommendations for achieving a sustainable and inclusive recovery in line with long-term climate and resilience objectives, as well as the SDGs. Recommendations will also focus on the framework conditions for environmentally friendly, sustainable, inclusive, and just development. This background paper provides context for the Dialogue.

The context
Two years after COVID-19 first swept around the globe, countries and communities are still recovering from the effects of the pandemic and the national measures taken in response. Over one hundred million jobs have been lost or displaced; trillions of dollars have been spent to keep businesses, families, and economies afloat. The COVID-19 pandemic has had devastating impacts for the world’s food security and nutrition – over 800 million people in the world faced hunger in 2020, over 160 million more than in 2019.1 The poorest and most vulnerable people are now faced with even more dire survival challenges. Our world today is more divided, unequal, and unsustainable than ever. Unfortunately, the majority of the unprecedented fiscal and monetary infusion has only reinforced business-as-usual.2

Population growth, urbanization, conflict, climate change and the increasingly unsustainable patterns of resource extraction as well as consumption and production are testing the Earth’s resilience. In turn, the

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rapidly deteriorating environment threatens not only our social and economic well-being, but also the achievement of the SDGs and the fulfilment of basic human rights.

The changing climate, biodiversity loss, ecosystem degradation, and the increasing chemical pollution and waste, desertification, land degradation, floods, and drought are closely related and need to be addressed synergistically. Equally, efforts are needed to scale circular economy approaches to ensure the transition to sustainable consumption and production within the framework of the SDGs, with particular consideration for developing countries. Pro-poor, gender-responsive, inclusive, rights-based approaches are key to ensuring progress towards environmental sustainability and sustainable development that benefits people and planet.

Possible issue areas for the Informal Working Group

1. Actions for recovery in key COVID-affected sectors and value chains

*Pathways towards sustainable and inclusive recovery and economies*

Sustainable and inclusive recovery processes will need to focus on the high-impact sectors most affected by COVID-19 and with the largest climate, nature, and pollution footprints. Research shows that investments in key (non-exclusive) high impact sectors will play a central role not only in recovery but also in the long-term transformation to low-carbon, resource efficient, inclusive, and resilient economies. These high impact sectors include food, energy, and manufacturing, amongst others.

In re-examining how we transform these sectors, we will need to rethink how they are financed, including in support of developing countries, how best to rebalance access to basic services and social protection schemes for the informal sector, and adopt policies for sustainable consumption and production. A cross-sectoral approach for recovery is essential since it can also provide for job creation, skills building, technology cooperation, and capacity enhancement. These goals are central to the just transition for all countries and for the poorest and those in vulnerable situations.

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Additional data sources:

Transforming value chains
It is equally important to target the value chains that require urgent attention and investment to secure a fair and job rich green recovery that also builds more resilience at all governance levels to known and unknown challenges. This includes carbon, nature, material, and pollution footprints of key sectors of the economy over time; their relationship to GDP; and their relationship to inclusive wealth. Technical and financial support will also be essential to accelerate the transition to nature-positive value chains.

Investing in the just transition
The ability of high-impact sectors to increase resilience as opposed to deepening dependencies and risks will form a key part of successful recovery efforts. To do so, these parts of the economy must work hand-in-hand with social and policy innovation to create value and increase human well-being for all, drawing in innovative means of implementation that increase the strength of our social fabric and our safety nets. Crucially, they must also connect to and provide the skill sets required for the economy of tomorrow, which are digitally connected and position countries, individuals, and firms to add value while building circularity and resilience for a just transition.

2. Harnessing innovations and digital technologies for transparency and disclosure
Prioritizing high-impact sectors towards a shift to sustainable consumption and production could achieve very significant economic, social and environmental gains, often in short time frames. Digital tools and technologies can accelerate the integration of environmental analysis with social and economic data, as well as better equipping decision-makers to assess the effectiveness, relevance, and impact of global environmental policies. The digital revolution also creates new opportunities for better stakeholder engagement and more informed consumers; and connects to the drive for more sustainable and equitable lifestyle choices. However, unless we harness the digital revolution as a strategic asset for more inclusive, transparent, and innovative outcomes, we will fall short of the urgent responses that are needed.

3. Leveraging global and South-South cooperation

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And data sources:

Overcoming global challenges will require stronger global partnerships. At the same time, South-South cooperation is now more essential than ever. Enhanced cooperation can help developing countries learn from each other and grow more sustainably, close income gaps, and build trust; while working towards more inclusive, resilient societies that will underpin a thriving and healthy planet.

Key questions for the Informal Working Group
Member states, international organizations, major groups and stakeholders are invited to consider the following questions:

1. **Actions for recovery in key COVID-affected sectors and value chains**
   a. What are the priority actions needed to transform high impact sectors, such as food, energy, and manufacturing?
   b. How to ensure that the transformation of high impact sectors are aligned with the SDGs and leave no one left behind?
   c. How can young people, yet to be voters, and women play a more prominent role in the transition?
   d. How can recovery investments accelerate re-skilling for the sustainability transition, including the required advances in clean technologies, especially in developing countries?

2. **Harnessing innovations and digital technologies for transparency and disclosure**
   a. How can we leverage the potential of digital technologies to ensure the shift towards a circular economy and sustainable consumption and production, while ensuring that developing countries have access to such technologies?
   b. How can we build on successful initiatives such as the Principles for Responsible Banking, the Task Force on Nature-related Financial Disclosures, or the Coalition of Finance Ministers for Climate Action?
   c. Which key components of the value chain should be encompassed in environmental and human rights due diligence, particularly in high-impact sectors?

3. **Leveraging global and South-South cooperation for actions at scale**
   a. How can South-South cooperation and knowledge exchange be improved to support innovation and progress, which respects and understands domestic contexts and constraints?
   b. How to ensure that technology cooperation is scaled up to support developing countries in addressing the impact of the pandemic whilst achieving the SDGs?