

Leadership Dialogue 3: Accelerating the implementation of the environmental dimension of sustainable development

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 once again the importance of a healthy planet for human progress and prosperity. A degraded planet poses limits to well-being and prosperity, creating obstacles to a better future for all.

The aim of the Stockholm+50 Leadership Dialogues is to engage governments, international organizations, major groups and stakeholders, as well as the private sector to overcome barriers to implementation, connect actions and create the pathways to achieve the Sustainable Development Goals (SDGs). Leadership Dialogue 3 focuses on “Accelerating the implementation of the environmental dimension of Sustainable Development in the context of the Decade of Action”. The timing is critical because COVID-19, the climate, biodiversity and pollution crises, extreme inequalities, and the digital divide compel us to accelerate the pace of change. This background paper provides context for the Dialogue and highlights key questions to ensure that we move from the commitment to action.

The context

The challenges that our world is facing today require a deeper commitment to collective action than ever before. Ground-breaking agreements were reached at the 1972 Stockholm Conference, the Rio+20 Summit in 2012, the Paris Climate Conference, and the SDG Summit in 2015. All these agreements have been instrumental in laying pathways towards sustainable development. But they are not enough because the world is fundamentally different today. Science tells us that our planet - and thus the economies, societies, and people that depend on it – is under severe and growing pressure.¹

¹ IPCC (2018). *Summary for Policymakers of IPCC Special Report on Global Warming of 1.5°C approved by governments*. Retrieved March 3, 2022, from <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

IPBES (2019). *Global Assessment Report on Biodiversity and Ecosystem Services*. Retrieved March 3, 2022, from <https://ipbes.net/global-assessment>

UNEP (2019). *Global Environment Outlook 6*, Nairobi 2019. Retrieved March 3, 2022, from <https://www.unep.org/resources/global-environment-outlook-6>

UNEP (2019). *Global Chemicals Outlook II: From Legacies to Innovative Solutions*, Nairobi. Retrieved March 3, 2022, from <https://www.unep.org/resources/report/global-chemicals-outlook-ii-legacies-innovative-solutions>

Independent Group of Scientists appointed by the Secretary-General (2019). *Global Sustainable Development Report 2019: The Future is Now – Science for Achieving Sustainable Development*. New York Retrieved March 3, 2022, from https://sustainabledevelopment.un.org/content/documents/24797GSDR_report_2019.pdf

IRP (2019). *Global Resource Outlook 2019: Natural Resources for the Future We Want*. UNEP, Nairobi. Retrieved March 3, 2022, from <https://www.resourcepanel.org/reports/global-resources-outlook>

SIPRI (2021). *Anthropocene (In)Securities – Reflections on Collective Survival 50 Years After the Stockholm Conference*, E Lövbrand and M. Möbjörk (eds.), SIPRI Research Report No. 26. Oxford. Retrieved March 3, 2022, from https://www.sipri.org/sites/default/files/2021-09/anthropocene_insecurities.pdf.

Another significant difference is reflected in the digital revolution. Nearly 5 billion people are now connected online – and at least 60% of global GDP is passing through digital channels.² Over 4 billion people interact through social media and 2 billion people consume through e-commerce platforms. At least USD 35 trillion of financing is now screened for environmental and social impacts and digital technologies are holding companies to a higher level of transparency on the environmental performance of their value chains.³ Digital technologies can hard-wire sustainability outcomes and behaviours directly into the platforms and algorithms of the digital economy. Perhaps more importantly, they can help drive the systemic and societal innovations and transformations needed to achieve environmental sustainability. For example, in the electricity sector, smart asset planning and management, and energy storage could save up to 8.8 billion metric tons of CO2 emissions could be saved by 2025.⁴

As the world starts to emerge from COVID-19, we are presented with the opportunity to build upon the momentum of recovery processes and re-design economies that are socially inclusive, environmentally sustainable, and which steer job creation and economic growth in the right direction.

Possible issue areas for the Informal Working Group

1. Scaling up finance

At Rio+20, countries made ambitious commitments to green economic transitions as a pathway for poverty reduction and sustainable development. Subsequently, in 2015, Member States adopted the Addis Ababa Action Agenda, a global framework to guide the financing of sustainable development. Since then, many models and pathways, under different labels, have been created for low carbon, resource efficient, circular, nature positive (or at least nature neutral) and socially inclusive economic growth. Indeed, each country is sovereign in choosing their path. However, lack of support and financing for such innovative and inspiring transformational efforts has hampered the momentum, particularly for developing countries.

It is crucial that increased public and private capital is directed to systemic and transformational change in countries whose green transition is underfunded. Although the USD 100 billion Copenhagen commitment has yet to be met, there was modest progress at UNFCCC COP-26, including through increases in pledges to the Adaptation Fund and the Least Developed Countries Fund. These sorts of commitments must be scaled for the post-2025 climate finance goal and implementation plan and linked to developments in the private sector.⁵ If climate funding goals are realized, we will be able to tackle

² United Nations Conference on Trade and Development (UNCTAD) (2019). *Digital Economy Report 2021: Cross-border data flows and development: For whom the data flow*. UN Publications, New York. Retrieved March 3, 2022, from https://unctad.org/system/files/official-document/der2021_en.pdf

³ Global Sustainable Investment Alliance (2021). *Global Sustainable Investment Review 2020*. Global Sustainable Investment Alliance. Retrieved March 3, 2022 from <http://www.gsi-alliance.org/wp-content/uploads/2021/08/GSIR-20201.pdf>

⁴ World Economic Forum (2019) *Our Shared Digital Future: Responsible Digital Transformation - Board Transformation*. World Economic Forum, White Papers. Retrieved March 3, 2022, from <https://www.weforum.org/whitepapers/our-shared-digital-future-responsible-digital-transformation-board-briefing-9ddf729993>

And World Economic Forum (2016) *How can digital enable the transition to a more sustainable world?*. World Economic Forum. Retrieved March 3, 2022, from <http://reports.weforum.org/digital-transformation/enabling-the-transition-to-a-sustainable-world/>

⁵ Financial institutions representing USD 130 trillion, about 40% of the global financial system, committed in Glasgow to full decarbonization. But the work is only just getting started on the new ‘plumbing’ required to reconfigure the financial system to remain within the 1.5°C climate objective.

multiple environmental crises. At the same time, it will be important for funding to be scaled up to meet the new biodiversity goals that will be adopted this year.

Equally, ensuring that financial portfolios no longer exacerbate but rather positively address catastrophic climate change, nature loss and rising toxicity is an indispensable step towards aligning private finance with all Sustainable Development Goals.

Broad-based partnerships, policy support for sustainable economic transformation, and capacity- building are essential. They can strengthen institutions and governance frameworks and create enabling policy environments that de-risks investments and incentivize scaled-up financial flows in support of national development strategies and inclusive green growth objectives. Such institutional and policy reforms are underway in many cases. However, they now need to be sufficiently accelerated to deliver the investment required at scale.⁶

2. Governance and institutional reform

Implementing the 2030 Agenda will depend on strengthened institutions that are fit for purpose, and which can deliver universal social protection, health coverage, education, skills, decent work and housing, as well as universal access to the food, water, and internet connectivity by 2030 as a basic human right. More specifically, to deliver the SDGs in a coherent manner, we need governance for sustainable development that considers interlinkages and synergies between goals and targets and facilitates triple-win solutions. If the environmental dimensions of the SDGs are considered and implemented only by the environment authorities and actors, transformative change will remain elusive. We need policy coherence and collaborative action between and across sectors. Renewing social contracts and deepening trust between all actors is extremely important.

At the national level, the trend is positive with a growing number of countries developing integrated governance structures and institutional capacities for sustainable development policymaking and for green and inclusive economic recovery processes. The establishment of climate cabinets around the world reflects a new generation of institutions that ground decision-making in new circular and regenerative economic models.

Another example is the increasing focus of financial regulators, including central banks, on integrating climate considerations into the oversight of financial markets. The human right to a healthy environment, which has now been formally adopted by the UN Human Rights Council is also becoming embedded in economic policy processes.

Despite these important developments, governance systems are not yet able to adapt to the rate of technological change from digital transformation. We need to create more agile governance models that can ensure adaptive regulation based on real time feedback on policy effectiveness and impact, to ensure equality and fairness in digital and financial outcomes.

Indeed, as digital technology is beginning to shape humanity as much as we shape it - we must begin to more actively govern the outcomes that we want to achieve. As digital technologies now have the power to reach and influence people on a global scale, their power is only beginning to be understood. Who wields this power and how it can be directed towards planetary sustainability, while protecting privacy and security, are among the most important governance questions of our time.

⁶ Blackrock (2021). *The big emerging question - How to finance the net-zero transition in emerging markets*. Retrieved March 3, 2022, from <https://www.blackrock.com/corporate/literature/whitepaper/bii-the-big-emerging-question-2021.pdf>.

Renewing the social contract between governments, citizens, and companies, building trust, and embracing a comprehensive vision of human rights that includes the environment. These are urgent and shared challenges.

3. Digital transformations and effective partnerships

The meaningful participation of young people in all aspects of production and consumption is vital to the success of the 2030 Agenda for Sustainable Development. As drivers of change, young people are important partners in meeting all the targets of the SDGs, especially those related to sustainable consumption and production. Youth are also increasingly interacting and transacting through mobile applications – with increased desires to adopt sustainable lifestyles. One of the key challenges is strengthening the agency of “digitally native” youth to make more sustainable choices using these digital channels. Prompted by the voice of youth, we need all generations on board to ensure that climate and environmental justice is at the heart of action on sustainable lifestyles.⁷

Meanwhile, wealth is trickling up rather than down, much faster than ever before; and calls for a renewed focus on economic and fiscal policies to reinforce and support the governance ambitions are required. Partnerships are an important mechanism for scaling and accelerating the delivery and impact of SDGs. Many already exist and can help to support sustainable lifestyle choices, which together with governance choices and economic and financial choices, will be essential in the acceleration of our collective ability to implement Agenda 2030.

4. Collective actions and strengthened cooperation

The global crisis requires a shared global response and a renewed multilateral system that is coherent, coordinated, and comprehensive in its response to new threats and challenges.

The UN Secretary-General’s “Our Common Agenda” provides a new vision for how multilateralism can adapt to the threats of the 21st century. In September 2020, on the UN’s 75th anniversary, UN Member States declared that “Our challenges are interconnected and can only be addressed through reinvigorated multilateralism. Only together can we build resilience against future pandemics and other global challenges. Multilateralism is not an option but a necessity as we build back better for a more equal, more resilient, and more sustainable world.”

Stockholm+50 is a critical milestone in this pathway towards renewed multilateralism and strengthened global solidarity. It is a key moment for bold action and engagement that acknowledges and highlights the need for international unity, reciprocity, and diversity. This is a time for all actors to find their unique place in a global system, in collaboration with others, to embrace new ideas and commit to a shared responsibility for a better future on a healthy planet with prosperity for all.

Key questions for the Informal Working Group

Member states, international organisations, the private sector and major groups and stakeholders will be invited to address the following questions for this first round of engagement:

1. Scaling up finance

- a. How to attract and redirect public and private capital to support the achievement of sustainable development goals?

⁷ “The per capita footprint of the richest 10% is more than 10 times the 1.5C-consistent target for 2030, and more than 30 times higher than the poorest 50%.” Gore, T. (2020). *Confronting Carbon Inequality: Putting climate justice at the heart of the COVID-19 recovery*.

And ILO. (n.d.). (2021) *Youth employment*. Retrieved December 14 from <https://www.ilo.org/global/topics/youth-employment/lang--en/index.htm>

- b. What collective actions are required to address the debt burden of nations?
- c. How can policymakers use digital technologies to enhance public financial management efficiency and combat illicit financial flows?
- d. What role can fiscal and monetary authorities play in enabling and accelerating economic and fiscal policies that promote equity and sustainability?

2. Governance and Institutional reform

- a. As we look to the next 50 years, what governance and institutional arrangements are needed to ensure the SDGs and other key global processes are implemented in a coherent and integrated manner?
- b. What are your priorities for innovative policy approaches to deepen the nexus between environment economy and human well-being?
- c. How should public policy processes be transformed to ensure the full engagement of young people in determining their possibilities to build livelihoods and a prosperous future?

3. Digital transformations and effective partnerships

- a. How can digital technology, platforms and applications promote enhanced equity and more sustainable lifestyles, and behaviours?
- b. What partnerships, public-private coalitions and civil society mechanisms are needed to scale finance, strengthen governance, and reverse unsustainable production and consumption patterns?
- c. How can we promote information sharing, digital product passports, traceability, and sustainable finance standards reform to advance the Sustainable Development Goals?

4. Collective actions and strengthened cooperation

- a. How can we ensure that Stockholm+50 renews the promise and optimism of 1972, and rebuilds the trust needed for the strengthened cooperation and partnership to tackle the triple planetary threat as we build towards UNFCCC COP-27?
- b. How can we build on the agreed outcomes of the 2019 Climate Action Summit, the 2020 Biodiversity Summit, and the 2021 Food Systems Summit?
- c. What are the key elements for shaping a positive global narrative for sustainable development and a better future for all?