

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 wellbeing and prosperity, creating obstacles to a better future for all. 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, business and the private sector, civil society including youth and Indigenous Peoples, international organisations and other relevant stakeholders, to overcome barriers to implementation, connect actions and create pathways that reach across generations 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, inter alia, 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 Leadership 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 1992 United Nations Conference on Environment and Development, the Rio+20 Summit in 2012, the Paris Climate Conference, and the SDG Summit in 2015. They have each been instrumental in laying pathways towards sustainable development. But they are not adequate 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 Our development journey needs to be put back on track, build on

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>

and scale up the existing commitments, and continue to acknowledge the interconnections among different environmental aspects such as climate change and biodiversity. We need to tackle the environmental, economic, and social crises together with the speed and scale that matches the urgency and magnitude of challenges we face. At the same time, we must recognise the specific needs of each country and remain guided by principles such as equity and common but differentiated responsibilities and respective capabilities.

The digital revolution is fundamentally reshaping socio-economic relationships and presenting significant enabling opportunities for progress on “People, Planet and Prosperity”. At the same time, it is generating new risks that we need to tackle synergistically. 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. Digital technologies can hard-wire sustainability outcomes and behaviours directly into the platforms and algorithms of the digital economy. And 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 that could be saved by 2025.³

Bold, impactful, and innovative measures, along with enabling policy environments, including coherent, environmental, social and economic policies, as well as, appropriate incentive frameworks, are needed to change the overall financial ecosystem and accelerate action. 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.⁴ But we need to go further in the design of standards and taxonomies to underpin voluntary action and commitments and guide sustainable investments.

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.

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 Resources 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 Mobjörk (eds.), SIPRI Research Report No. 26. Oxford. Retrieved March 3, 2022, from https://www.sipri.org/sites/default/files/2021-09/anthropocene_insecurities.pdf.

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 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/>

⁴ Bloomberg (2021), “There’s \$35 Trillion Invested in Sustainability, but \$25 Trillion of That Isn’t Doing Much”, 18 August 2021. Retrieved March 17, 2022, from <https://www.bloomberg.com/news/articles/2021-08-18/-35-trillion-in-sustainability-funds-does-it-do-any-good>

Possible issue areas for Leadership Dialogue 3

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 pathways, with each country sovereign in choosing their direction. In addition to climate financing, it is important to channel financing towards biodiversity conservation. This is critical for the achievement of positive impacts on the environment and biodiversity. At the same time, promoting the convergence of climate and biodiversity finance through innovative financing models and nature-based solutions will also be essential. This can accelerate the implementation of all SDGs. However, to date, 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 where green transition processes are underfunded. Although the USD 100 billion Copenhagen commitment has yet to be met, there was modest progress at COP26, including through increases in pledges to the Adaptation Fund and the Least Developed Countries Fund. These sorts of commitments must be scaled to ensure the realisation of the post-2025 climate finance goal (USD 100 billion) and implementation plan. Equally these commitments must be linked to developments in the private sector.⁵

If climate funding goals are fully realised, we will be able to tackle multiple environmental crises. It will be important to ensure the fulfilment and respect of the existing pledges and commitments as well as scaling up finance to meet the new biodiversity goals that will be adopted this year.

Another critical step in aligning private finance with the SDGs is to ensure that financial portfolios no longer exacerbate but rather positively address catastrophic climate change, nature loss and rising toxicity. Partnerships to train corporate leaders and support more conscious understanding of, and action on, opportunities for maximising social and environmental co-benefits of business operations could help drive change from the top.

Micro, small and medium-sized enterprises (MSMEs) account for a large share of employment worldwide and form the backbone of socio-economic prosperity. However, they have been severely impacted by the crisis. Ensuring that the global financial and policy architecture is aligned with the 2030 agenda will enable MSMEs to contribute more productively towards SDG progress. This architecture is now more accessible than ever thanks to digital finance innovations such as M-Pesa from Kenya. But more needs to be done.

Broad-based partnerships, policy support for sustainable economic transformation, and capacity building can strengthen institutions and governance frameworks, create an enabling policy environment that de-risks investments, and incentivize scaled-up financial flows in support of national development strategies

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.

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

Larger volumes of finance urgently need to flow to developing countries at lower cost – and quickly. Regional or global partnerships and mechanisms to pool risks could provide a possible solution to channel funding quickly where it is needed most, and to finance sustainable recoveries from emergencies and disasters. We also need to ensure that we do not inadvertently undermine nascent recoveries with financial debt avalanches. Increased cooperation and collaboration among all stakeholders to seriously consider debt amnesty, and an enhanced use and equitable distribution of instruments like Special Drawing Rights (SDRs), will be crucial to powering a durable and sustainable recovery for all.

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. We need to tackle the existential, complex and inter-linked environmental and socio-economic challenges together. Long-lasting progress towards the SDGs requires decision-making processes, institutions and policies that are underpinned with a systemic approach to finding solutions that protect nature, reduce pollution and GHG emissions and produce high-quality and decent jobs and prosperity for all. Promoting greater and affordable access to, and diffusion of technologies essential to sustainable development has become more relevant than ever before for least developed and developing countries. We need policy coherence and collaborative action between and across sectors. Renewing social contracts and deepening trust between all actors is also extremely important.

At the national level, the trend is positive with a growing number of countries developing integrated governance structures and institutional capacities for ensuring the environmental dimension is well integrated into sustainable development related policy making and for green and inclusive economic recovery processes. More needs to be done to expand the capacities of environmental ministries and authorities and to improve collaboration and knowledge exchange with other ministries, in particular ministries of finance. This would help to catalyse a new generation of institutions that ground decision-making in circular and regenerative economic models.

Another example is the increasing focus of financial regulators, including central banks, on integrating climate and biodiversity considerations into the oversight of financial markets. The human right to a healthy environment, which has now been formally recognized by the UN Human Rights Council is also slowly becoming embedded in economic policy processes, but we need to scale up commitments and action on policy design and implementation that considers all human rights obligations and ensures gender equality and women empowerment and the right to development.

At the same time, our governance systems have been unable 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.

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>.

Indeed, as digital technology is beginning to shape humanity as much as we shape it - we must actively govern the outcomes that we want to achieve. Since 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.

We also cannot secure our future if we do not fully involve those to whom the future belongs in all policy processes, across all governance levels. We must ensure that the youth of today not only have a voice, but equitable access to key participation enablers like quality education and access to the internet. Civil society organisations and other key stakeholders who have a crucial role to play in holding governments accountable on progress towards the SDGs need to be protected and strengthened.

The most urgent and common challenges that we face relate to: renewing the social contract between governments, citizens, and companies; building trust and embracing a comprehensive vision of human rights that includes the environment.

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 SDG targets, 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 all action for sustainable lifestyles.⁷

Meanwhile, wealth is trickling up rather than down, much faster than ever before; and a renewed focus on trade, economic and fiscal policies to reinforce and support the governance ambitions are required. National and global partnerships are important for scaling and accelerating the delivery and impact of SDGs. Many partnerships already exist and can help to support sustainable lifestyle choices, which together with economic and financial instruments strengthen our collective ability to implement the 2030 Agenda.

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

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>

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 time for bold action and engagement by acknowledging and highlighting 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 Leadership Dialogue 3

1. Scaling up finance

- a. How to attract and redirect public and private capital to support the achievement of the SDGs?
- 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 effectiveness and 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 that the SDGs and other key global processes are implemented in a coherent and integrated manner?
- b. What are the key 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 sustainable livelihoods and a prosperous future?

3. Digital transformations and effective partnerships

- a. How can open innovation and open-source approaches to 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 SDGs?

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 crisis, as we build towards UNFCCC COP-27 and CBD COP-15?
- 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?