

## Leadership Dialogue 2: Achieving a sustainable and inclusive recovery from the COVID-19 pandemic

### 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 as well as 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 concept note [“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 Stockholm+50 Leadership Dialogues aim to engage governments, international organisations, business and the private sector, civil society organisations, including youth, women, Indigenous Peoples and local communities (IPLCs), rural communities, and other relevant stakeholders in an exchange for the opportunities to overcome barriers to implementation, to connect actions, and to create new change pathways across generations to achieve the Sustainable Development Goals (SDGs).

This background paper reflects the discussions held in the first round of Informal Working Groups in early March as well as the interventions by Member States and Major Groups and Stakeholders provided during the Stockholm+50 Preparatory Meeting on 28 March 2022, held under the auspices of the UN General Assembly in New York. Key messages from the Preparatory meeting that are relevant to all three Leadership Dialogues include an emphasis on the engagement of youth groups and the centrality of intergenerational equity in the potential outcomes of the international meeting.

Leadership Dialogue 2 focuses 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, the planet, and prosperity and to put the world back on track to deliver the SDGs.

### The context and issues

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<sup>1</sup> or displaced in the formal and informal sectors; trillions of dollars have been spent<sup>2</sup> to keep businesses, families, and economies afloat. The COVID-19 pandemic has had devastating impacts on 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.<sup>3</sup> Families and communities living in poverty and in vulnerable contexts

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<sup>1</sup> ILO Monitor: COVID-19 and the world of work. Eighth edition. Updated estimates and analysis. 27 October 2021. Retrieved March 18, 2022 at: [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms\\_824092.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_824092.pdf)

<sup>2</sup> Global Recovery Observatory: <https://recovery.smithschool.ox.ac.uk/tracking/>

<sup>3</sup> FAO, IFAD, UNICEF, WFP and WHO (2021). *The State of Food Security and Nutrition in the World 2021. Transforming food systems for food security, improved nutrition and affordable healthy diets for all*. Rome, FAO

now face even more dire survival challenges. The pandemic has taken a disproportionate toll on women and girls and reflects the fragility of progress on gender equality.<sup>4</sup> Many developing countries and households are facing growing levels of unmanageable debt. Our world today continues to be more divided, unequal, and unsustainable. Unfortunately, much of the unprecedented fiscal and monetary infusion has only reinforced business-as-usual.<sup>5</sup> Population growth, urbanisation, conflict, climate change, environmental degradation and the increasingly unsustainable patterns of resource extraction, production and consumption are testing the Earth's resilience. The rapidly deteriorating environment threatens not only our social and economic well-being but also the achievement of the SDGs and the protection of basic human rights.

The changing climate, biodiversity loss, ecosystem degradation, increasing levels of chemical pollution and waste, desertification, land degradation, floods, drought, poverty, inequality and conflict, are all closely related and need to be addressed synergistically. A sustainable, inclusive and green recovery should be framed in the context of the triple planetary crisis and inequality. It should also support and be guided by the 2030 Agenda, the Decade of Action, the Paris Agreement, the Convention of Biological Diversity, and the Sendai Framework. Equally, efforts are needed to scale resource efficiency and circular economy to ensure the transition to sustainable consumption and production in alignment with the SDGs, with particular consideration to 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 the planet.

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

Sustainable and inclusive recovery processes will need to focus on the high-impact sectors most affected by COVID-19. These high impact sectors include food, energy, and manufacturing, amongst others.<sup>6</sup> Concerted actions for recovery should aim towards overall improved management through systems-based approaches. This transformation demands thinking and acting beyond sectoral boundaries to address the main drivers of unsustainable practices and adopt cost-effective targeted interventions. In re-examining the transformation of these key sectors, we need to rethink how to: promote overall policy coherence in advancing circular economy and sustainable consumption and production patterns; finance the transformation (including in support of developing countries) and to absorb the socio-economic impact of the process; inform and incentivize consumers; strengthen social safety nets; allocate resources

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<sup>4</sup> UN Women (2021), [UN Women's Feminist Plan for Sustainability and Social Justice. Research and Data Section, UN Women. Retrieved March 13, 2022 from https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2021/Feminist-plan-for-sustainability-and-social-justice-en.pdf](https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2021/Feminist-plan-for-sustainability-and-social-justice-en.pdf)

<sup>5</sup> UNEP (2021) *Are We Building Back Better? Evidence from 2020 and Pathways for Inclusive Green Recovery*. UNEP. Retrieved February 27, 2022, from <https://www.unep.org/resources/publication/are-we-building-back-better-evidence-2020-and-pathways-inclusive-green>

<sup>6</sup> Lenzen M, Geschke A, West J, Fry J, Malik A, Giljum S, Milà i Canals L, Piñero P, Lutter S, Wiedmann T, Li M, Sevenster M, Nansai K, Potočník J, Teixeira I, Van Voore M and Schandl H (2021) *Implementing the Material Footprint to measure progress towards SDGs 8 and 12*, Nature Sustainability. Retrieved March 2, 2022, from <https://www.nature.com/articles/s41893-021-00811-6>

And data sources:

*SCP-Hotspots Analysis Tool (SCP-HAT) (2022)* Retrieved March 2, 2022, from <http://scp-hat.lifecycleinitiative.org/sector-profiles/>

UNEP and International Resource Panel (2022). *International Resource Panel Reports*. Retrieved March 2, 2022, from <https://www.resourcepanel.org/reports>

Circularity Gap (2022). *Circularity Gap Report 2022. Circularity Gap*. Retrieved March 2, 2022, from <https://www.circularity-gap.world/2022>

UNEP (2018). *Inclusive Wealth Report*. UNEP. Retrieved March 2, 2022, from <https://www.unep.org/resources/inclusive-wealth-report-2018>

IPCC Reports (2022). Retrieved March 2, 2022, from <https://www.ipcc.ch/reports/>

UNEP (2021). *Emissions Gap Report*. Retrieved March 2, 2022, from <https://www.unep.org/resources/emissions-gap-report-2021>

UNEP (2021). *Production Gap Report*. Retrieved March 2, 2022, from <https://www.unep.org/resources/report/production-gap-report-2021>

UNEP (2021). *GEO for Cities - Towards Green and Just Cities*. Retrieved March 2, 2022, from <https://www.unep.org/resources/report/geo-cities-towards-green-and-just-cities>

towards poverty alleviation; create jobs and improve job quality; re-balance access to basic services and social protection schemes for micro, small and medium-sized enterprises (MSMEs) and the informal sector including for women, strengthen public health and care services; how to build strong and resilient infrastructure and advance digital transformation; and form partnerships and promote peer-learning between countries.

Across high impact sectors, it is equally important to provide for job creation, skills building, technology cooperation, and capacity enhancement that builds more resilience at all levels to known and unknown challenges. These considerations are central to the just transition for all countries, especially the poorest, women, men and youth living in poverty and vulnerable situations.<sup>7</sup>

Achieving a sustainable and inclusive recovery will require the planning and adoption of stimulus measures that are aligned with climate and biodiversity priorities, and which include nature-based solutions and ecosystems-based approaches. This will increase the accountability of financial institutions and other key stakeholders in relation to the progress achieved in the transformation of key Covid-affected sectors and value chains.

## **2. Harnessing innovations and technologies, including digital technologies for transparency and disclosure**

Prioritising 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. Innovative technologies that are required to support the transformation of high impact sectors will need to be integrated into recovery measures. Cooperation on green technologies is key in the context of sustainable recovery, but it is often hindered by the lack of human resources, access to technology and financing.

In this context, digitalization can accelerate sustainable recovery processes through: advanced and integrated data analytics for policy and investment decisions; new green finance mechanisms; radically increased transparency, traceability and accountability; and better environmental management through granular and timely data; better stakeholder engagement; more informed consumers; and more sustainable and equitable lifestyle choices. However, digital technologies and innovation also have the potential to further exacerbate existing inequalities and unsustainable behaviours and cause a “rebound effect” on energy use, raw material consumption and the production of non-recyclable waste products. Digital transformation of the value chains of high impact sectors must take into consideration and mitigate these negative consequences as well as those in the areas of e-literacy and skills, digital divide in connectivity and access to technologies, personal data protection and competition policy, and other challenges of adopting new technologies, particularly in developing economies.

## **3. Leveraging global, South-South and triangular cooperation**

Overcoming global challenges will require stronger global partnerships. At the same time, South-South and triangular cooperation is essential now more than ever. Such global cooperation will need to embrace technology co-development, cooperation and replication, enhanced infrastructure and skills, increased access to data and knowledge exchange for capacity building.

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<sup>7</sup> ILO (2015) *Guidelines for a just transition towards environmentally sustainable economies and societies for all*. ILO. Retrieved February 27, 2022, from [https://www.ilo.org/global/topics/green-jobs/publications/WCMS\\_432859/lang--en/index.htm](https://www.ilo.org/global/topics/green-jobs/publications/WCMS_432859/lang--en/index.htm)

Enhanced cooperation can help developing countries learn from each other and grow more sustainably, close income gaps, and build trust. At the same time, it will contribute toward a thriving and healthy planet, which is sufficiently resilient to support inclusive and resilient human societies.

## Key messages and urgent actions recommended<sup>8</sup>

**Message 1 – Urgent system-wide transformations of high impact sectors are required to accelerate the shift to more sustainable consumption and production, including through the adoption of circular economy.**

- Sustainable and inclusive recovery interventions in high impact sectors should target their carbon, nature, material, and pollution footprints, as well as their relationship to GDP and prosperity for all.
- The achievement of system-wide transformations should be guided by the specific economic and societal needs and circumstances of different regions and countries and supported by global partnerships.
- Responsible industries have a key role to play in scaling up collaboration with policymakers to co-develop and deploy solutions and to accelerate transformations. To ensure a future with jobs and prosperity for all, it will be crucial to engage private sector actors and to ensure broad industry, private sector and MSME participation in socio-economic and environmental transformations.
- MSMEs have suffered the most from the pandemic<sup>9</sup> and they should be further supported to recover and to be able to play a critical role in achieving an inclusive and transformative recovery.
- Sustainable agri-food systems are key to achieving an inclusive and sustainable recovery. They should become nature-positive, promote the welfare of smallholder farmers, tackle food waste, ensure increased sustainable management of natural resources, draw on innovative technology and data, and deepen collaboration with the private sector for financing.
- Actions in the context of the recovery should increase the resilience of supply chains to future shocks, in particular for Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDSs) and ensure their participation in the global trading system, in particular the participation of MSMEs.
- Technical and financial support will be essential to accelerate the transition to low-carbon, resource-efficient, nature-positive, inclusive, and resilient value chains.

**Message 2 – Investment flows for the sustainable and inclusive recovery must align with climate and biodiversity priorities, address poverty, inequality, development, and social security concerns, in the context of increased accountability of financial institutions and other key stakeholders on progress.**

- Delivering on commitments and their means of implementation is an essential part to reconstruct and enhance trust and partnership as a basis for a renewed multilateralism and global partnership, in order to achieve sustainable development.
- We need a broad set of interventions to create the enabling conditions for a sustainable and inclusive recovery process, including carbon reduction; continued progress towards elimination of fossil fuels; restoration of ecosystems; promotion of sustainable consumption and production patterns; subsidy reform; green investment policies; targeted public procurement, shift to

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<sup>8</sup> From the Preparatory meeting on 28 March 2022, New York

<sup>9</sup> International Trade Centre (2021) - SME Competitiveness Outlook 2021: Empowering the Green Recovery. Retrieved March 13, 2022 from [https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/ITC\\_SMECO-2021.pdf](https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/ITC_SMECO-2021.pdf)

alternative, green business models; as well as access and mobilisation of climate and nature finance.

- High impact sectors should also take on board social and policy innovations to enhance 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.
- These interventions must also ensure the skill sets required for the economy of tomorrow, which is digitally connected and which positions countries, individuals, and firms to add value while building circularity and resilience for a just transition.<sup>10</sup>
- Youth, women, rural communities, and Indigenous Peoples and local communities should play a central role in sustainable, inclusive, and resilient recovery processes.
- The recovery should promote inclusive leadership, with gender parity across institutional spaces and gender mainstreaming in policies across all sectors, with the aim of creating sustainability and social justice for all.

**Message 3: Strengthened cooperation on access to green technologies, including digital technologies, is fundamental to accelerate green recovery processes and to scale, mainstream and monitor actions**

- Cooperation on green and digital technologies must accelerate the sustainable recovery and should address the lack of capacity, access to technology and financing. It should also include the promotion and fostering and co-creation of research and development, the development of in-country technological capacity, including the enabling of local digital solutions, and the reduction in the cost of existing technologies.
- Digitalization in the context of the green recovery should enable radically increased digital access, transparency, traceability, sustainability, and accountability; better and broader stakeholder engagement; more informed consumers; and more sustainable and equitable lifestyle choices. The digital transformation should accelerate progress towards the SDGs.
- Harnessing the potential of digital technologies for better sustainability outcomes requires cooperation among governments, institutions, and other data producers and users. Taking full advantage of these opportunities will require a fundamental rethink by policymakers, international organisations, business leaders and individuals to ensure that the digital revolution becomes a strategic asset that will generate more inclusive, transparent, and innovative outcomes.

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<sup>10</sup> ILO (2015) *Guidelines for a just transition towards environmentally sustainable economies and societies for all*. ILO. Retrieved February 27, 2022, from [https://www.ilo.org/global/topics/green-jobs/publications/WCMS\\_432859/lang--en/index.htm](https://www.ilo.org/global/topics/green-jobs/publications/WCMS_432859/lang--en/index.htm)