

Towards a green economy

The goals of the Paris Agreement are inexorably interwoven with the SDGs, and both require a transition to inclusive green economies



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The impact of climate change and environmental degradation threatens our efforts to achieve the Sustainable Development Goals (SDGs) and, indeed, the very foundations of life on our shared planet.

Unless degradation is curtailed, poverty and instability will deepen, and growth cannot be lasting or inclusive. Healthy ecosystems bring benefits to all aspects of our lives by providing clean water, air, soil, food, fuel, medicine and resources for jobs and growth.

These benefits – known as ‘ecosystem services’ – underpin development, and must be safeguarded by fundamentally changing the way societies grow. And we must ensure this transition is just, so that we reduce inequalities and leave no one behind even as we make radical changes to our growth models.

Inclusive green economy approaches are central to this paradigm-changing process, and to successful implementation of the Paris Agreement. They provide us with the tools and flexibility to respond to the linked social, environmental and economic challenges we face. Moreover, these approaches provide new opportunities for sustained growth and societal progress.

We need to act now

The need for comprehensive climate action and the shift to a greener economy is urgent. Since the Paris Agreement was adopted – not even two years ago – new

◀ Volunteers collect rubbish in Manila, Philippines. Greater social and environmental awareness, combined with a commitment to fairness and community action, will be instrumental to the success of both the Paris Agreement and the SDGs

and more sobering milestones have been reached. Carbon dioxide levels in the atmosphere have breached 400 parts per million for the first time. The highest average global temperatures ever have been recorded. We have witnessed exceptionally low sea ice, and growing sea-level rise and ocean heat. There have been more extreme weather events, including storms, floods, droughts and fires, with devastating impacts on communities and commerce.

These trends and events are having, and will continue to have, a direct impact on the SDGs. By 2030 up to 100 million more people may be at risk of falling into poverty due to the changing climate (SDGs 1, 10); 120 million more children in sub-Saharan Africa and South Asia could suffer from malnourishment and stunting by 2050 (SDG 2); and approximately 250,000 additional deaths per year from malnutrition, malaria, diarrhoea and heat stress could occur between 2030 and 2050 (SDGs 3, 5).

The average global economic loss due to climate change could reach 3.2 per cent of global GDP by 2030 and as much as 10 per cent by 2100 (SDG 8). Tensions related to migration, food and water shortages are already exacerbated by climate change (SDG 16). Human-induced climate change and environmental degradation are also pushing us past other key planetary thresholds related to the health of our oceans (SDGs 6, 14), biodiversity loss (SDG 15) and unsustainable production and consumption (SDGs 9, 11, 12).

Each boundary we cross represents a tipping point, beyond which the risk to our societies, economies and collective security increases significantly – with potentially catastrophic consequences.

As we look towards 2030 and beyond, the resources needed by our growing world community will only increase. Over the next two decades, the global population will expand by more than 1.2 billion people; our urban footprint is expected to triple; demand for food will increase by 35 per cent, for water by 40 per cent, and for energy by 50 per cent. By 2050 we will need to generate over 1.5 billion new jobs for women and men.

These pressures are compounded by the impact of climate change. Until our development trajectory is less polluting, and more resource efficient and climate resilient it can no longer be sustained.

The challenges are formidable. But the solutions offer unprecedented opportunities for eliminating poverty and setting the world on a new path of prosperity, stability

Investing in sustainable development makes sense for companies and entrepreneurs in developed and developing countries. It opens new markets, increases competitiveness and savings, protects long-term profits, allows companies to leapfrog technologically, and responds to evolving consumer demand and shareholder interests.

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and growth that simultaneously protects our planet for future generations. And inclusive green economy approaches are key to advancing these solutions.

The notion of inclusive green economies is not empty idealism – a mere conceptualisation of the world as we would like to see it. The shift to green economies is already becoming a reality, one that continues to gain traction and influence.

Countries around the world are leading this shift – with governments and parliaments putting the policies in place that will allow us to achieve real transformations.

More than 190 countries have submitted national targets – or intended nationally determined contributions – on climate change. Over 175 countries have renewable energy targets in place, and more than 65 countries have created green economy plans. These commitments are supported at the global level by initiatives like the UN Partnership for Action on Green Economy (PAGE).

The private sector and climate finance
The private sector is fundamental to this process. We can no longer think of two separate and competing climate change and business agendas. As much as there is a normative and humanitarian case for addressing climate change and advancing the SDGs, there is also a formidable business case.

And while public financing is critical, the much greater share of climate change finance and green investment will come from the private sector. For example, over the next 15 years tens of trillions of dollars will need to be invested – not just in traditional infrastructure but also in natural infrastructure such as forests, fisheries and coastal protection.

Countries need a mix of domestic, international, public and private resources, channelled through the likes of green bonds, conservation financing and impact investing. Better-targeted and more efficient use of public funds can help catalyse private climate financing with dividends across the SDGs.

Realising the opportunities

Historically, the climate change debate has encompassed the notion that there is a trade-off between growth and environmental and social sustainability. That trade-off is false.

As the 2030 Agenda makes clear, there is today an undeniable consensus on the urgent necessity and the compelling business case for pursuing green and inclusive development pathways.

The debate has moved on. Through initiatives like PAGE, our focus now is on how we can realise the many development opportunities afforded by inclusive green economy approaches to accelerate progress on the SDGs and Paris Agreement. ●