# Key Messages on Accelerating Progress on the SDGs in the Asia-Pacific Region Prepared for the Asia Pacific Forum for Sustainable Development (APFSD) March 2020

In 2015, the international community adopted the Sustainable Development Goals (SDGs) as the centerpiece of the 2030 Agenda for Sustainable Development. Many countries have since shared information on their efforts to implement the SDGs in their voluntary national reviews (VNRs). The VNRs demonstrate countries have a wide range of policies, and in some cases budgets, to deliver on the new development agenda (Elder & Baratalini, 2019; Elder, forthcoming). Yet policymakers in the Asia-Pacific region still need to accelerate their efforts to achieve the SDGs (ESCAP, 2019).

The Global Sustainable Development Report (GSDR) has proposed six "key entry points" to help identify actions that can accelerate progress on the SDGs. These six points are likely to structure discussions at the Asia Pacific Forum for Sustainable Development (APFSD) and High Level Political Forum (HLPF). The following key messages, drawn chiefly from Institute for Global Environmental Strategies (IGES)<sup>1</sup> research, recommend changes in key sectors (energy and agriculture), among important stakeholders (cities and business) and across levels (from the individual [well-being] to the global [environmental] commons) covered in the six key entry points.

## 1. Human wellbeing and capabilities

"A healthy planet is a necessary foundation for human physical, psychological, social, economic, and emotional health and well-being, and is therefore critical for achieving all of the SDGs" (Elder & Loewe, 2019). Insufficient integration of ecosystem and biodiversity values into national and local planning and development processes neglects the vital role the environment plays in sustainable development (IPBES, 2019). This lack of integration is not only evident in a failure to price-in natural capital, ecosystem services, and climate risks but also extends to other aspects of policymaking (Olsen, Zusman, Steele, Marsden, & Virtucio, 2019). A more sustainable course requires that governments at all levels reflect "wellbeing" and "planetary boundaries" in policy processes.

Policymakers need intuitive metrics and planning tools to translate "wellbeing" and "planetary boundaries" into concrete policy options. Lifestyle carbon footprints is among an expanding family of intuitive metrics that can help policymakers identify options consistent with "wellbeing" and "planetary boundaries" (Akenji, Michael, Koide, Toivio, & Amellina, 2019). Similarly, decision-making support tools illustrating SDG interlinkages can help policymakers visualise how wellbeing and ecological conservation contributes to broader development goals (Zhou, Moinuddin, & Li, 2019). The widespread adoption of these metrics and tools will improve relevant policies and plans as well as foster "deep scaling" or normative changes that induce shifts in lifestyles and mindsets (Mao, Koide, & Akenji, 2019).

## 2. <u>Sustainable and just economies</u>

**Governments possess a suite of regulatory, fiscal, and other policy levers to promote sustainable and just economies** (King, Elder, & Shigemoto, 2018). Many of these levers, such as regulations (i.e. production standards), fiscal policy (i.e. tax breaks), and providing information (e.g. on environmental,

<sup>&</sup>lt;sup>1</sup> The Institute for Global Environmental Strategies (IGES) is an international research institution based in Hayama, Japan that partners with governments, international organisations, business and civil society to facilitate a transition to a sustainable future in Asia and the Pacific.

social and governance risks), can be used to encourage businesses to integrate the SDGs into their operations and planning processes (King, Elder, & Shigemoto, 2018; Suk, 2018).

At the same time, many companies are coming to understand that the SDGs can improve their bottom line (Ueno et al., 2017). Some forward-looking companies have found working on the SDGs can help build value--for instance, by linking diversity management to product innovation (Onoda et al., 2019). Establishing knowledge-sharing platforms that promote and disseminate good practices can help motivate other companies to be proactive on the SDGs. However, most companies will need clearer policy signals and stronger incentives to integrate the SDGs into core business processes (Ueno et al., 2018).

Small and medium enterprises (SMEs) and micro- and small and medium enterprises (MSMEs) need better information and stronger incentives to incorporate SDGs into business plans and production processes: In many countries, SMEs and MSMEs make up the majority of the private sector and thus hold the key to sustainable and just transitions. Frequently SMEs and MSMEs possess limited resources to incorporate the SDGs into their planning and production processes. In some cases, SMEs may be self-motivated to report on the SDGs. In other instances, local governments can help SMEs recognise the benefits of the SDGs (Kataoka & Yoshida, 2019). However, in many instances governments will need to provide financial incentives (low-interest loans) that encourage SMES and MSMEs to adopt circular or green business models that are consistent with the SDGs. In many countries, government incentives are driven by central banks that understand that climate and other environmental risks erode efforts to help those at the bottom of the pyramid (Prochaska et al., 2019).

## 3. Food systems and nutrition patterns

**Sustainable agriculture requires strategies promoting short-term changes in intensive land use practices and long-term transformations of consumption, production, and dietary systems.** Achieving zero hunger goals without undermining other SDGs should be the motivation for transformations of agricultural and land use systems. A feasible way forward is to start with short-term reforms such as smart subsidies and land use neutrality. These nearer term options can pave the way for longer term transformative changes to agricultural production systems and consumption patterns; the means of food production (urban and vertical farming); and food habits (Prabhakar, 2019).

Policymakers need coherent food waste policies and effective interagency coordination mechanisms to achieve food security objectives without jeopardising other SDGs. The estimated USD 2.6 trillion in global food losses is partially attributable to the lack of coherent food waste policies and limited interagency coordination (Liu, Mao, Bunditsakulchai, Sasaki, & Hotta, 2020). Some of the options that fall under a more coherent approach to food waste include designing concrete implementation plans with clear targets for reducing and recycling based on 3R (reduce, reuse, recycle) strategies; appropriate waste management technologies together with 'recycling loop' business models to support food waste 3R activities; and a practical food waste separation and collection system (Liu, Mao, Bunditsakulchai, Sasaki, & Hotta, 2020).

# 4. Urban and peri-urban development

Some cities' willingness to prepare voluntary local reviews (VLRs) is commendable; peer-learning platforms such as VLR labs can help less advanced cities gain from the knowledge of front-runners: A growing number of cities have taken a critical step in developing VLRs; these early movers should be commended for taking the initiative. There are nonetheless risks that cities with resource limits and capacity constraints struggle to keep pace with front-running cities. "VLR Labs" can provide other local

governments with the actionable knowledge and relatable experiences that can help avoid being left behind (IGES, 2020). National governments also have a role to play in enhancing the integration between the VNR and VLR processes.

**Circulating economic sphere offers a framework for improving resource management, revitalising local economies and resolving environmental problems that cut across rural-urban boundaries.** Many sustainability challenges transcend urban or rural boundaries (Somanje, et al., 2020). Governments at all levels need to improve their efforts to coordinate across these divisions. Concepts such as circular economic sphere can help map the principles of circular economy across spatial scales, opening opportunities for cities, peri-urban and rural areas to optimise resource flows, revitalize local economies and resolve boundary-spanning environmental problems (Sukhwani et al., 2019; Takeuchi et al., 2019). Socio-ecological production landscapes and seascapes (SEPLS) are examples of regional circular economic spheres that can benefit both nature and society (Scheyvens, Mader, Lopez-Casero, & Takahashi, 2019; Takahashi et al., 2019).

#### 5. Energy decarbonisation with universal access

**Deep decarbonisation in the energy sector is critical to ensuring global warming stays below 1.5°C; a just transition is possible with supportive policy changes (i.e. reskilling of labor)**. Global temperatures are currently increasing at 0.2°C per decade (IPCC, 2018). Increasing the share of renewables to 70% and reducing the share of coal in the electricity supply to nearly 0% by 2050 is needed to ensure temperature do not exceed 1.5°C. These changes could nevertheless have significant economic and labour market implications. Fortunately, there is evidence that a just transition—one that leaves no one behind and evenly distributes benefits—can lead to decent jobs. Such a transition will necessitate proactive policies to address distributional issues at the local and sub-sectoral levels, including reskilling and repositioning workers for new careers (Zhou and Mustafa, 2017; Kuriyama, 2019; IISD, 2018).

**Policymakers at all levels need to strengthen integration between the SDGs and climate policies.** The most sustainable decarbonisation pathways involve forging connections with other development priorities. Research on air pollution (Akahoshi, Zusman, & Matsumoto, 2018; UNEP APCAP and CCAC, 2019), sustainable transport (Nugroho, Zusman, Nakano, & Fujino, 2020), waste management (Premakumara et al., 2018), food water and energy (Bao et al., 2018) and gender (Lee & Zusman, 2019) show that there is a strong case for recognising and further deepening these connections. Doing so will require not only awareness raising, but also strengthening governance arrangements that align interests behind integrated solutions to climate change and sustainable development (Amanuma et al., 2018).

## 6. Global environmental commons

Solutions to marine plastics pollution require coordinated policy interventions at all stages of the plastics lifecycle as well as enhanced regional collaboration. While governments recognise the need to address the issues of plastics, existing policies and initiatives have a decidedly downstream focus. Broadening the scope of government action on plastics, beyond the predominant focus on waste, is key to overcoming the multiple issues associated with the lifecycle of plastics. At the same time, the transboundary nature of plastics pollution and the interlinked nature of economies require collaboration for enhancing regional resource circulation. Recommendations that could be advanced as part of this collaboration include i) establishing technical standards for plastics, recycled plastics and plastic products; ii) setting guidelines on circularity in plastics use; iii) phasing out of harmful additives; iv) forming an regional networks for research and innovation on plastics as well as iv) designing regional framework agreement on plastic pollution (Akenji et al., 2019).

**Biodiversity informs and inspires technological innovation, but its potential to continue doing so is being undermined.** The tiny proportion of species that have so far been studied sufficiently reveal some of their potential to inform technological innovation, and have already inspired more than 13,000 patented designs (Lenau, Metze, & Hesselberg, 2018). More than 10,000 peer-reviewed publications have presented examples of biodiversity's contribution to medicine and other technological innovations in the past five years alone (Mader, Ralevski, Fischer, & Lim, 2019). Biodiversity is, nonetheless, being lost globally at an unprecedented rate due to human activities (IPBES, 2018). These loses are limiting the potential for future technological and medical solutions. Governments would do well to establish national inventories of species under threat, and species with potential in terms of technological and medical innovation; to accelerate the mainstreaming of biodiversity considerations across public sectors and beyond; and to prioritise biodiversity as a key criterion for area-based conservation (Mader, Ralevski, Fischer and Lim, 2019).

**Greater accountability in the VNR process would help address environmental commons problems.** The actions of most countries impact others across a range of policy domains, including marine litter, air pollution, trade, among others. Moreover, what might be considered desirable in one country may be viewed differently in another. A mechanism that enables peer-review of the VNRs would allow for different perspectives in VNRs to be expressed openly. This could also have the effect of encouraging countries to examine the broader impacts of their projects and policies. It would help increase accountability for the content of the VNRs. An assessment of cross-border impacts can be further integrated into the VNR process by engaging stakeholders that are not based in a particular VNR country would help in providing feedback regarding the international impacts one country is imposing on another (Amanuma et al., 2020).

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