

*Structured Conversation IV*

**Sustainability**

**Organization**

Anna Jaguaribe, Trustee of CEBRI

**Participants**

**Izabella Teixeira**, Senior Fellow of CEBRI and Co-Chair of the International Panel of Natural Resources of the UN Environment (IRP/UNEP)

**Emma Torres**, Vice-President of the Sustainable Development Solutions Network (SDSN) of the UN for the Americas

**1. How to address the difficulties of the global environment agenda's implementation when the multilateral system faces such a crisis of trust and international cooperation institutions have such feeble mandates? Is it possible to move beyond the mandatory procedures to face new stakeholders' ambition and accelerate the transformation? What are the instruments through which supranational cooperation systems can be reinforced? Should the UN System be the priority? Is it the locus to be prioritized? Which instances should be privileged to catalyze positive changes?**

**Izabella Teixeira:** First of all, it is important to note that the new economic and political drivers that currently shape the global scenario were not contemplated in the design of the current multilateral institutional framework and procedures. Due to this, the multilateral system was unable to respond to structural changes like increasing inequality, climate change, and global health issues. Also, institutional mandates are weak (as the examples of the World Trade Organization and the World Health Organization illustrate), and the capacity of the system to accommodate change is low.

To face the new stakeholders' ambition to accelerate the transformation, a co-created multilateral agenda is fundamental. It cannot be just a space for regulation and dictation. We

need to use past examples such as the 2008 financial crisis, the covid-19, and the climate crisis to think about what instruments we need to manage these crises. We need to promote dialogue and new political mechanisms to bring together local needs, national interests, and global impacts and benefits. It is essential to discuss innovative governance models oriented towards action, co-responsibility, trust, and credibility.

To reinforce supranational cooperation, some aspects of the current scenario should be re-evaluated, as the idea of a two-tier process for multilateral reform, with one core group of selected democracies or like-minded countries that share regulations, leaving unlike-minded countries outside of this circle. To achieve this re-evaluation, a new understanding of balancing interests and rules is essential. A multilateral system based on only some selected countries fails to ensure the capacity to accommodate global diversity, which is mandatory to the creation of shared norms, responsibilities, and international institutional mandates, which are binding and include widely acceptable instances of conflict resolution.

In this realm, we need to rethink cooperation mechanisms among countries, especially on the following pillars: social protection and human development, climate change, global public health, and nature protection. The macroeconomic policies, stakeholders in the private and financial sectors, and multilateral systems will have to reorient toward these goals. That is why a stakeholder-oriented agenda is required: we need consensus and new commitments around responsibilities. These issues should address the decision-making process to green economic recovery.

Sustainable development must be seen as the leading theme related to cooperation and innovation since it is the most inclusive ongoing global concern. Multilateral solutions for sustainability have significant advantages to building innovative international cooperation mechanisms, including stakeholders, new modalities, and ways to promote cooperation among societies around the world. A reorganization of policy tools and transformational capacities will be necessary, as well as policy spaces, as prior strategies in the attempt to reform and strengthen multilateralism.

The current moment is ideal for this debate. A moment of reconstruction after the covid-19 pandemic is a unique opportunity to discuss the future in the present. Climate change, health, and economic crises provoke humankind to question its relationship with nature, our lifestyles

and show an opportunity to rethink our global economic cooperation system in the context of multilateralism's reform.

The multi-stakeholder bottom-up approach necessary to achieve the Sustainable Development Goals (SDG) and the targets of the Paris Agreement requires some of the same innovative policy tools that can be used in other areas to breathe air into the multilateral system as a whole. This is partly why sustainability policies are such an interesting lens through which to reflect on the past, present, and future of multilateralism.

It is also necessary to ponder on the mandate of policy. Do we want the multilateral system to be merely a regulatory instance, correcting market failures, or do we want it to be able to host an ambitious co-creation agenda designed by diverse stakeholders? If we agree to pursue the latter, we will probably have to bring new players to the table and create decision-making instances with mandates that will be renegotiated and founded on a new consensus. This context is also strategic to reshape the political and economic processes to addresses national interests and the role of the international community motivated by global co-benefits.

**Emma Torres:** It is important to highlight that the United Nations was instrumental in setting up a global sustainability agenda since the Stockholm Conference in 1972 and in Rio 92 where the Conventions of Climate Change, Biodiversity and Desertification were adopted. And more recently in 2012, Rio +20 launched the negotiation of the Sustainable Development Goals (SDGs). This process which lasted three years engaged consultations with a broad set of stakeholders including scientists, academia, private sector, organizations of civil society and cities alliances. The SDGs were ultimately adopted by 193 Heads of State in September 2015 at the UN.

Informed by science, the targets and goals adopted by governments at the UN Framework Convention of Climate Change provide points of reference and benchmark for action. Today the climate change agenda is being mainstreamed in all sectors of global society including the financial sector. The United Nations and the multilateral system are essential for providing vision, adoption of goals and for monitoring progress. Leadership at a regional, national, local levels, with the active broad stakeholder engagement are essential for advancing the transformation to sustainability.

**2. What innovative role can be played by non-state actors and the private sector? Can third sector organizations contribute significantly to support desirable change? Who are the potential “movers and shakers” of these conversations? What should be the initial steps to discuss these matters and what are the proper forums and mechanisms?**

**Izabella Teixeira:** To tackle a complex and dynamic context, the diversity of stakeholders is important but not enough. To be part of the new global movement, the political players must be responsible for addressing solutions, making decisions, and evaluating trade-offs.

How to bring local needs, align them with national interests, and make the difference positively at the global level? To open new political rooms is essential to promote inclusive and integrated processes for innovative governance. It also means working closely with the digital world to bring sustainability into arguments and choices. It means that the UN system is significant but not the only forum. It will be relevant to be open-minded for other options where the non-state players can practice politics and address their interests.

Global issues like climate change and health security provoke different political and economic constituencies to debate about the future and the decision processes currently required. It is meaningful to see the potential new movers and shakers, not only the ones in charge to tackle the risks and vulnerabilities, but also to identify new ones that will be the players in a transformative world. These are consumers, new media dynamics, the political role of science, new expressions of citizenship on human development and developing countries, digital tools and its impacts on freedom and democracy, and the ones addressing the transformational capacities.

As the financial sector is dominating the global economy, businesses must reorient towards sustainable ways of production, human capital, new technologies and innovation. They should address the markets oriented by the new consumers' demands. Thus, it becomes one of the main potential movers and shakers as there is a global competition for technological solutions for the non-fossil energy transition or sustainable food production, for example. That makes industry and finance core stakeholders in the movement towards a sustainable green economy. However, it seems not enough to be engaged. The private sector must commit and be co-responsible. It means to bring people together, not only the business.

Also, as we move into the implementation phase of the Paris Agreement, the United Nations Framework Convention on Climate Change (UNFCCC) will have to enable coordinated climate

action on the subnational level and by the private sector. We need to promote the construction of new consensuses and commitments around individual and collective responsibilities, as citizens, consumers, workers, entrepreneurs, for example. It is relevant to observe that climate targets will not be achieved in 2020. Developed economies failed with their national targets. Brazil, as a developing economy, also will not achieve its national climate targets by 2020 because of the setback on deforestation in Amazon. Paris Agreement implementation requires the review of the Nationally Determined Contributions (NDCs) at the beginning of the game, which is to raise ambition to cut emissions and also to engage “the net-zero emissions club” by 2050 (for developed economies, and 2060 for developing economies). The private sector must become the tracker and the promoter to make faster the achievement of the new targets. Put pressure on the climate agenda, push the players, and address the national interests oriented by global benefits illustrate the “desirable” political behavior to be seen as movers and shakers and not as a loser.

Building the necessary capacity to develop a co-created, stakeholder-oriented agenda within the multilateral system is paramount. We can only achieve the goals of the Agenda 2030 and the Paris Agreement if global climate governance adapts to host non-State actors, especially civil society organizations. Subnational governments are also important actors. To adapt the complexity of an international agenda to local scenarios, intra-organization skills within and between international, national, and subnational public organizations are needed.

**Emma Torres:** Coalitions of scientists, informed consumers, civil society organizations, youth movements play a critical role to advance a global transformative change. For instance, after four years of the adoption of the Climate Paris Agreement and the Sustainable Development Goals, in September 2019 leading banks launched the Principles for Responsible Banking. 130 banks collectively holding USD 47 trillion in assets, or one third of the global banking sector, signed up to those principles providing a significant boost to sustainability and climate change mitigation.

And several initiatives advanced by NGOs are developing tools to monitor such commitments. As an example, data on financing linked to deforestation risk is publicly available at scale by Trase - a tool developed by three research institutions - which enables financial institutions to systematically identify their exposure to deforestation risk through their financing of commodity

traders. This tool also allows civil society, governments and regulators to strengthen accountability of financial institutions by assessing their exposure to deforestation risks and by monitoring progress against policy commitments.

**3. The covid-19 pandemic has reinforced global consciousness regarding the environment and changed how we conceive both health and sustainability. Health and the environment are now viewed as one interconnected ecosystem both with characteristics of global public goods that demand a multilateral global understanding and regulation. How can we act on this new understanding? What regulatory tools can be devised for this holistic approach? How to move beyond the territory sovereignty approach to bring together national interests and common global benefits?**

**Izabella Teixeira:** Sustainability, social protection, and health systems are issues completely interconnected. Covid-19 was a clear example of how human action over the natural and animal ecosystem can cause imbalances and, therefore, generate new diseases. Thus, we need to look more smartly when thinking about integrated solutions to these topics. We can use this scenario of direct interconnections between health and environment to stress common solutions for global benefits.

An essential step is to stop environmental degradation and setbacks of the environmental policies. It is not enough to frame the unbalanced relationship between nature and humankind and the problems that emerged from it. People must learn how to review their behavior and understand the consequences, and that the new required actions will take time to tackle risks and vulnerabilities. The understanding that ecosystems are interconnected (not only the ecological ones) because the planet hosts all the different societies around the world is crucial for the debate of the global commons. Humankind must learn with the covid-19 pandemics, and not necessarily because it would be disruptive, but because it is the tip of the iceberg.

The sustainable development of the Legal Amazon is the perfect example of a national development strategy with global implications, which can either result in benefits or costs that will be impossible for the international community to pay. Illegal deforestation must stop, and it is the full responsibility of Brazil. Amazon forest is on the Brazilian territory (65% of the Amazon biome) and exercise sovereignty also means be responsible for it. Amazon's conservation is also strategic for the rest of the world because its destruction would impact the atmosphere and

humankind. The global commons debate is about "planet sovereignty" and not about national territory. It is also relevant to highlight that the deforestation on tropical forests can be disruptive to the equilibrium of ecosystems, facilitate the emergence of arbovirus, and provoke new health national, regional, or global crises. It can be used as a way to exemplify the need for countries to adopt joint measures that have health consequences worldwide.

**Emma Torres:** The covid-19 pandemic has made more critical the need to adopt and strengthen a "One Health approach", which implies fostering a collaborative, multisectoral approach and international collaboration with the goal of achieving optimal health outcomes recognizing the interconnection between people, animals, plants, and their shared environment.

Close to three-quarters of emerging infectious diseases in humans come from other animals. Land-use change and wildlife exploitation increase infectious disease risk by bringing people and other animals in close proximity to pathogen-carrying wildlife, and by disrupting the ecological processes that keep diseases in check.

A number of countries are integrating biodiversity measures in their covid-19 policy response. Examples of biodiversity measures include strengthen regulations on land use; on wildlife trade to protect human health; job programmes focused on ecosystem restoration, sustainable forest management and invasive species control; and engagement of businesses and the finance sector for a biodiversity-positive recovery.

**4. The mission-oriented approach to innovation galvanized hearts and minds in many places around the world. There are some implicit pre-requisites in its design: the choice and establishment of priorities capable of producing significant spillover effects. Should a mission-oriented approach be adopted to face the challenges of an environmental agenda? How could it favor (or not) an articulated, innovative, and coordinated sustainability global governance? Is it helpful to promote development based on the central environmental health system (or based on nature conservation)?**

**Izabella Teixeira:** It is essential to learn how to promote development based on nature conservation. A mission-oriented approach should be adopted to address the challenge of an articulated, innovative, and coordinated sustainable global governance. However, before

addressing global public goods, it is paramount to review global environmental and social governance. The challenges that emerge from the climate crisis demand new lifestyles and new global economic models, and these challenges imply learning how to develop solutions based on nature conservation and how to decouple the social and environmental impacts of economic growth. The new green economies will demand new environmental global governance, and the learning process that a mission-oriented approach would guide could make clear the interconnectivity between the needs, the choices, and the priorities for this governance. Moving on based on a mission-oriented approach could allow us to rebuild the planet and to frame a wider dialogue of a new global pact or agreement for the environment. It seems strategic how nature can help us to create new pathways to inclusive and sustainable development.

A mission-oriented approach can favor global governance as long as translated to local specificities. The Sustainable Development Goals (SDGs) should be turned into concrete intersectoral missions and projects. To develop these intersectoral projects, we need policy redesign. The instruments have to promote a bottom-up process towards public goals, considering local perspectives. In addition, we need to change how we do procurements and offer credit to bloom bottom-up innovation.

**Emma Torres:** A mission-oriented approach to innovation could serve well for a transition to a green and equitable economy, which will require innovation at a massive scale, engaging multiple sectors, supply chains and combining jobs, training and re-skilling programmes. And mobilizing investment in sustainable infrastructure including health, access to education and to broadband. An illustrative case is the European Green Deal (EGD), announced in December 2019, which sets out how to make Europe the first climate-neutral continent by 2050. The long-term budget 2021-2027 (Multiannual Financial Framework - MFF) and Next Generation EU provide an envelope of €1,824 billion euros to recover from covid-19 and support the transition to a green and digital economy.

Various implementation mechanisms, including macroeconomic coordination (European Semester), are being mobilized to streamline investments and member states' support to the objectives of the EGD.



**5. There is a global debate about recovery based on a new green deal which includes energy and fossil-free production. In general, Europe has advanced a great deal towards regulatory practices and China has now set new targets for a fossil-free economy. What is the key aspect of national policy and how can it be translated into a global agreement? The default conditions of LAC are very different from those of the European Union or of the United States. What factors should we take into account when facing this discussion? How distant are Brazil and LAC from building/achieving a (new) Green Deal? What should the public and private sectors be providing in order for green economies to become effective in developing countries? Is it possible a green global South?**

**Izabella Teixeira:** We should avoid simplistic solutions for sustainable development, like solely promoting more investment in low carbon infrastructure or renewable energy. It is important to aim for the greening of every single sector and value chain, from production and distribution to consumption and disposal. We need specific targets and intersectoral strategies oriented by national interests.

Rising inequality and climate change are directly linked in many Central and South American countries. The effects of climate change, such as extreme weather, tend to increase inequality, and the most vulnerable populations are disproportionately affected by environmental degradation. Shifting our mindset to look at these issues in an interconnected way can lead to the vision of concrete intersectoral missions, which must translate into a global agreement.

Sustainable development is also about reducing inequalities. Basic income was off the table before the pandemic, and now governments are discussing it despite budget constraints. Maybe we can use this process to promote the discussion of other policies related to the LAC realities.

Thinking about the Green New Deal needs to bring the reflection about what should be provided by the public and the private sector in the plan. We need to rethink PPPs - not all are worthy. We need to define what partnerships are for the public good. Also, conditionality has to be brought to the table. Public collaborations have to be conditioned to environmental and social commitments to promote corporate responsibility. Collective intelligence should guide the choices today if we want a better future.

The Global South has the potential to lead in central aspects of the sustainability agenda, such as biodiversity conservation, sustainable agriculture, renewable energy, and new economies (bioeconomy, circular economy, and low-carbon economy). Brazil has a specific role to play in

detaining the largest part of the world's most biodiverse tropical forest – the Amazon. Given that the most vulnerable populations are the most affected by the climate crisis, the Global South has the potential to unite around its social similarities and human development challenges, environmental conservation, and mutual interests to play globally closer and together.

**6. The environmental policy and institutional apparatus of Brazil are being dismantled, putting in danger the existence of the various environmental ecosystems of the country. At the same time, a new alliance of stakeholders has emerged to face these dangers. There is also a clear understanding that environmental policy needs scientific tools and a new economic understanding of sustainable production. In your view what are the key issues regarding a sustainable economic solution for the Amazon region?**

**Izabella Teixeira:** Today, in the Amazon, we have no planning and no vision. The government strategy is “laissez-faire”. On the other hand, science is a key player in the region, as it has an innovative political role. Therefore, it is important to question the possibility of a future-oriented Amazon. What would that look like beyond bioeconomy and biotechnology?

The Amazon is a crucial question for Brazil's development strategy and its international insertion agenda. It is also a wicked matter: problems not well formulated, ambiguous information, diversity of parts and interests, and conflicting narratives and expectations. The world sees the Amazon based on deforestation and the planetary boundaries, and the Amazon land use agenda does not put Brazil into a sustainable future.

The Amazon should not be considered only as a problem, but also as a given reality and as a challenge. To approach it, it is relevant to understand that the Amazon is not homogeneous. As the Amazon Institute says, there are four different “types of Amazonia” today: (a) deforested (land tenure, consolidated infrastructure demands, strategic demand for investments (public and private); (b) stocks of primary forest preserved, but with open fronts for deforestation (c) Amazon with forests (poverty but no misery); (d) urban Amazon (80% of the population live in cities).

To discuss new directions to the Amazon, it seems essential to bring the Amazon people together, learn with their experience, and understand their demands for development. Also, it is strategic to discuss with the Brazilian society, vision and interests, and how the region would

integrate into the national development. We need a new way to build up national interests (including international insertion) and to understand the links between the economic and reputational worlds. For it, the role of the Amazon and the environmental policies and governance system must be based on innovative ways to address development, moving Brazil into the future and not back to the past.

The Amazon demands a future-oriented by sustainability, but as we cannot guess the future, should we create one? Some issues must be addressed as building blocks:

- i) The fight against (illegal) deforestation (environmental crime).
- ii) The impacts that deforestation and the violation of the rights of indigenous people may have on development in Brazil.
- iii) Democracy, as sustainability demands it. In Brazil, democracy is a huge misunderstanding (as stated by Sérgio Buarque, a Brazilian writer, sociologist, in his book *Roots of Brazil*).
- iv) A long-term agenda to stop acting based only on short-term interests and on punctual programs, and stop promoting disruptive processes.
- v) An original course of action with national gains and global co-benefits.
- vi) A mission-oriented approach with responsibility today, not only in the future.

We also need to rethink social protection programs and a human development agenda for the most socially and environmentally vulnerable parts of the Legal Amazon territory, mainly the indigenous people and the traditional communities. Otherwise, it will be impossible to go against the incentive for the most vulnerable to be employed in the economy of deforestation.

Considering the limits and difficulties faced by existing mechanisms such as the Amazon Fund, it is necessary to forge new arrangements and coalitions to strengthen international cooperation for sustainability in the region. The greatest obstacle to achieve this goal is a false dichotomy between two different conceptions and uses of territory: one that emphasizes sovereignty, and another that seeks global alliances. The best alternative for Brazil's development would be to surpass this dichotomy by demonstrating that the existence of global alliances does not harm national sovereignty, but rather strengthen the country's political influence and credibility in international forums.

We need to strengthen international cooperation and public governance in the Amazon to host the ambition of creating a global public policy lab for missions ranging from granting access to public health for all indigenous tribes, to changing incentive structures that sustain inefficient industries (the Manaus Free Zone) designed in the past. The innovative industrial development in Brazil must have an Amazon footprint.