

## A Strategy for Advancing Sustainable Consumption and Production at the Global Scale

### Background -

#### The Over-arching problem:

**Humanity is collectively over-exploiting the planet's natural resources!**

There is a growing international realization that humanity's current demand for resources has exceeded planetary boundaries. Global patterns of consumption and production are becoming even more unsustainable as we proceed into the 21<sup>st</sup> century. With over 7 billion people on the planet and rising levels of affluence, growing overshoot is degrading the planet's ecological systems. Yet, these systems are fundamental to the long term well-being of humans and all other species with which we share the planet. As stated in a recent UN report; "We must act now to halt the alarming pace of climate change and environmental degradation, which pose unprecedented threats to humanity<sup>1</sup>."

To limit the outfall from overshoot, it would serve humanity to eliminate its over-use of Earth's resources. It can be executed in an urgent, orderly, and equitable manner. This means reducing the total quantity of natural resource goods and services that our species takes from the planet each year. It also means that we must plan future withdrawals more carefully. In other words, our future resource demands must live within the planetary resource budget.

#### Associated Policy Deficits:

- 1. No one is being held accountable for this collective over-consumption...  
...yet those with lowest income bear the brunt of the risk**

Nowhere in the design and practice of anthropogenic socio-economic systems is there accountability for humanity's *collective* overuse of the planet's finite natural resources. There may be laws and market forces for businesses to encourage them to use their resources more efficiently. There are some efforts to protect fisheries and forests from overuse. Some governments encourage businesses and organizations to "green" their operations and "decouple" their economic activities from consumption of natural resources. But there is no accountability for the absolute or collective use of natural resources. Also, there is nothing inherent in the structural design of our economic systems that prevents us from collectively exceeding bio-physical limits. Although we understand and pay attention to *fiscal* limitations

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<sup>1</sup> From the report of the UN High-Level Panel of Eminent Person on the Post-2015 Development Agenda; "A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development", 2<sup>nd</sup> page of the Executive Summary, item 2.

and budgeting processes, we pay little attention to *physical* (natural resource) limitations and budgeting. Yet, this overuse weakens natural capital, and hurts people, most quickly those directly dependent on the specific natural capital stock.

**2. National development plans often do not consider the full quantity of natural resources needed to support societal development aspirations.**

National development planning processes often ignore or pay insufficient attention to the total quantity of primary natural resources that are required to support the sustained well-being of the society as well as their future national development aspirations. This is a compound risk since most nations are doing it at the same time, reducing the resource resilience for all. Consequently, as development proceeds, many nations are already over-using their natural resource assets putting themselves increasingly at risk and threatening long-term well-being of their people, particularly the most vulnerable populations. Although the need for fiscal budgeting is well understood, the analogous need for natural resource budgeting (at the national scale) is not well understood and usually not practiced.

**Related Challenges:**

**A. There is no political mandate for change.**

With few exceptions, countries around the world are pursuing the same development strategy; increased prosperity through economic growth and development. This “political mandate” consistently demands more jobs and improved well-being for all peoples, with only secondary consideration given to the availability of natural resources to maintain their levels of economic activities. They even lack basic natural resource accountability. In other words there is little popular support for addressing the bio-physical realities of natural resource constraints, or to question the predominant “prosperity through growth” paradigm, even though some of the income growth may come at the cost of wealth depletion.

**B. Global governance is limited to voluntary compliance.**

It is broadly understood that the authority of global governance (e.g. United Nations processes, conventions, and international accords) is very limited and that participation by UN member nations, in multilateral processes - as well as their compliance with international agreements - is generally not obligatory. Although the UN has substantial communications ‘power’ and serves a valuable role in convening international discussions on development and global issues, it does not have the ability to manage the earth’s natural resource assets, nor any authority to do so. The supply and use of the great majority of the planet’s natural resource goods and services are controlled by sovereign states (and greatly influenced by multinational corporations). It is unlikely, in the foreseeable future, that member countries will relinquish any of this sovereign control to any form of global authority.

Natural resource control and accountability, where it exists, will remain at the national or sub-national level.

**C. The global resource “overshoot” challenge is getting larger, not smaller.**

Despite our many efforts to “decarbonize” or “green” our economies, human over-use of virtually all of the planet’s natural resource goods and services continues to trend upward. Although we continue to make relative improvements in our use of natural resources per unit of economic activity, absolute “decoupling” is not occurring. In fact, the reverse is true. Jevon’s paradox is playing out at the global scale. Although humanity has established a long “track-record” of reducing resource intensity per unit of GDP, our absolute consumption of primary natural resources becomes larger with every passing year.

**Related conditions:**

**1. Humanity’s collective over-consumption challenge is hard to see.**

Popular support and a political mandate for change is usually achievable only after people fully recognize and understand the need for change. For example, burning rivers and blackened skies – easily observable by the average US citizen in the 1970s - demonstrated an obvious and compelling need for creating a new environmental protection agency and promulgating legislation to change our waste discharge practices. In contrast, collective global overuse of the planet’s natural resources is a problem that is not readily observable by the average global citizen in their everyday lives. This lack of immediate “visibility” of the global resource challenge hampers the development of goals and strategies for sustainable living.

**2. United Nation’s development processes usually evolve more slowly than human induced changes in the bio-physical world.**

Although there is a growing awareness that today’s human development and environmental challenges call for transformational changes, the reality we must accept (and work with) is that global political process are generally evolutionary and do not readily lend themselves to transformational change.

**3. The SDGs will ultimately be driven by political mandates not physical necessity.**

Although there has been a clear and ever present call for transparency and full stakeholder participation, and the OWG has diligently pursued the active involvement of non-governmental entities in their SDG design and development work, the fact remains that the post-2015 development agenda will ultimately be negotiated “behind closed doors” and will be approved using an administrative process to avoid political gridlocks. First on the minds of the UN member nations, and the delegates to the OWG, will be goals and programs to

improve the human condition. They will vigorously defend their country's universal "right to development." Also, the "political mandate" will not seriously question the prevailing but somewhat outdated development paradigm of "prosperity through (endless) economic growth", and it will, in all likelihood, not entertain significant structural changes in global economic institutions and processes. These discussions do not recognize that natural capital accountability is the only way to secure the "right to development" and that ecological overshoot is primarily anti-poor.

## Strategy -

Since countries who understand their natural resource budget will be economically more successful and resilient, we recommend that countries establish resource accounts that can compare demand against availability. Recognizing this reality as well as the over-arching problems and relatively incontrovertible challenges and conditions, our **strategy for incorporating global scale SCP into the SDGs** is as follows:

Promote the natural resource budgeting and reporting mechanism to country delegations based upon compelling 'self-interest' economic development arguments. This would require the establishment of resource accounting that helps to evaluate countries' resource sufficiency. An economic development argument might sound something like this:

**In contrast to the end of the 20<sup>th</sup> century, natural resource costs are now becoming an increasingly significant economic factor for most nations, and this significance will only grow as resource demands increase. Natural resource demands are now so high that many resource assets are being overexploited, particularly in the water-energy-food nexus. When resource demands stretch or exhaust bio-physical capacity, the resulting price spikes can reduce productivity and curtail economic growth.**

**By adopting resource accounting that can evaluate a country's resource sufficiency, countries can proactively address resource constraints and better plan for their economic future. Nations that understand their resource limitations and reduce their reliance on scarce resources acquire a competitive edge. On the other hand, nations that fail to anticipate resource supply risks are highly vulnerable to economic disruption and can waste valuable capital on rising resource expenditures.**

Resource accounting that compares bio-physical demand to availability can also be promoted as a mechanism that provides valuable 'front-end' information for effective national policy design and decision making, as well as a reporting mechanism that can help build political support for ministers and other government officials to address the tough policy decisions that may be needed in the future to create a more sustainable national future. Such resource accounting also enables countries to determine whether their goals related to absolute economic 'decoupling' are actually being achieved.

The arguments for such resource accounting which pertain to natural resource accountability at the global scale will only be emphasized to potential accounting advocates who work primarily in the international development arena.

## The best we can hope for -

The over-all objective - admittedly incremental rather than transformational because of political barriers - is simply to **have all nations of the world *begin* to consider the implications of bio-physical realities of their natural resource assets, including demand against availability for the well-being of their citizens and their human development aspirations.** If we can accomplish this much, and all countries begin to do establish such accounting at the national scale (and in a globally standardized manner), then we can begin to deal with the over-arching global scale problem.

A preliminary list of suggested targets is provided below for discussion purposes:

**GOAL: Conduct resource accounting and natural resource sufficiency evaluations at the country level and integrate them into national plans for achieving sustainable production and consumption.**

**Target 1A:** By 2016, 5 countries will have developed pilot approaches of accounts that comprehensively evaluate resource demand against availability. By 2016, the United Nations Environmental Programme (UNEP) in conjunction with UNDESA will have reviewed these country experiences and outlined ways on how they can be incorporated into the System of Environmental-Economic Accounting (SEEA).

**Target 1B:** By 2017, 25 countries will have completed and published their **national resource sufficiency evaluation**, with technical support from UNEP and UNDESA being available upon request.

**Target 1C:** By 2019, all countries will have drafted - using the information derived from their respective annual **national resource evaluations** and link them to their plans for achieving sustainable production and consumption over the next 10 years.

**Target 1D:** By 2020, United Nations Environmental Programme (UNEP) in conjunction with UNDESA are developing guidelines and standards supporting all nations to have consistent, reliable, high-quality resource accounting frameworks that can comprehensively compare resource demand against availability and enable countries to engage in resource budgeting.

### What is a resource sufficiency evaluation?

Sufficient quantities of natural resources (e.g. fresh water, energy, or the natural and economically useful products of land and marine ecosystems such as wood, crops, or fish) are essential for human well-being and development. Comprehensive resource accounting is a means of comparing each nation's natural resource demands with the capacity of natural ecosystems to meet these demands. Scientifically-based accounting methodologies are already available to conduct resource sufficiency evaluations in a universally applicable manner. These methodologies, and the bio-physical 'balance sheets' that are generated, will give policy makers and the public a clearer understanding of ecological sustainability and what is needed to achieve it.



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