



SDG 8: DECENT WORK AND ECONOMIC GROWTH

WWF BRIEFING

WWF Recommends

Radical transformation to a sustainable, fair and inclusive economy

At HLPF 2019 under the theme of “empowering people and ensuring inclusiveness and equality”, WWF calls upon member states and all other stakeholders to recognise and include the following elements as fundamental for the full and effective implementation of SDG 8 and related targets:

- Ensure the true **value of nature to people is systematically factored into economic decisions** and environmental externalities are incorporated into economic systems (*related targets: 1.4, 1.5, 2.4, 2.a, 2.b, 2.c, 7.2, 7.a, 9.1, 9.2, 9.4, 9.a, 11.5, 11.6, 11a, 11.c, Goal 12 targets, 14.1, 14.4, 14.6, 15.2, 15.5, 15.9, 15.a, 15.b, 17.19*);
- **Refocus the economy** by measuring sustainable prosperity (including through natural capital accounting) rather than just short-term GDP growth (*related target: 17.19*);
- **Reform business models** so they take account of their dependence and impacts on nature and the risks and opportunities this presents - to build long-term shared value, rather than just short-term shareholder profit (*related targets: 1.4, 2.3, 2.4, 7.2, 9.1, 9.2, 9.4, 9.a, 12.3, 12.4, 12.5, 12.6, 12.b, 14.1, 14.4, 15.2, 15.5, 15.7, 17.1, 17.16*);
- Tackle the **financial sector’s** focus on short-term financial performance and failure to account for **financial risk resulting from loss of nature** (*related targets: 1.4, 9.1, 9.3, 17.3, 17.5, 17.16, 17.17*);
- **Leverage the SDGs** to drive meaningful change to more sustainable, fair and inclusive economic policy and hold all stakeholders to account (*related targets: 17.1, 17.13, 17.19*).

Background

Our economic model is destroying our planet

Societies and economies depend on services provided by nature, yet these services are not factored into economic decision-making. Instead nature is treated as an unlimited free resource. The resulting exploitation has meant our natural systems are pushed to dangerous tipping points, including those that we rely on for food and water. Global wildlife populations have declined on average by 60 percent in the past 40 years, largely due to threats and pressures driven by our economic activity. Our economic system is out of control, destroying the ecosystems we need and driving climate change. The Intergovernmental Panel on Climate Change (IPCC) Special Report (2018) highlights the devastating consequences for our economies and societies if we fail to keep global warming to 1.5 degrees.

SDG 8 focuses on economic growth; how countries choose to develop their economies has profound consequences for our planet and for our future. Time is running out – even faster than recently thought. We need to make sustainable use of natural resources a top economic priority and forge an integrated approach to climate, nature and sustainable development that is underpinned by transformation in the economic system. In order to dramatically reverse humanity's environmental footprint, we need a **New Deal for Nature and People**: one where our ecological crisis is elevated to the top of the political agenda, and recognised and addressed by not just ministers of environment, but also by heads of state and ministers of finance and economy.

The world's poor are most affected by the loss of nature

The costs and risks of nature loss fall disproportionately on the poor. More than 70 per cent of the world's poor live in rural areas and depend directly on biodiversity and ecosystems for their subsistence. Biodiversity loss undermines the food security, nutrition and health of the rural poor and increases their vulnerability to external shocks. While biological resources such as timber, fisheries and productive land make up a large proportion of the 'wealth' of developing countries, and are a comparative advantage on which economic development can be built, the benefits derived from utilising these natural resources are not shared equitably.

The need to 'decouple'

Despite efforts to decouple economic growth from the exploitation of environmental resources, material footprint and domestic material consumption (SDG targets 8.4 and 12.2) at the global level continue to rise (UNEP 2019). This cannot continue. Through the SDGs, governments have endorsed the need to live within the boundaries of our planetary systems and build a fairer, more inclusive and equitable world. Goal 8, with its target on decoupling is key to this change.

Moving beyond GDP

Growing GDP (Gross Domestic Product) is the primary priority for most economies. But GDP puts an unhealthy focus on short-term domestic income generation at the expense of longer-term prosperity which depends on maintaining a healthy stock of assets which generate income, including natural assets. SDG 8 should put a spotlight on moving 'beyond GDP' in our assessment of economic performance, to take full account of the role and value of nature. We need to build an economic model that functions in the long term and delivers prosperity for all people within the boundaries of our planet – this requires new economic metrics.

Investing in nature

Managing natural systems can be the best value for money when it comes to providing populations with services such as freshwater and clean air and providing long term economic assets such as timber, fisheries, and high yielding land for agriculture. Investing in 'natural infrastructure' (e.g. wetlands), can also be far cheaper than investing in 'grey' infrastructure (man-made, constructed infrastructure such as water purification plants), and have positive co-benefits for livelihoods, climate change and nature. Investing in nature makes good economic sense.

Loss of nature is a financial risk

In the way that climate change is now recognised as a serious financial risk for banks and other financial institutions, loss of nature must be seen in the same light. According estimates in the World Economic Forum's (WEF) *2019 Global Risks Report*, the annual value of nature's contributions to people – such as in the form of food, water purification, pollination, protection against floods - is \$125 trillion, or is roughly two-thirds more than global GDP. The WEF concludes that biodiversity

loss and ecosystem collapse are both more likely and potentially more damaging to business than most other global threats. To effectively manage biodiversity loss risks and protect financial institutions from its potential impact, institutions need to integrate biodiversity loss risk into their financial risk management frameworks¹. This, in turn, will help to channel investments toward projects that maintain or reinforce nature.

Sustainable supply chains

International supply chains provide jobs and contribute to the global economy. But if they damage the natural environment in source countries, for example through deforestation or pollution, they will have negative impacts on both the local and the global economy in the long term. SDG 8 should focus attention on the role of sustainable supply chains in the global economy.

Blue economy

The 'Blue Economy' (all economic sectors which have a direct or indirect link to oceans) is growing rapidly. It is a sector where a sustainable approach is paramount, as unsustainable economic activities are eroding the oceans' natural resources that future economic opportunities depend on. For example, 31 percent of fisheries are overfished – undermining the environmental and economic sustainability of our fish stocks. WWF's Principles for a Sustainable Blue Economy and Sustainable Blue Economy Finance Principles² set out the approach that countries and business should take.

¹ For example, see: *Integrating Natural Capital in Risk Assessments: A step-by-step guide for banks*, Natural Capital Finance Alliance and PricewaterhouseCoopers (Geneva, Oxford and London), 2018.

² http://wwf.panda.org/our_work/oceans/publications/sustainable_blue_economy_reports.cfm