



# TRANSATLANTIC VISION 2030 Renewing the partnership

Stimulating debate through thought papers

## A Transatlantic Partnership for Sustainable Development?

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### Executive summary

#### Established Facts ...

- **Demography, famine v. obesity and food waste**

The global population will reach 9.7 billion people by 2050. Most of the increase will occur in the least developed part of the world where people rightly aspire to a higher level of wellbeing. Nearly 800 million people are hungry and over 2 billion suffer from micronutrient deficiencies. Yet more than 2 billion people are obese and we throw away more than one third of the food we produce.

- **Biodiversity loss and plastic contamination**

We have lost 60% of our biodiversity in the last 40 years. Biomass of the mammals living in nature has been reduced in recent decades by 82%. A million plastic bottles are bought every minute, with nearly 80% ending up in landfill sites or simply tipped into the environment, causing enormous damage to our eco-systems and oceans.

- **Air pollution and diseases**

It is estimated that globally 7 million people die prematurely due to air pollution and this will be the first generation more likely to die as a result of lifestyle choices than infectious diseases.

- **Climate change and Human security**

Human security in the near future will be gravely impacted by the global warming effects. The impacts of uncontrolled global warming will endanger the safe operating space for all countries.

- **Inequality, responsibilities and global warming**

Increasing economic activity has resulted in remarkable socio-economic development globally but also inequalities. Some regions of the world are geographically more affected by climate change but also less equipped to deal with climatic pressures. Developed countries bear most of responsibility for the current situation and should lead by lowering most their environmental footprint and support others to take necessary step. Developing countries are on a fast development path and represent the majority of the global population. Their development path is critical for future global sustainability.

- **Those who don't adapt will fail**

Businesses have the capacity to innovate and mobilise resources efficiently. Yet they also face systemic lock-ins to the linear model, from infrastructure to financing, and from consumer behaviour to regulation. Yet, companies will have to adapt, update their market strategy if they want to thrive while transition should also be supported by a large array of public incentives.

## ... shaping our response

One of the conclusions of the World Economic Forum 2018 was that: “The challenge seems to not be one of inadequate scientific evidence anymore; rather one of cooperation and implementation. The complexity and scale of these challenges requires a space that allows actors with responsibility for environmental governance mechanisms to be able to experiment with both new forms of collaboration and more „systemic“ approaches ... through promoting multi stakeholder cooperation, more agile governance (including sub-state actors, such as cities, states and provinces), the use of new technologies, and enhanced accountability and transparency.”

- **Towards a new socio-economic model**

Our future prosperity will be determined by our ability to get more value out of each tonne of materials, each hectare of land, each cubic meter of water, and each joule of energy but also our ability to consume less and better. We need to marshal all our collective efforts to transition to a development model that enables economies to improve their sustainability, respect planetary limits, whilst continuing to maintain – or indeed improve – living standards.

- **Invest in smart resource management and innovation**

Sustainable development, including a better resource management must be seen as a profitable investment into long-term-successful innovations, instead of a cost. Scenario modelling showed that financing the necessary innovations in technology and economic systems is not only without alternative to secure human wellbeing, it is also an effective strategy to boost economic development beyond a business as usual scenario. Resource management has been the missing link in policy making.

- **Switching to a circular economy**

Switching from a linear to a circular economy could reduce EU’s CO<sup>2</sup> emissions from materials by 56% compared to the base line, which already includes the applied energy related measures. Shifting from the current private to the shared mobility scenario could save up to 70% of CO<sup>2</sup> emissions. It would be essential that the concept is accepted and developed beyond EU.

- **A new compass to guide our response**

The Gross Domestic Product no longer seems to be the appropriate indicator notably because growth of GDP in the last decades has been achieved at the cost of depleting natural capital and all growth we are recording using the GDP measurement isn’t sustainable. A more accurate picture of the prosperity and wellbeing in the world today is given by the new Inclusive Wealth Index which takes into consideration the Human capital and the Natural capital.

## The potential of Transatlantic leadership ...

- **Lead the way and setting standards**

The European Union and the United States are still masters of knowledge, ingenuity, innovation, and the entrepreneurial spirit. They still possess much of the financial capability to effect change. Together, they can set standards and hold each other, and the world to account. It’s a partnership that has done already much for the world. But it now needs to do more and is, perhaps, facing its greatest challenge, in this area of sustainable development.

- **EU- US as privileged partners in innovation, investment and trade**

Europe invests more in the United States than do investors from any other part of the world. The US also invests more in Europe than all other countries of the world combined. Together, this has the potential to be a huge driver of innovation and adaptation.

- **Embrace the opportunities of the transition**

Sustainability increasingly becomes a driver of global competitiveness. The key to unlocking the necessary transition is likely to require both a political and economic mind-set shift, which recognizes the enormous socio-economic opportunities, in making this change. While ultimately this should be a global endeavour, the partnership between EU and U.S., will go a very long way to determining our success.

- **Build on achievements**

Nations around the world have almost universally agreed to address global warming (UNFCCC Paris Agreement), biodiversity loss (CBD Aichi Targets) and sustainable development (SDGs and Agenda 2030) and the EU and the US both have brought an important contribution to their negotiation. While we cannot afford side-lining countries that aren't part of these agreements if we want to create incentives of more cooperation and urgent action at all levels against climate change, it is important to also continue ensuring the implementation of what have been already agreed.

- **Any new comprehensive bilateral agreement should be inclusive and provide a brand-new narrative**

The public scepticism towards safety, transparency and overall strategic benefit of the agreement was an important factor in the failure of TTIP negotiations. If we want to develop a partnership in this area, we need to engage our electorates on both sides of the Atlantic now. The core of any new partnership in this area, must therefore, embrace a new narrative that addresses all the new challenges but also respects the differences of the other. Whilst constructive criticism and challenge should always be welcome, it should be based on a healthy respect for each other's different approaches.

- **An horizontal approach addressing the climate emergency at the level of different policy areas (trade, finance, health, energy)**

To achieve alignment, not only must multilateral decision making be revived in the existing institutions, but in addition we might need a new institution that strategically monitors, and potentially manages, the systemic interaction between agendas. The E.U. and U.S. in cooperation are in a unique position to initiate the development of such an institution.

- **A public-private partnership for sustainability**

The EU and US should continue working actively to bringing together the leading business actors. Many businesses say that they are not afraid of more regulation but of unfairness, free riders and uncertain risk. They need a level playing field. If we make policies fair, consistent and reliable - we can work together across policy and business actors for a real transition.

- **A commitment to a multilateral approach to sustainability**

No one country will be able to 'go it alone' or isolate itself from the effects a changing climate or unsustainable development. Multilateralism will not only remain but will have increase in the future. There will be a clear need for efforts which would lead to greater sharing of sovereignty rather than owning it. While the EU and US, with the right commitment, will be able to make important advances in the transition, they cannot achieve enough alone and must be based on close exchange and cooperation with other countries.