United Nations E/2022/58

Economic and Social Council

Distr.: General
04 May 2022
WORD COUNT: 7,935

Original: English

Advance unedited version

High-level segment of ECOSOC
Economic and Social Council
18 July 2022
Item 5 (b) of the provisional agenda*

Long-term future trends and scenarios - impacts on the realization of the Sustainable Development Goals

Report of the Secretary-General

The present report serves to inform the ECOSOC high-level segment in July 2022. It complements report E/2022/57 on this year's theme. It aims to support policy makers in looking beyond todays' crises and emergencies and reflecting on scenarios on how the world can reach the SDGs and its climate change objectives. It responds to the General Assembly mandate for ECOSOC High-Level Segment. It builds on the call of the Secretary-General in his report on Our Common Agenda that "We must make full use of our unprecedented capacity to predict and model the impact of policy decisions over time".

The report takes stock of recent technological and policy trends and their impacts on the achievement of the Sustainable Development Goals (SDGs). It concludes that the world's actions in the past year have largely not been in line with the global "best-case scenario" (low energy demand (LED) better futures scenario) highlighted in previous reports E/2020/60 and E/2021/61. Yet, it also points out a number of positive developments that indicate a possible acceleration of the global sustainable energy transition and policy action towards net-zero greenhouse gas (GHG) emissions, while promoting energy access, as an enabler for all SDGs.

The report further outlines a new possible Sustainable Development Pathway (SDP) developed by eminent scientists that would allow to realize the Sustainable Development Goals (SDGs) and global climate aspirations. This Sustainable Development Pathway would result from policies that build on new insights on synergies and trade-offs among the SDGs and pursue decent living standards for all. It would also be made possible by the use of a wide range of new technologies. This includes notably using the large untapped potential of digital innovations aimed at responding better and more effectively to the needs of consumers and at improving the related production and other processes. It offers an inclusive and effective path

for the achievement of the 2030 Agenda for Sustainable Development in the context of the Decade of Action and Delivery for sustainable development. It identifies a number of urgent actions that should be taken today in order to deliver sustainable development and our climate objectives in the coming years and by 2050.

I. Introduction

1. The present report serves to inform the ECOSOC high-level policy dialogue on "*future trends and scenarios and the long-term impact of current trends on the realization of the 2030 Agenda for Sustainable Development*"[1] on 18 July. It takes a long-term future perspective towards 2030 and beyond. It thus complements the Secretary-General's report E/2022/57 on the ECOSOC theme which discusses most recent efforts to recover and build back better from the COVID-19 pandemic and their immediate implications.

2. The 2030 Agenda for Sustainable Development outlines a broad, aspirational vision "*for people, planet and prosperity*". Its SDGs and targets provide a vision of the world that all countries would like to achieve by 2030[2] and a roadmap to this end. The 2030 Agenda outlines policy recommendations and actions, including quantitative targets. But it does not offer precise guidance on how coordinated actions could feasibly unfold over time to reach the SDGs. This is what scenarios are designed to explore.

3. Scenarios are critical tools for making sound policy decisions to advance the SDGs. They are consistent and plausible paths describing developments into the future. They coherently bring together scientific and technical knowledge from all relevant disciplines and sources in order to improve understanding of possible future developments and support decision-making. Policy makers often refer to scenarios as pathways – a terminology that is used synonymously in this report. However, scenarios are not predictions. Instead, scenario analysts make assumptions about an inherently uncertain future and ask "*if…, then…*"-questions. Scenarios focus thinking on identifying solutions that do not breach physical, technical, economic or socio-political boundaries but that truly add up and are grounded in the best available science and evidence. The Summit of the Future in September 2023 will be the opportunity to look at possible pathways to achieve the better world envisioned in the 2030 Agenda and protect the Planet.

4. In 2020, the Secretary-General presented (E/2020/60) the *"low energy demand (LED) better futures scenario*" as a best-case scenario for the achievement of the SDGs and sustainable development by 2050. The report highlighted what is at stake by contrasting the LED scenario with prominent business-as-usual and worst-case scenarios. It considered the potential long-term consequences of near-term decisions in two areas - responses to COVID-19 and new Internet and artificial intelligence technologies. The report suggested that actions in these two areas might strongly influence our capacity and available options to deal with other great sustainability challenges that humanity is facing in the longer run.

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[1] In accordance with General Assembly resolution 72/305, the final day of the high-level segment of the Council, following the ministerial segment of the high-level political forum, will focus on "*future trends and scenarios related to the Council theme, the long-term impact of current trends, such as the contribution of new technologies, in the economic, social and environmental areas on the realization of the Sustainable Development Goals, based on the work of the United Nations and other regional and international organizations and bodies as well as other stakeholders. Its aim is to enhance knowledge-sharing and regional and international cooperation*".

[2] With selective targets for other years

5. In 2021, the Secretary-General took stock (E/2021/61) of the extent to which the world's actions in the past year had been in line with the LED better futures scenario and what could be done in the near-term for the world to be placed on this desirable pathway. This near-term analysis was undertaken especially in the context of tapping into the potentially large benefits of digital consumer innovations in order to transform end-use efficiencies in transport, buildings, food and energy. The report provided further details on how the LED scenario outperforms many other sustainable development scenarios both in terms of achieving the entire range of SDGs and especially in terms of achieving high living standards for everyone that are far beyond basic needs. It again took stock of trends in COVID19 responses and digitalization and concluded that, despite some positive signs, the world was not on track to achieve its aspirational long-term goals.

6. The present report builds on the previous reports of the past two years. It takes stock of the extent to which the world's actions in the past year have been in line with the LED scenario or other Sustainable Development Pathways that would allow to achieve the world's SDG and climate aspirations. It outlines a new Sustainable Development Pathway (SDP) and reports on how these pathways address SDG synergies and trade-offs, how they propose achieving decent living standards for all, and the role of new technologies. It also discusses the potential impacts of recent technological and policy trends that promise an acceleration of the global sustainable energy transition.

II. What it may take to achieve the SDGs: the Low Energy Demand (LED) better futures scenario and alternative Sustainable Development Pathways

7. Ever since the Rio+20 Conference in 2012, many scenario modelers have developed global sustainable development scenarios. Since 2015, they have also developed more specifically SDG scenarios emphasizing economic, technological, or political approaches. However, in the past eight years, unabated global increases in energy, materials and land use, together with their associated environmental, social and health consequences, have required analysts to make ever more ambitious assumptions to arrive at scenarios where the SDGs are achieved in the remaining fewer and fewer years.

8. For example, to limit global warming to the 1.5°C goal, in 2019 UNEP estimated that greenhouse gas (GHG) emissions would need to be reduced by 7.6% per year until 2030, compared to a reduction of only 3.3% per year had decisive action been already taken ten years ago.[3] For comparison, global CO_2 emissions declined by 6.4% in 2020 due to the COVID-19 crisis.[4] Successive reductions of this magnitude would be needed on top of each other - *every year* - for the entire decade. Instead, energy-related CO_2 emissions increased by 6%, or 2 billion tonnes, in 2021, the largest absolute annual increase ever, primarily due to increased use of coal. With every passing year, the attainment of internationally agreed climate goals has become

[3] UNEP gap report 2019.

[4] Toleffson (2021). Nature News, 589, 343, Jan. 2021.

more challenging through emissions reductions alone. Attaining those goals is critical for realizing all SDGs and for the future of humanity.

9. To achieve the required ambition, many scenario analysts have long stressed the determinant role of technological fixes, such as bioenergy with carbon capture and storage, to produce negative emissions at a large scale, especially 30 years from now. While mostly theoretical until a few years ago, many demonstration projects have now appeared in this regard. Yet, many issues related to deployment of these technologies at scale remain to be resolved, such as the logistics of safely storing billions of tonnes of CO_2 every year and the potential impacts on ocean and terrestrial ecosystems.

The new approach advocated by the Secretary-General in 2021: the LED better futures scenario to achieve the SDGs and decent living standards for all

10. Against this background, in 2018 several eminent scenario analysts and scientists took a different approach and designed an aspirational pathway inspired by the latest technological developments, behavioural change and high impact business innovations. The scenario aims to realize the SDGs while making exceptional progress on sustainable consumption and production (SDG12) through rapid transitions to lower energy demand and very high efficiency end-use technology and practices in energy, water, land and materials.

This low energy demand (LED) scenario[5] would allow to meet the SDGs and the 1.5°C climate target without relying on negative emissions technologies. As a result, hundreds of millions of hectares of cropland could be spared. The scenario was featured in the IPCC's "*Global Warming of 1.5°C*" report and is also one of two scenarios highlighted in the Working Group III's contribution to the 6th Assessment Report of IPCC published in April 2022.[6]

Based on the original energy scenario, consistent, detailed scenario implementations were developed for land use and food ("better futures" scenario)[7], water[8] and other SDG sectors. The resulting, combined "*LED better futures scenario"* translates into important benefits for all SDGs. Related but somewhat different scenario variants

[5] Gruebler A, Wilson C, Bento N, Boza-Kiss B, Krey V, McCollum D, Rao N, Riahi K, et al. (2018). A low energy demand scenario for meeting the 1.5 °C target and sustainable development goals without negative emission technologies. Nature Energy 3 (6): 517-525.

[6] IPCC, 2018: Global Warming of 1.5°C.An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty

[7] FOLU (2019). Growing Better: Ten Critical Transitions to Transform Food and Land Use. The Global Consultation Report of the Food and Land Use Coalition, September 2019.

[8] Parkinson S, et al. (2018). Balancing clean water-climate change mitigation trade-offs. IIASA Working Paper. IIASA, Laxenburg, Austria: WP-18-005

have also been developed by the Netherlands Environmental Assessment Agency (PBL)[9] and the International Energy Agency (IEA)[10]/.[11]

11. The key goal of the LED better futures scenario is to reduce overall global energy, water and land use, despite increasing population, economic activity and rapidly increasing living standards. This is possible due to the large untapped potential for increasing end use efficiencies through a combination of technological, behavioural and business innovations – a transition fuelled by ICTs.

12. The scenario describes a world that becomes increasingly interconnected and focused on education, science and technology. It is a world with rapid global diffusion of technology where open science is leveraged for sustainable development. Many digital technologies and artificial intelligence applications are deployed. They vastly increase service efficiencies. In what becomes a high-tech interconnected world, the SDGs are achieved by 2030 and broader sustainability by 2050.

The scenario outperforms alternative scenarios in terms of SDG progress. It also foresees rapid improvement in living standards in developing countries to a level far beyond basic services described in the SDGs or "decent living standards", essentially catching up with the developed world. Yet, at the same time, global energy and resource use would decline. Decent standard of living requirements ensure that people have the means to pursue a decent life and include amenities that ensure good health, quality of life, and enable people to engage with society. [12]

13. All this is achieved through overall strategies to (i) electrify energy end-use worldwide; (ii) bring homes, appliances and transport modes to the technological efficiency frontier; (iii) support multi-functionality through convergence of multiple services onto single devices or business models; (iv) promote a generational shift from ownership of material goods to accessing services; (v) increase utilisation rates of goods, infrastructure, and vehicles (sharing and circular economy); (vi) promote user-oriented innovation; ensure decentralization allowing new roles for end-users not just as consumers but also as producers, innovators and traders; and (vii) achieve pervasive digitalization and rapid innovation in granular technologies.

14. The LED better futures scenario shows the way towards a highly desirable sustainable future, with multiple benefits and the potential for preventing various global sustainability crises. With so much at stake, current policies and actions need to be closely assessed against this pathway. While there are important promising new technological and policy developments that have the potential to accelerate the world's transition towards such an optimal scenario (see section III), at the global

[9] PBL's Nexus, 1.5°C and roads from Rio scenarios: Van Vuuren, D.P., et al. (2019). Integrated scenarios to support analysis of the food–energy–water Nexus. Nature Sustainability, Vol.2, Dec. 2019, p. 1132–-1141. Van Vuuren, D.P., et al. (2018). Alternative pathways to the 1.5°C target reduce the need for negative emission technologies. Nature Climate Change, Vol. 8, May 2018, p. 391–397. van Vuuren, D.P., et al. (2015). Pathways to achieve a set of ambitious global sustainability objectives by 2050: Explorations using the IMAGE integrated assessment model. TFSC 98 (2015) 303–323.

[10] IEA's sustainable development scenario in the World Energy Outlook: IEA (2019). World Energy Model - scenario analysis of future energy trends. World Energy Outlook, Nov. 2019.

[11] LED database, https://db1.ene.iiasa.ac.at/LEDDB related to Gruebler et al. (2018); SSP database, https://tntcat.iiasa.ac.at/SspDb related to Riahi et al. (2017).

[12] Rao, N., Min. J. (2018). Decent Living Standards: Material Prerequisites for Human Wellbeing, Soc Indic Res (2018) 138:225–244.

scale the world has not been on track, neither in terms of the required end-use transformations nor in behavioural changes.

An updated sustainable development pathway consistent with the SDGs

15. While the LED better futures scenario may still be the world's best bet to achieve the SDGs and broader sustainable development in the coming decades, in view of the latest unsustainable trends, alternative sustainable development pathways (SDP) have been developed and were presented by leading scientists in 2021. They quantify the entire range of the SDGs. The resulting findings provide a pragmatic portfolio of actions to arrive on a path towards achieving most of the SDGs despite the recent unsustainable trends and infrastructures.[13,14]

In contrast to the LED scenario, the SDP scenario does recognize the recent findings of IPCC Working Group III that to achieve the climate goals negative emissions technologies will ultimately be needed at a sizable scale. The SDP scenario developers explored six broad clusters of interventions in the areas of development: resource efficiency and life-style changes; climate mitigation; shift in consumption patterns (energy and land use); international climate finance; and national poverty alleviation programmes financed from carbon pricing revenues. Key elements of the SDP scenario are outlined here.

16. *Planetary integrity.* The SDP scenario shows a path towards good progress towards SDGs 13, 14 and 15. GHG emissions are reduced to 33 and 10 billion metric tons CO2-equiv. in 2030 and 2050, respectively. Sizable reductions in agricultural methane and nitrous oxide emissions beyond what is common in other 1.5°C scenarios in the literature limits the required scale of negative emissions. The overall warming slightly overshoots 1.5°C by 2050 and reaches about 1.3°C by 2100. Importantly, ocean acidification is limited to a level that does not further endanger marine organisms, such as corals, clams, oysters, and some plankton. The scenario also shows a path towards decreasing annual human-induced nitrogen fixation, to conserve primary forests, halt biodiversity loss and reverse some of that loss, all by 2050.

17. *Provision of material needs and sustainable resources* (SDGs 2, 6, 7, and 12). The SDP scenario achieves zero-hunger by 2050 and a halving of malnourishment by 2030. Food waste is reduced and agricultural water use is reduced by a quarter by 2050. This reduces pressure for higher food prices. Annual per capita energy use for buildings and mobility almost doubles t in 2030 and more than triples in 2050.

18. *People (SDGs 1, 3, 4, and 5)*. In the SDP scenario, extreme poverty could be reduced to 180 million (or about 2 per cent of the population) in 2030, compared to 750 million in 2015, and poverty eradication could be achieved by 2050. It leads to 5 and 25 million fewer life years[15] lost by 2030 and 2050, respectively, but health impacts of air pollution remain above WHO target levels. In the SDP scenario, all of the younger generation will have benefitted from a school education by 2030.

19. *Prosperity (SDGs 8, 9, 10 and 11)*. Income grows rapidly in the developing world, converging towards that of the developed world, but regional disparities

[13] Soergel, B., et al. (2021). A sustainable development pathway for climate action within the UN 2030 Agenda. Nature Climate Change, Vol.11, Aug. 2021, pp.656-664.

[14] This work is ongoing in the form of a multi-model scenario projects entitled SHAPE, results for which are expected by summer 2022, see https://shape-project.org.

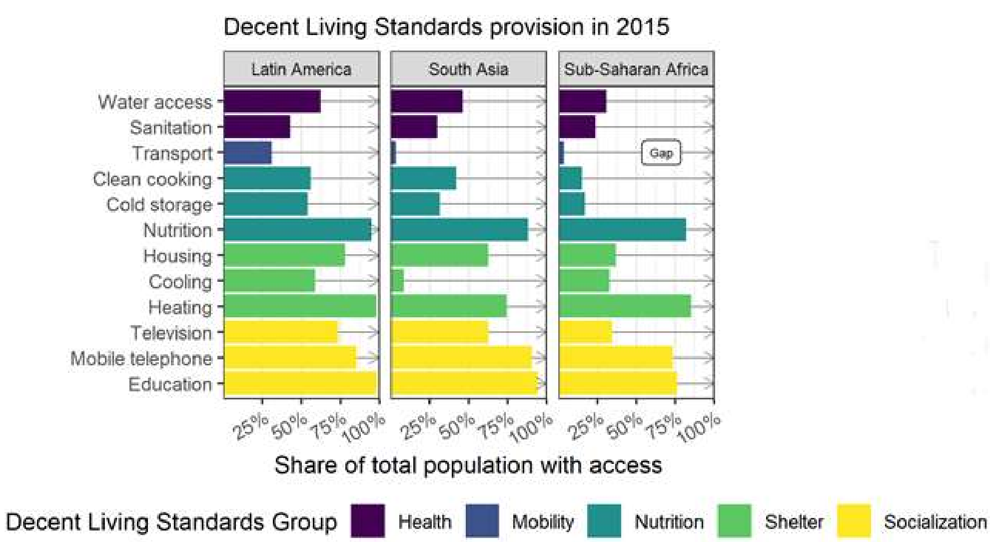
[15] disability adjusted

remain. The within-country relative poverty rate decreases from 19 per cent in 2015 to 15 in 2050. The clean energy share in industry grows slowly to 26 per cent in 2030 and more rapidly to 62 per cent by 2050. Urban air pollution is reduced by 40 per cent by 2050.

20. *Institutions and partnerships (SDGs 16 and 17)*. The SDP scenario assumes a general increase and convergence in institutional quality across the board. It thus requires making institutions effective, inclusive and accountable, as decided in SDG 16. International climate finance is increased beyond the current US$100 billion target to US$350 billion by 2030 and US$910 billion by 2050. The SDP scenario explores the outcomes of a large part of these funds being used to finance poverty alleviation rather than being reinvested in new infrastructure and technologies. This means drastically increasing public and private climate resources which have been insufficient for years.

Decent living standards for all

21. The SDP scenario shows a pathway towards ensuring decent living standards for all. The concept of decent living standards goes well beyond basic services and eradication of poverty. It addresses nutrition (food, preparation and conservation), shelter (housing, thermal comfort), health (health care, water and sanitation), socialization (education, communication and information), and mobility (motorized transport). Less than one third of the current global average annual final energy consumption per capita is needed to provide decent living standards. The largest per capita gaps are in Sub-Saharan Africa, South Asia and Latin America, but regional differences are sizable (figure 1). In Sub-Saharan Africa, final energy use would need to grow from 20 GJ per capita now to 31 GJ to fill the gap. Under IPCC's "middle-of-the-road" scenario, 89 exajoules[18] will be required for new infrastructure for all in Sub-Saharan Africa by 2050.



Source: Kikstra et al. (2022).[16]

[16] Jarmo S. Kikstra, Setu Pelz, and Shonali Pachauri (2022). Eliminating multidimensional poverty by providing decent living standards for all. Science-policy brief, in: IATT report 2022.

22. Energy gaps to ensure decent living are biggest in terms of transport across regions, but there are also sizable gaps in clean cooking cold storage, sanitation and cooling. The cooling gap is especially large in South Asia. In many parts of the Global South, cooling is among the fastest growing energy use in buildings, yet only rarely the focus of sustainability. Heat stress affects health and productivity of billions of people. According to the Cooling for All initiative, at least 3.4 billion people face cooling access challenges in 2021, including 1.1 billion rural and urban poor and 2.3 lower to middle income people.[17]

Across IPCC's SSP scenarios, the global population affected by the cooling gap is estimated between 2 and 5 billion people in 2050. To close the cooling gap with air conditioning (AC) and fans for the Global South, the equivalent of about 14 per cent of global residential annual electricity use would be needed. Higher efficiency AC systems could reduce these requirements by about 16 per cent and better insulation by another 34 per cent.[17]

Passive design strategies for buildings, such as shading, improved natural ventilation, and cool roofs, can improve thermal comfort and reduce energy demand. Evaporative cooling can be an effective and less energy-intensive technology compared to AC in dry climates. Above all, promoting access to electricity (SDG7) and to affordable, efficient, and low-emitting cooling systems, is key for closing the cooling gap while reducing burden to the environment and reaching climate targets (SDG13).

The role of emerging carbon dioxide removal technologies

23. The Working Group III's contribution to IPCC's 6th Assessment Report makes it clear that 1.5°C will no-longer be realistically feasible without a range of carbon dioxide removal (CDR) technologies. In most of these climate stabilization scenarios, carbon dioxide removal technologies not only offset residual emissions but achieve net negative emissions to return to 1.5°C. Technologies such as direct air carbon capture and storage (DACCS) or bioenergy with carbon capture and storage (BECCS) are being demonstrated at small scale, and various other CDR technologies are emerging from lab studies. Nature-based solutions like afforestation, where new forests are planted across land without trees, and soil enhancement are in synergy with mitigating biodiversity loss. Many CDR technologies are being explored by Member States and are already contained in over 100 updated Nationally Determined Contributions.

24. The mix of CDR technologies deployed in the coming years will have important implications for SDG14 on oceans and SDG15 on terrestrial ecosystems. For example, the ocean plays a major role in buffering the global climate system by capturing and storing CO_2 away from the atmosphere. It acts globally as a net sink for anthropogenic CO_2 and significantly reduces the rate of global warming. Coastal vegetated ecosystems, such as seagrass meadows, tidal marshes and mangrove forests accumulate and store large stocks of organic carbon in their sediment, with rates of burial per hectare that are estimated to be an order of magnitude greater than those of terrestrial forests.

[17] Alessio Mastrucci, Bas van Ruijven, Shonali Pachauri (2022). Closing cooling gaps in a warming world. In: IATT report 2022.

III. Recent technological and policy trends that promise an acceleration of the global sustainable energy transition towards net-zero GHG emissions with impact on all SDGs

25. Without a successful rapid global sustainable energy transition, most of the other SDG ambitions will also remain out of reach. Clean energy solutions also have the potential to deliver universal energy access in a way that is safe and powers economic development for everyone[18].

Recent technological and political trends hold promise for accelerating the global sustainable energy transition.[19] While the challenge to achieve a sustainable energy transition towards net-zero GHG emissions remains very large, especially in terms of globally coordinated investments, increasing political will and promising recent technological developments show a way forward. This includes progress in digital consumer technologies that can help to accelerate the energy transition by "doing more with less".

Increasing consensus on the extraordinary challenges and opportunities ahead

26. The global sustainable energy transition is essential for sustainable development progress in all other areas. Since the Brundtland report in 1987,[20] a series of United Nations reports have indicated that the energy transition is one of the most important transitions for achieving sustainable development, as it will be essential for all other sustainability transitions. This includes a comprehensive transformation of the entire energy system – from extraction of primary energy to end-use and energy services, such as heating, cooling and mobility. A successful transition requires complementary actions beyond the energy sector, in transport, housing, industry and agriculture, and digitalization.[21] The importance of such a transition is strikingly evident against the backdrop of the climate crisis, the pursuit of the SDGs and the impacts of on-going conflicts.

27. For several decades, Governments have pursued various policy mixes to build a sustainable energy system to support economic, social and environmental goals, including the SDGs. At the global level, a sustainable energy system should be more integrated, highly efficient, affordable, reliable and cleaner, with rapidly increasing modern renewables capacities and other low-carbon options. While the specific characteristics of such a system at the local or national level depend greatly on local conditions, one common factor is the quest for higher energy densities (energy supplied divided by the land area required for its production, including all relevant infrastructure), especially in places with high population densities.

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[18] Article by Liu Zhenmin, Achim Steiner and Damiola Dgunbiyi

[19] UN, Inter-agency Task Force on Financing for Development, Financing for Sustainable Development Report 2022. (New York: United Nations, 2022)

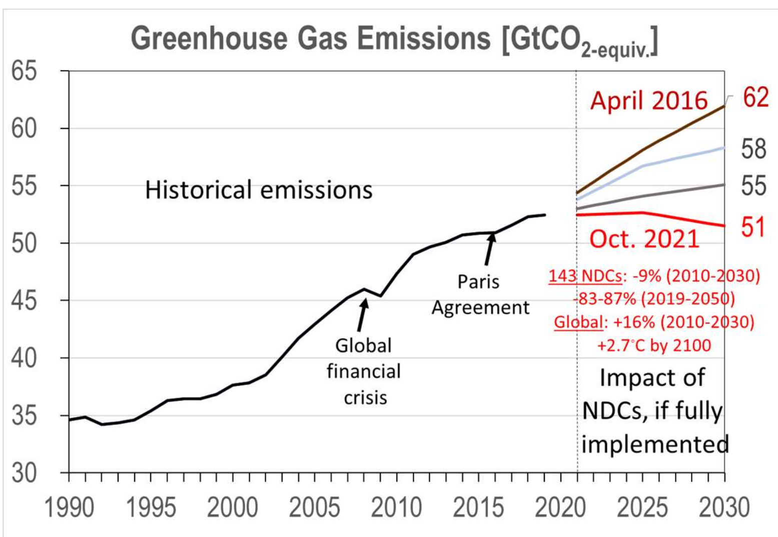
[20] United Nations, Report of the World Commission on Environment and Development on development and international economic co-operation: environment (A/42/427). Available at https://undocs.org/en/A/42/427.

[21] See, for example, United Nations. 2019. *Global Sustainable Development Report: The Future is Now. Science for Achieving Sustainable Development.* New York: United Nations.

28. However, the share of fossil fuels in the global energy system has barely changed since 1995, requiring an ever faster global energy transition to achieve climate goals. Despite global agreement on climate goals – particularly SDG 13 and the Paris Agreement target of limiting global warming to 1.5°C above pre-industrial levels – fossil fuels accounted for just below 85 per cent of global primary energy consumption in 2020, compared to 86 per cent in 1995.[22]

Driven by growing global energy demand, GHG emissions increased rapidly until 2010, and thereafter at slower rates, reaching an all-time high of 52.5 gigatonne (Gt) carbon dioxide equivalent (CO_2-eq) by 2020 (see Figure 2). While the impact of the COVID-19 pandemic reduced CO_2 emissions from fossil fuels by an estimated 5.8 per cent in 2020, emissions are estimated to have reached new record levels by the end of 2021.[23] To achieve temperature goals of either 1.5°C or 2°C, global GHG emissions would need to be cut by half by 2030 and reduced to net zero by 2050. To achieve the 1.5°C target, GHG emissions would need to be reduced by 7.6 per cent per year until 2030.[24] The technical feasibility of such a rapid energy transition has been demonstrated in a multitude of studies. But time is running out, and the challenge grows with every year without decisive action.

Figure 2. Global GHG emissions, 1990–2020 and projected until 2030 ($GtCO_2$ equivalent)



Source: Adapted from: UNFCCC, NDC Synthesis Report, 25 Oct. 2021 (based on 143 NDCs).
Note: Projections assume full implementation of all the Nationally Determined Contributions (NDCs) to which Governments have committed under the Paris Agreement.

29. Governments have significantly increased their ambitions for clean energy transitions since 2016. Under the Paris Agreement, Governments specify planned GHG mitigation actions, most of which are centred on the energy sector. Figure 2 shows the resulting global GHG emissions under the assumption that all plans and

[22] BP. 2022. "Statistical Review of World Energy." Last accessed 29 January 2022. https://www.bp.com/en/global/corporate/energy-economics/statistical-review-of-world-energy.html.
[23] UNEP. 2021. *Emissions Gap Report 2021: The Heat Is On. A World of Climate Promises Not Yet Delivered.* Nairobi: UNEP.
[24] UNEP. 2019. *Emissions Gap Report 2019.* Nairobi: UNEP.

commitments are fully implemented until 2030. The fan lines depict progressively increased ambitions for GHG reductions. As of April 2016, commitments would have implied continued emissions increases, whereas by October 2021 (around the time of the United Nations Climate Change Conference (COP26)), for the first time ever, government plans envisaged a peaking of emissions by 2025. Yet, much more ambitious action will be needed to meet the 1.5°C target. COP 27 should be a milestone in this regard, while keeping the focus on adaptation.

Fiscal support for a "green" recovery from COVID-19

30. Fiscal stimulus packages related to COVID-19 were more focused on a sustainable recovery in 2021 compared to 2020. Recent data on public spending policies in the world's 50 largest economies shows that of a total of $18.2 trillion committed to address the COVID-19 crisis by the end of 2021, only $3.1 trillion was directed to longer-term recovery measures. Longer term measures are essential to strengthen health and social protection systems, build productive capacities, protect the planet and strengthen other dimensions of sustainable development as part of the recovery.

Of these $18.2 trillions, 31 per cent ($970 billion) was for "green" or environmentally compatible spending (Table 1). On the one hand, this means that only 5 per cent of the total stimulus has been committed for green recovery packages, raising concerns that public investments may lock into a "business-as-usual" pathway. On the other hand, the share of "green" funding in recovery measures greatly increased from 18 per cent in 2020 to 51 per cent in 2021, as new initiatives with longer lead times were incorporated into public budgets.[25]

Table 1. Fiscal stimulus packages in response to the COVID-19 pandemic in 2020 and 2021, worldwide (Billions of United States dollars)

	Rescue efforts	Recovery measures		Total
		Green	Not green	
2020	11,100	341	1,553	14,594
2021	3,931	629	606	5,166
Both years total	15,031	970	2,159	18,160

Source: Global Recovery Observatory (UNEP and University of Oxford).

31. Green recovery spending was concentrated in a few countries, also reflecting the concentration of financial recovery packages, with a focus on sustainable energy. Countries that committed at least 1 per cent of GDP and spent at least 30 per cent of recovery funding in an environmentally compatible manner include primarily European countries, as well as Canada and the Dominican Republic.[26] In 2020, most

[25] UNEP, University of Oxford and others. 2022. "Global Recovery Observatory." Last accessed 30 January 2022. https://recovery.smithschool.ox.ac.uk/tracking/.

[26] Global Recovery Observatory. 2021. "Are We Building Back Better Update – COP26: Governments Are Not Reorienting Their Economies to a Green Future And Vulnerable Nations Are Being Left Behind." October 28, 2021. https://recovery.smithschool.ox.ac.uk/wp-content/uploads/2021/10/Are-We-Building-Back-Better-COP26-Update.pdf.

green recovery spending was committed to new electric and hydrogen-fuelled transport and infrastructures, public transport, low-carbon energy supply and infrastructure, energy-efficient building upgrades, and green research and development for decarbonizing aviation, plastics, agriculture and carbon sequestration.

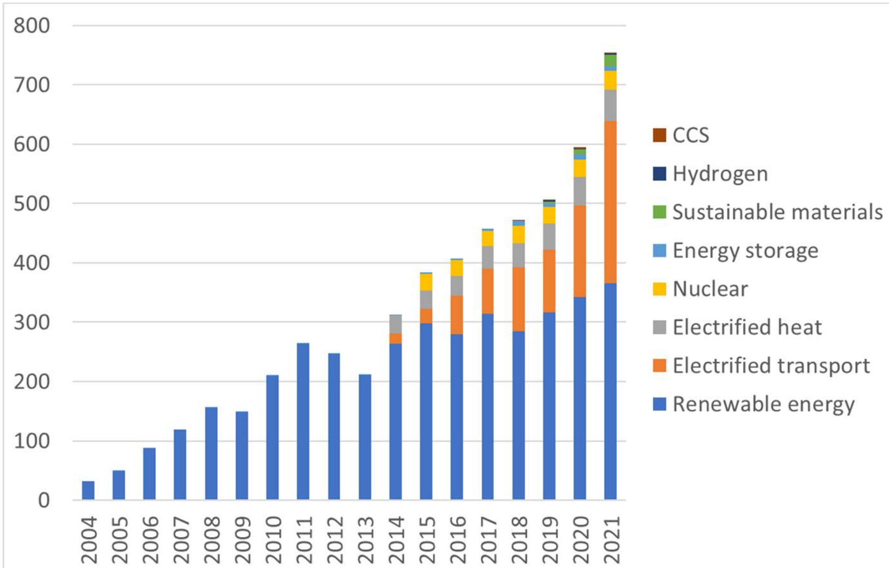
32. The large-scale financial stimulus packages show the feasibility of closing the remaining gap on the unfulfilled promise of $100 billion per year in climate finance for developing countries. The stimulus packages in the sample in 2020 accounted for 23 per cent of GDP in advanced economies and 11 per cent of GDP in emerging market and developing countries. This shows the possibility of raising trillions of dollars on short notice, provided there is political will. The time to muster this political will is now.

Total investment in the sustainable energy transition keeps growing

33. In 2021, the public and private sector together invested an estimated US$755 billion in the global energy transition. Most of it, around $360 billion, was invested in modern renewable energy – a level that has stayed roughly constant since 2015 after rapid increases in the previous ten years. Falling costs, however, imply continued growth in annual installed capacities of renewables. More than half of the modern renewable investments were in solar photovoltaic (PV) energy. From 2016, most of the increase has been in electrified transport and electrified heat, with smaller investments in nuclear energy and, most recently, sustainable materials. Much less was invested in energy storage, carbon capture and storage (CCS) and hydrogen (Figure 3).[27]

[27] BloombergNEF. 2021. "Energy Transition Investment Hit $500 Billion in 2020 – For First Time." Last modified January 19, 2021. https://about.bnef.com/blog/energy-transition-investment-hit-500-billion-in-2020-for-first-time/.

Figure 3. Global energy transition investments, 2004–2021 (Billions of United States dollars)



Data source: BloombergNEF. *Note:* Start-years differ by sector but all sectors are present from 2019 onwards.

34. Private-sector interest in the sustainable energy transition is also reflected in the market capitalizations of various technology companies. For example, the market capitalization of electric vehicle specialists increased more than five-fold from January 2020 to January 2021, when their value reached that of all traditional automakers combined.

New opportunities from recent energy technology and systems innovations

35. A peak in GHG emissions by mid-decade, as envisioned by political commitments, is technologically feasible. Technological change and innovations have reached critical levels, especially in modern renewables (e.g., solar PV energy), electric and hydrogen-fuelled transportation and digital consumer innovations.

Solar photovoltaic cells

36. A third generation of solar photovoltaic (PV) cells is emerging that can overcome the current efficiency limit of conventional solar cells.[28] Current solar PV cells are already the only currently available renewable option that could in principle fully support modern, highly energy-intensive civilization. While their power densities would still be 10 to 100 times less than fossil fuels, they represent a feasible option at global scale, with multiple environmental advantages beyond GHG emissions. Greater efforts in research and development and knowledge exchange could facilitate a larger-scale deployment of higher-efficiency solar PV technology in developing countries as a fundamental ingredient of a menu of energy sources for a stable and reliable electricity supply contributing towards ensuring energy access.

[28] United Nations, Report of the Secretary-General on the role of science, technology and innovation in increasing substantially the share of renewable energy by 2030 (E/CN.16/2018/2). Available at https://unctad.org/system/files/official-document/ecn162018d2_en.pdf.

37. Production costs of conventional solar PV have fallen rapidly, making solar PV increasingly cost-competitive, especially when combined with the emerging managed-charging systems for electric vehicles (see below). The cost reduction for solar PV has been much faster than for any other modern renewable.

Electrified transport

38. While a sizeable share of rail transport has benefited from electrification for many decades, recent technological progress has enabled increasing electrification of passenger road vehicles. State-of-the-art batteries in fully battery-driven passenger vehicles have[29] become a viable option for a wide range of applications. Meanwhile, the cost of lithium-ion batteries has considerably decreased.[30] Yet, while today's leading lithium-ion batteries have much higher power densities than just a few years ago, they remain rather heavy and bulky (easily increasing the weight of a car by half), which continues to limit the environmental benefits of electric vehicles.

39. . Digital technologies are key to building smart charging infrastructures (see below). Without making full use of such digital opportunities, the introduction of fully electric vehicle fleets would require a significant expansion of electricity generation capacities.

Hydrogen

40. Hydrogen produced from low carbon and renewable sources has become an energy storage option that could replace fossil fuels in most areas. Several countries have launched programmes to investigate how to harness hydrogen production from renewable sources for storing the energy captured from intermittent new renewable sources such as wind power and solar PV.

41. Hydrogen has power densities that are six times higher than those of even the best lithium-ion batteries, which makes it a better option for long-range transport and heavier vehicles, such as trucks, ships and airplanes.[31] This makes hydrogen fuel cells the only viable option for achieving very aggressive emissions reduction targets in transport without fundamental changes in behaviour. However, there remain challenges regarding the handling, storage and safety of hydrogen, leading many Governments to support infrastructure for both electric vehicles and hydrogen fuel cell vehicles. The European Green Deal is a case in point.[32]

42. The industrial sector is among the most difficult to decarbonize, but hydrogen fuel offers a path forward. Spurred by new technologies, renewable hydrogen production is rapidly expanding for refining and for steel, ammonia and chemicals production, mostly combined with on-site electrolysers that create hydrogen gas to avoid the issues of hydrogen storage and transport. Following the adoption of the European Green Deal targets, many European countries are pursuing more rapid technological development and deployment of hydrogen technologies.[33]

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[29] Stafford, Eric and Drew Dorian. 2021. "Best New EVs and Hybrids of 2021." *Car and Driver*, February 18, 2021.

[30] Willuhn, Marian. 2021. "Battery costs have fallen 97% since 1991, claim MIT researchers." *PV Magazine*, March 29, 2021.

[31] U.S. Department of Energy, Office of Technology Transitions. 2019. *Spotlight: Solving Challenges in Energy Storage. Updated July 2019.* Washington, D.C.: U.S. Department of Energy.

[32] Electrive industry service for electric mobility. 2021. "EU Commission presents 'Fit for 55' climate package." Last modified July 14, 2021. https://www.electrive.com/2021/07/14/eu-commission-presents-fit-for-55-climate-package/.

[33] Fuel Cells and Hydrogen 2 Joint Undertaking. 2019. *Hydrogen Roadmap Europe: A Sustainable Pathway for the European Energy Transition.* Luxemburg: European Commission.

43. At present, however, most hydrogen production is carbon-intensive: 80% of global hydrogen production is from natural gas, 15% from coal and less than 5% is produced from renewable and low-carbon energy sources. Further scientific and technological progress needs to be made to overcome this challenge and extend use of hydrogen in both developed and developing countries.

Digital consumer technologies

44. Digital consumer technologies could greatly reduce primary energy demand, making the global sustainable energy transition easier to achieve. A range of digital consumer-facing innovations in buildings, mobility, food and energy distribution and use are readily available for local adaptation and deployment across the world. Some of them appeal to low-end and price-sensitive users, whereas others appeal to high-end market and technophile users.

45. Estimates of potential energy and GHG savings vary, pointing to the importance of context, local adaptation and user behaviour; in some cases, energy demand may increase. For example, digitally enabled home energy systems have led in some cases to energy savings of 91 per cent, while in some outliers they increased energy use by 9 per cent.[34]

Consumer innovations that change how energy is supplied to, generated or managed by households can also help to reduce GHG emissions. For instance, fully autonomous vehicles, electric vehicles and e-bikes could lead to large reductions in GHG emissions, but they could also increase energy use due to changed behaviours.

Global cooperation and investment needs for the energy transition

46. To make use of these opportunities, the energy transition and the promotion of access to sustainable energy must be a global effort. Greatly enhanced levels of international cooperation in technology, finance, knowledge-sharing and concerted joint action are needed to achieve a global energy transition at the scale required to meet the 1.5°C target while securing energy access. Cooperation also makes economic sense, as mitigation costs in developing countries tend to be much lower than in developed countries. Yet, because of a myriad of other factors, incentives must also be geared to reduce emissions and provide affordable, reliable and clean energy services everywhere.

47. Some developed countries have achieved reductions in emissions by shifting energy-intensive manufacturing and production to emerging economies. This underscores the importance of global solutions. The global manufacturing share of developed countries fell from over 80 per cent in 1995 to around 50 per cent in 2019, and the vast majority of the world's ammonia, steel, cement and plastics production is now taking place in emerging and developing economies.[35] This has intensified discussions about CO_2 border tax adjustments which would align incentives towards

[34] United Nations, Report of the Secretary-General on long-term future trends and scenarios: impacts in the economic, social and environmental areas on the realization of the Sustainable Development Goals (E/2021/61). Available at https://undocs.org/E/2021/61.

[35] In particular, as China became the "workshop of the world", its per capita CO_2 emissions are now higher than those of most European countries.

emissions reduction but could potentially constrain the flow of technologies, skills and knowledge that are so essential for making global progress.

48. Developing economies[36] have seen reductions in energy investments by 20 per cent since 2016 and a reduction in clean technology transfer.[37] While much of this is related to reduced spending on oil and gas supply, this trend also reflects challenges these countries face in mobilizing finance for capital-intensive, lower-carbon energy projects, which have been worsened by the COVID-19 crisis. Without strengthened global cooperation and financial instruments, the world will not benefit from the much lower GHG mitigation costs in these countries.

49. Sustainable energy investments need to quadruple in developing countries, including through increases in private financing. The International Energy Agency (IEA) estimates that annual investments of $600 billion would be needed in developing countries by 2030 to limit the rise in global temperatures to 1.65°C, and over $1 trillion to achieve net-zero GHG emissions by 2050 and limit the global temperature rise to 1.5°C. This must be accompanied by other investments to allow ensuring access to sustainable energy in developing countries, such as in the related sustainable infrastructure.

While public sources of finance are dominant in today's energy investments in these countries, the IEA also estimates that more than 70 per cent of new, sustainable energy investments, primarily renewables and efficiency, would need to be privately financed by the second half of this decade. This appears to be feasible, given the high average private returns on such investments. State-owned enterprises and development finance institutions can continue to play a role, especially for reaching remote and underserved communities. With renewables, the capital structure of investments is also expected to move towards more debt, with important implications for capacity building and skills requirements.[38]

"Doing more with less": digital consumer innovations for energy efficiency gains

51. Digital consumer innovations provide a ready alternative to "do more with less" by increasing energy efficiency, which would reduce overall investment requirements. A large-scale deployment of technological and behavioural action in areas with untapped potential (such as digital consumer innovations in mobility, food, buildings and energy services) could help to reduce global energy and resource needs despite rapid increases in living standards. This would make it possible to achieve the 1.5°C climate target through the deployment of renewable energy, without relying on negative emission technologies.[39]

52. Such a shift could reduce overall investment requirements for the sustainable energy transition but increase investments in energy end use. This would require the rapid electrification of energy end use, pervasive digitalization, innovation in granular technologies, together with a shift from ownership of material goods to accessing services and would need to be supported by strengthened global cooperation on STI.

[36] The figures related to developing countries in these paragraphs do not include China

[37] IEA. 2021. *Financing Clean Energy Transitions in Emerging and Developing Economies.* Paris: International Energy Agency.

[38] Ibid.

[39] United Nations, Report of the Secretary-General on long-term future trends and scenarios: impacts in the economic, social and environmental areas on the realization of the Sustainable Development Goals (E/2021/61).

As a result, investment requirements for fuel systems, power plants and networks would need to increase only slightly until 2030. Investments in energy end use and services and related business opportunities would need to initially quadruple, from $0.4 trillion to $1.6 trillion, but much of it would benefit consumers through lower electricity and fuel costs.

This pathway would also have important co-benefits in the food and land use system. Compared with current trends, it could double the growth of rural incomes and create an additional 120 million decent jobs. Agricultural productivity could be increased by more than 1 per cent per year and food loss and waste reduced by a quarter.[40] This would also bring additional benefits to developing countries while working towards securing energy access.

IV. Issues for consideration

53. The Sustainable Development Pathways/scenarios show that the SDGS and our climate targets are still within reach. Despite the crisis we went through, we can still ensure decent living standards for all, including in developing countries, We can halve malnourishment by 2030, achieve zero hunger by 2050, reduce extreme poverty to 180 million people by 2050 and ensure rapid income growth in developing countries. For this to happen, we need to adopt the right policies as well as step up investments, research and sharing of technology with sustainable development as our ultimate objective. Effective governance and institutions are critical as is peace. And international cooperation and solidarity is the sine qua non condition for realizing the Sustainable Development Pathways. The report shows that supporting the energy transition is a powerful enabler for realizing all these advances, and the SDGs. Considerable advances are being made in this regard. But, in all areas, there is need for political will, focus, continuing research and development, and international cooperation and solidarity. There is no time to lose.

The following issues may be considered by Member States and other stakeholders in order to support policy making for a successful Decade of Action. They complement the policy issues for consideration proposed in the SG report on the ECOSOC theme:

Action inspired by Sustainable Development Pathways:

54. Use the Summit of the Future in September 2023 to explore scenarios such as the Sustainable Development Pathways, that can help guide our efforts, policies, financial resources and science and technology towards achieving the SDGs.

Dedicate a greater share of the resources from COVID-19 in recovery packages to long term objectives and to actions to protect people and the planer.

57. Build capacities in scenario analysis and science and technology futures at the national level and support peer-learning on tools, insights and institutional arrangements.

[40] Ibid.

55. Design plans and share technology to achieve decent living standards for all as a matter of priority.

Accelerating the energy transition and progress towards energy access

Accelerate actions to implement SDG 7 on affordable, sustainable, reliable energy for all. Implementing the roadmap and delivering on the Energy Compacts launched at the General Assembly High-Level Dialogue on Energy in September 2021 can go a long way towards this end.

56. Consider the long-term sustainable development implications of science and technology policy, plans and programmes in the energy sector, including their linkages to other sector notably plans and programmes related to digitalisation.

Build and further support recent break-through developments supporting the energy transition as an enabler for realizing all SDGs. This includes advances in electrified transport, hydrogen in industry and transport, new generation solar photovoltaics, and carbon dioxide removal technologies, and unlock the large untapped potential of digital consumer innovations in mobility, food, buildings, and energy services.

Countries and stakeholder cooperation

58. Strengthen international cooperation on scenario analysis and science and technology solutions for the SDGs, including energy transition and access. The proposals in Our Common Agenda such as the Futures Lab and the Scientific Advisory Board will contribute to such efforts.

59. Promote actor coalitions with urban citizens and farmers and consider systemic incentives, especially related to land-use, transport, and infrastructure.

60. Encourage business to explore new opportunities with service- oriented business models, building efficiency, granular end-use and technology innovation.

UN system

61. Encourage the UN system to provide coordinated capacity building support to the development of national sustainable development scenarios and to engage scientists and technologists.

62. Convene scenario analysts, scientists and frontier technology experts under the UN Technology Facilitation Mechanism to share experiences, technology foresight and synthesize the latest knowledge on the sustainable development and SDG impacts of new technologies. This will support informed and innovative debates and outcomes at the UN high-level political forum on sustainable development.

63. Institute a regular exchange between scenario analysts, governments, science advisors and decision-makers on high impact actions for sustainable development.

Use ECOSOC high-level segment in 2022 and 2023 to examine long term trends and scenarios, as mandated, and pave the way for the Summit of the Future.