

Australia, Netherlands and United Kingdom

Speaking Note on Sustainable Consumption and Production

Sustainable economic growth will be key to meeting the needs of a growing global population and eradicating poverty. More efficient use of natural resources and more inclusive growth is critical to sustaining economic growth and raising living standards; improving health and wellbeing; protecting and enhancing the environment; tackling the impacts of climate change while driving low emission development and the transition to low carbon economies; and expanding economic and social choices.

If we do not tackle unsustainable consumption and production patterns, we will undermine economic growth and efforts to eradicate poverty, and we will have to bear the costs of remediation. The World Economic Forum estimates that over \$2 trillion in global economic output in 2030 is at risk.

Simply put, to meet future needs we must produce more, using fewer resources and using them more efficiently, and wasting less. The principles of sustainable consumption and production are cross-cutting and will consequently need to be integrated across the post-2015 development framework, not least in the production sectors. On current trends, demand for food is due to increase by 40% by 2030 with a focus on resource intensive food, freshwater by 55% and energy by nearly one third. Demands for natural resources will become increasingly incompatible.

So what can we do?

- in agriculture we must produce more food with less water and more efficient use of other inputs, using climate-resilient approaches. And we must reduce waste across the supply chain - including on-farm and post-harvest losses, which can be as high as 50% in some circumstances. We can increase efficiency through sustainable intensification, and build resilience to droughts and floods, for example, through conservation agriculture. We also need to change our consumption patterns and reduce land-use changes such as deforestation and as a result of food production;

- in the water sector we can reduce wastage and improve efficiency in agriculture, household use, industry and energy generation; and recycling and reuse of municipal and industrial wastewater will improve environmental health. Technological innovation and behaviour change will be key to this; and
- in the energy sector we can use non-renewable energy more efficiently and effectively. We also have the opportunity to double the share of renewable energy to help provide 1.3 billion people with access to electricity and 2.6 billion with access to clean cooking facilities. And we can phase out inefficient and environmentally harmful fossil fuel subsidies that encourage wasteful consumption.

There is also a role for better governance, for example through more sustainable agricultural and fishery management practices. Already 1 billion people depend on fish for their main source of protein. Yet globally 57% of fish stocks are fully exploited, 30% over-exploited, and up to 20% of fish landed may be illegal, unregulated and unreported. Managed sustainably, with good governance from Regional Fishery Management Organisations and others, some estimates suggest we could secure economic benefits worth an extra \$50 billion annually from our fisheries.

Accountable, transparent and effective institutions to manage natural resources for sustainable consumption and production and prevent over exploitation will be key to delivering this including by developing strong, open, dynamic markets and fair and predictable enabling environments to foster efficient growth.

Often those least equipped to deal with the effects of unsustainable consumption and production face the greatest consequences. For example, poor farmers suffer the most from the depletion of aquifers they are incentivised to over-exploit through the provision of free or subsidized electricity for pumping. The poorest are also the worst affected by illegal fishing – 1 billion people depend on fish for their main source of protein yet illegal, unregulated and unreported fishing threatens future sustainability – in the Western Central Pacific Ocean, illegal fishing is estimated to account for 34% of the total catch. We must be ambitious in tackling this.

Both governments and the private sector have important roles to play. Government can set the right frameworks and incentives for action,

including an appropriate enabling environment, to catalyse investment, innovation and efficiency by the private sector to drive changes towards more sustainable economic growth. The private sector can also play a leading role in encouraging more sustainable consumption – through re-thinking business models, value chains and operations, and through their interactions with citizens. Recognizing the value of natural capital in economic decision-making and national and private sector accounts and integrated reporting is one example of where this is now happening and can inform the allocation of scarce resources among competing uses.

The private sector can invest in sustainable business and supply chains. Resource efficiency reduces costs in the short term and makes businesses more resilient in the long term. Productive and decent work for employees results in a more sustainable production process and increased productivity. Resource scarcity can inspire innovations, which can lead to new businesses and open up new markets. Transparency is critical, because it enables consumers and shareholders to make informed decisions about where to put their money.

Sustainable consumption and production is a cross-cutting issue. Action should be based on shared responsibility and respect and reflect contemporary realities. All parties will need to contribute, recognizing that capabilities, capacities and actions differ for countries at different stages of development, but that they also can evolve with time. It is important that its principles are integrated across the post-2015 development framework if we are to eradicate poverty and deliver lasting and shared prosperity for all, and for future generations.