

ELLIOTT HARRIS, UN Assistant Secretary-General, UN Environment Programme
KEYNOTE ADDRESS MONDAY OCTOBER 30, 2017

Why the SDGs are based on investment. And the role of the Faiths

What are the SDGs?

- **The Sustainable Development Agenda is an integrated and holistic approach** that combines the social, economic and environmental dimensions of development to achieve true sustainability. It aims in essence, at a set of fundamental transformations—of the patterns of our lives and of how we interact with the planet and with each other. So it really is an in-depth type of change.
- In its basic essence, **the Agenda is about just, equitable and sustainable patterns of economic growth**, that is low-carbon, resource-efficient, and growth that generates socially acceptable, equitable outcomes. It fosters gender equality and empowerment, it combats marginalization and vulnerability, and it enhances personal and societal resilience, with the aim of leaving no one behind. And it integrates ecological considerations—on the land, in the sea and in the air—and the sustainable stewardship of the earth's natural resources into economic and social policies and decisions at all levels.
- Arguably, **as important as its content was the open and consultative process** through which it was created, a process that involved most major stakeholder groups, and took into account the opinions and aspirations of a diverse cross-section of the world's population. It is this that explains the unprecedented degree of buy-in to this agenda from all participants.
- **Most important of all, this is a truly universal agenda, applicable to all.** An agenda that for the first time engages all governments in a series of interlinked commitments that position economic, social and environmental objectives equally in the political space. It represents, quite simply, an unprecedented political agreement to transform our world.
- This has major implications. If governments hold true to those commitments in their policies, that sets out **a predictable direction of policy and provides a clear orientation for private sector action.** And indeed, it is heartening to see how private business and finance are beginning to embrace this agenda and integrate it into their business models. There is still a long way to go to achieve the true universality of the 2030 Agenda in the hearts and minds of everyone. But the journey has started well.

An Agenda of Transformation

- **The 2030 Agenda is one of fundamental transformations.** It seeks to shift our economies to *patterns of production* that are low-carbon, resource-efficient, waste minimizing, and ecologically sound; sustainable agriculture and food

systems; clean and renewable energy for all; and universal access to the digital technologies that are driving our world. It aims at *sustainable consumption patterns* that are healthier for people and for the planet, and are less resource- and energy-intensive, and are based on the lifecycle approach to consumption.

- **It seeks as well to transform how we address the obstacles to achieving our social aspirations**— for example the skewed *distribution of income* and wealth that widens inequalities; the *inequitable access* to food and nutrition security, and *to key social services*, including healthcare, quality education, and social protection and insurance. It speaks to the *future of work* and its role in the fabric of our societies, in the face of labor-saving, efficiency-enhancing technological innovations. It encourages changes in urban planning and design that will contribute to a *sustainable urbanization*.
- And it seeks to **integrate all this into mainstream economic and financial policy**. This would recast the priorities of policy to include not just short-term economic outcomes, but their long-term sustainability, where not just the profit and loss, but equally also the social and ecological consequences are part of the policy-making process.

Why are the SDGs “based” on investment?

- **The transformations at the heart of the 2030 Agenda require new technologies, new infrastructure, new policies, and new behavior.** All of this “novelty” comes about through investment: in the new resource-efficient technologies and resilient infrastructure; in affordable and sustainable housing and energy-efficient buildings; in new urban centers with sustainable food distribution, transportation, and waste disposal systems; in renewable and accessible clean energy systems.
- **Resources must be invested in creating a new mindset** that is aware of the consequences of unsustainable consumption choices, and of the more sustainable alternatives that are available to all.
- **There must be investment in the data and the scientific evidence** that will inform policy choices, help us distinguish what works from what doesn’t, and effectively measure progress towards the achievement of sustainable development.
- **There must be investment in developing a sustainable financial system** that can mobilize the resources needed to fund these transformations. Such a system would also need to be inclusive, and provide access to adequate and sufficiently long-term finance for small and medium-sized enterprises and poor individuals.
- **It is also critical that the current flows of investment are reallocated away from unsustainable projects** and into sustainable ones. The shift toward sustainability will accelerate as we slow the spending that maintains unsustainable systems. For example, as we invest less in fossil fuels, the

investment in renewable energy will increase, and so too will the pace of our progress toward sustainability.

- **The scale of the investments needed to achieve the SDGs is unprecedented**, with estimates in the range from 2-7 trillion per year. Clearly, such amounts lie well beyond the capacities of governments. And this means that *our sustainable future depends on the non-government sector*, on private business for the solutions, and on private finance for the money.
- **The money is there, in the necessary amounts, but mobilizing it requires a fundamental reorientation of priorities and policies.** The focus of the public sector's role will evolve away from leading the investments to setting and enforcing *the "rules of the game"* through regulation and legislation for an enabling environment, and through different means of engagement that contribute to *derisking private investment flows* (assuming, mitigating or containing the political risk, or through public private partnerships).
- **We also need to move away from the present excessively short-term focus of capital markets to longer-term flows and instruments** which account for social and natural capital, through policies, incentives and awareness-raising. We need to develop the ability and the instruments to translate *from the large-scale international financial flows to the small-scale retail investment* requirements. But we also need a *pipeline of bankable, sustainable projects at scale* into which sustainable finance can flow.

The Role of the Faiths

- What then is the role of the Faiths, and how does all this relate back to you?
- **For the transformations toward sustainability to succeed, we need three sets of I's: Information, Ideas, and Innovation; Incentives; and Infrastructure.**
 - *Information, Ideas, and Innovation:* We need to understand not only what is sustainable, but also to understand the consequences of unsustainability for our future and that of the planet.
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 - For that, we need *information*—like the science behind the measurement of climate change, for example, or the measurement of our carbon footprint.
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 - We need different *ideas* about our real needs and how to satisfy them sustainably. And to make these ideas concrete, we need new ways of doing things, *innovation* to satisfy our human needs and preferences sustainably.
 - *Incentives:* But to make the right choices, we need the right *incentives*. All the available information and all of those ideas, innovations and infrastructure will not suffice to ensure that we choose correctly, unless we have the incentives structure to do so.

- *Infrastructure*: Finally All of the information, ideas and innovation will remain without effect until we translate them into the systems that enable our lives.
- These include energy systems, transportation systems, food distribution systems; but also health care systems, and the information systems that gather the data that we need to make the right choices and to inform our progress. In other words, the *infrastructure* of our lives.
- **Faith-based organizations are major value-driven investors.** You engage over the longer-term, and you are not driven only by short-term returns, and can make investments with longer payoff times. Your investments often aim to achieve other, non-economic outcomes. And you do not invest in things that are not consistent with your value systems. This you have made powerfully clear – and indeed increased the scale of - in your Guidelines which will be launched tomorrow in Zug. They are important guides to how values should shape investing and relevant not just to each faith but to the process of investment world over all.
- That means that the *infrastructure that your investments finance will, for the most part, correspond to your values*. And while your value systems may not be identical, for the most part they all in some way underscore social outcomes, environmental stewardship, and balanced economic growth that underpin the sustainable development agenda. **Your value-driven investments, therefore, can easily be seen as supportive of the 2030 Agenda.**
- **The Faiths also lead by example. Your investments have an important demonstration effect**—they can reduce the perception of riskiness of new sustainable investments or of longer-term engagement. They can encourage similar investments by members of your faith communities, or other actors inspired by your social legitimacy. Leading by example is of paramount importance in catalyzing action.
- **But Faith-Based Organizations in their work also deliver on the other two sets of I's**, contributing to the *change in mindsets and behavior* needed to make sustainable development a reality. This is particularly true of the information and ideas that you provide, and your central role in contributing to the moral underpinnings of systems of societal incentives.
- **Your role in education helps to prepare the citizens of tomorrow**, inculcating in them the awareness of the imperatives of sustainability, and of their own personal responsibility to contribute to that effort through their consumption and spending, through their own investment, and through their behaviour. Your work in *social protection, your charitable activities, the health care* that you provide and support—all of this is fully consistent with the 2030 Agenda's core objective of *leaving no one behind*. And many of the faith traditions have an inter-generational orientation that is entirely consistent with the principles environmental stewardship.

- The organized institutions of the major faith traditions were, surprisingly, not among the groups of stakeholders who participated in the elaboration of the Sustainable Development Goals in 2015 . That was an unfortunate oversight, but I would argue, not a crippling one. There was the Bristol meeting in September 2015 co-hosted by UNDP and ARC from which came the Bristol Commitments including commitments to move into pro-active environmental and sustainable development. Ultimately **the moral and societal underpinnings of many of the sustainable development goals find their echo in the dignity of human life and of all creation as the core of long-standing philosophies of the major faith traditions.**
- And so in many respects, one could say that **the major faiths have been working on sustainable development for centuries, long before it became a concept within the United Nations.** The need for a reorientation in your thinking and behavior, in your investment decisions and consumption choices, has already started and may prove to be less extensive than in government policies and the actions and programmes of other stakeholder groups, because of this similarity. You've been doing this for years.
- **This combination of moral authority, social legitimacy, the infrastructure of engagement and financial clout make the faith-based organizations a very influential actor in advancing the sustainable development agenda.** Now, as we move into full implementation mode for the 2030 Agenda, we must consider on both sides how to enhance the partnership between the UN and the faith-based institutions. The UN can benefit from the unique combination of attributes of that the faith-based organizations have, while the faith-based organizations must surely find some encouragement in the political commitment to some of these critical elements of their respective value systems that comes to the fore in the sustainable development agenda.
- **With that I'd like to really encourage us to think over the next day and a half two days about the similarities between your faith-based organizations and this new world of sustainable development that we have come together and committed ourselves to achieve.**
- **The real difficulty I think that faces us in the situation today is that the governments have made a public political commitment to the sustainable development goals and we now have to hold them accountable to that. But we will realize that this agenda is far too complicated to leave up to the governments. They cannot do it alone – they have neither the competence nor the resources nor the authority to make all the changes that are necessary to transform our lives. Those of you here in the room represent traditions that do have that authority and I encourage you all to work with us and we with you to make this sustainable agenda a reality. That, I think will be one of the great achievements of this generation.**

Thank you very much.

Elliott Harris, UNEP

On 1 April 2015, UN Secretary-General Ban Ki-moon appointed **Elliott Harris** as Assistant Secretary-General and Head of the New York Office of the United Nations Environment Programme (UNEP). Mr. Harris joined UNEP as Director of the New York Office and of the Secretariat of the UN Environment Management Group (EMG) in September 2013. Prior to joining UNEP, he worked as an Economist in the International Monetary Fund (IMF) from 1988 to 2013, gaining extensive policy and programmatic experience in African and Central Asian countries, as well as in the Fiscal Affairs Department on public expenditure policy issues. From 2002 he served as Advisor, Chief of the Development Issues Division, and Assistant Director of the IMF's Strategy, Policy and Review Department. From September 2008 until May 2012, he was also the IMF's Special Representative to the United Nations, closely involved in interagency collaboration in the areas of social protection, green economy, and fiscal space for social policy. From September 2009 until October 2013, he was Vice Chair of the High-Level Committee on Programs of the UN Chief Executives Board for Coordination. He was born in the Bahamas and raised in Trinidad. He attended the University of Miami and Georgetown University, and studied economics in Germany.