

# Clean and Innovative Textiles Strategy for Circular Economy

MODULE 1 Introduction to Circular Economy

## **Unit 1.2**

The Sustainable Development Goals and the European Green Deal – the key points of the European Commission



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## The importance of sustainable development

By now we've all likely heard mention of sustainable development & design; while the general concept is fairly straightforward and widely accepted as a good idea in theory, many individuals don't fully understand the impact of, (and critical need for,) such developmental practices.

The Brundtland Commission defines sustainable development as:

"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."



This sums it up for the most part, but as expected, there are many initiatives that must be implemented to back up this crucial global objective. If you've ever wondered what sustainable development really means, or why it is so important to life on our planet, read on for more information...

Over the past two decades in particular, economic growth has come at the expense of the environment. Earth's natural resources have been used in ways that are environmentally inefficient and wasteful, with dangerous consequences such as decreased air quality and overall climate change.

Sustainable development is a carefully planned strategy to embrace growth while using resources

more efficiently, with utmost consideration of immediate and long-term benefits for our planet and the humans who live on it.

There are 3 primary objectives of sustainable development:

- Economic growth building a strong, competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and identifying then coordinating development requirements.
- Environmental protection contributing to protecting and enhancing our natural and developed environment, while helping to improve biodiversity, use natural resources wisely, minimizing waste and pollution, and adapting to and helping to decrease climate change, including a global shift to low-carbon economy.
- Social inclusion supporting strong, vibrant and healthy communities by providing the supply of housing required to meet the needs of present and future generations; and by creating a high-quality of development, with accessible local services that reflect the community's needs and support its health, social and cultural well-being.

These are applied across all sectors of development, including:

- urbanization
- agriculture
- infrastructure
- energy use
- water availability
- transportation

To achieve effective sustainable development, the 3 primary objectives must be applied simultaneously, interacting with one another in a consistent, committed effort.

Applying these strategies to development means that cities must embrace low-carbon growth and public transportation, climate-smart agriculture, preservation of natural resources and greater efficiency in energy and the global supply chain.

Sustainable development practices help countries grow in ways that adapt to the challenges posed by climate change, which will in turn help to protect important natural resources for ours and future generations.

By the year 2050, it is estimated that our global population will likely reach 9 billion people. The challenge of sustainable development is to move forward in such a way that every single one of these people will be able to enjoy a substantial quality of life without being detrimental to our natural resources.

## The ultimate goals of sustainability

<u>The 2030 Agenda for Sustainable Development</u>, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

The SDGs build on decades of work by countries and the UN, including the <u>UN Department of</u> <u>Economic and Social Affairs</u>

- In June 1992, at the <u>Earth Summit</u> in Rio de Janeiro, Brazil, more than 178 countries adopted <u>Agenda 21</u>, a comprehensive plan of action to build a global partnership for sustainable development to improve human lives and protect the environment.
- Member States unanimously adopted the Millennium Declaration at the <u>Millennium</u> <u>Summit</u> in September 2000 at UN Headquarters in New York. The Summit led to the elaboration of eight <u>Millennium Development Goals (MDGs)</u> to reduce extreme poverty by 2015.
- The Johannesburg Declaration on Sustainable Development and the Plan of Implementation, adopted at the <u>World Summit on Sustainable Development</u> in South Africa in 2002, reaffirmed the global community's commitments to poverty eradication and the environment, and built on Agenda 21 and the Millennium Declaration by including more emphasis on multilateral partnerships.
- At the <u>United Nations Conference on Sustainable Development (Rio+20)</u> in Rio de Janeiro, Brazil, in June 2012, Member States adopted the outcome document <u>"The Future We</u> <u>Want"</u> in which they decided, inter alia, to launch a process to develop a set of SDGs to build upon the MDGs and to establish the <u>UN High-level Political Forum on Sustainable</u> <u>Development</u>. The Rio +20 outcome also contained other measures for implementing sustainable development, including mandates for future programmes of work in development financing, small island developing states and more.
- In 2013, the General Assembly set up a 30-member <u>Open Working Group</u> to develop a proposal on the SDGs.
- In January 2015, the General Assembly began the negotiation process on the <u>post-2015</u> <u>development agenda</u>. The process culminated in the subsequent adoption of the <u>2030</u> <u>Agenda for Sustainable Development</u>, with <u>17 SDGs</u> at its core, at the <u>UN Sustainable</u> <u>Development Summit</u> in September 2015.
- 2015 was a landmark year for multilateralism and international policy shaping, with the adoption of several major agreements:
  - <u>Sendai Framework for Disaster Risk Reduction</u> (March 2015)
  - Addis Ababa Action Agenda on Financing for Development (July 2015)
  - <u>Transforming our world: the 2030 Agenda for Sustainable Development</u> with its 17 SDGs was adopted at the <u>UN Sustainable Development Summit</u> in New York in September 2015.
  - <u>Paris Agreement on Climate Change</u> (December 2015)
- Now, the annual <u>High-level Political Forum on Sustainable Development</u> serves as the central UN platform for the follow-up and review of the SDGs.

Today, the <u>Division for Sustainable Development Goals (DSDG)</u> in the United Nations <u>Department of</u> <u>Economic and Social Affairs (UNDESA)</u> provides substantive support and capacity-building for theSDGs and their related thematic issues,

including <u>water</u>, <u>energy</u>, <u>climate</u>, <u>oceans</u>, <u>urbanization</u>, <u>transport</u>, <u>science and technology</u>, the <u>Global</u> <u>Sustainable Development Report (GSDR)</u>, <u>partnerships</u> and <u>Small Island Developing States</u>. DSDG plays a key role in the evaluation of UN systemwide implementation of the 2030 Agenda and on advocacy and outreach activities relating to the SDGs. In order to make the 2030 Agenda a reality, broad ownership of the SDGs must translate into a strong commitment by all stakeholders to implement the global goals. DSDG aims to help facilitate this engagement.

## The European Green Deal

The European Commission today presented <u>The European Green Deal</u> – a roadmap for **making the EU's economy sustainable** by turning climate and environmental challenges into opportunities across all policy areas and making the transition just and inclusive for all.

President Ursula **von der Leyen** said: 'The European Green Deal is our new growth strategy – for a growth that gives back more than it takes away. It shows how to transform our way of living and working, of producing and consuming so that we live healthier and make our businesses innovative. We can all be involved in the transition and we can all benefit from the opportunities. We will help our economy to be a global leader by moving first and moving fast. We are determined to succeed for the sake of this planet and life on it – for Europe's natural heritage, for biodiversity, for our forests and our seas. By showing the rest of the world how to be sustainable and competitive, we can convince other countries to move with us.'

Executive Vice-President Frans **Timmermans** added *'We are in a climate and environmental emergency. The European Green Deal is an opportunity to improve the health and well-being of our people by transforming our economic model. Our plan sets out how to cut emissions, restore the health of our natural environment, protect our wildlife, create new economic opportunities, and improve the quality of life of our citizens. We all have an important part to play and every industry and country will be part of this transformation. Moreover, our responsibility is to make sure that this transition is a just transition, and that nobody is left behind as we deliver the European Green Deal.'* The European Green Deal provides a <u>roadmap with actions</u> to boost the efficient use of resources by moving to a clean, circular economy and stop climate change, revert biodiversity loss and cut pollution. It outlines investments needed and financing tools available, and explains how to ensure a just and inclusive transition.

The European Green Deal covers **all sectors of the economy**, notably transport, energy, agriculture, buildings, and industries such as steel, cement, ICT, textiles and chemicals.

To set into legislation the political ambition of being the world's first climate neutral continent by 2050, the Commission will present within 100 days the first '**European Climate Law'**. To reach our climate and environmental ambition, the Commission will also present the Biodiversity Strategy for 2030, the new Industrial Strategy and Circular Economy Action Plan, the Farm to Fork Strategy for sustainable food and proposals for pollution-free Europe. Work will immediately start for upping Europe's 2030 emissions targets, setting a realistic path to the 2050 goal.

Meeting the objectives of the European Green Deal will require **significant investment**. Achieving the current 2030 climate and energy targets is estimated to require €260 billion of additional annual investment, representing about 1.5% of 2018 GDP. This investment will need the mobilisation of the public and private sectors. The Commission will present in early 2020 a Sustainable Europe Investment Plan to help meet investment needs. At least 25% of the EU's long-term budget should

be dedicated to climate action, and the European Investment Bank, Europe's climate bank, will provide further support. For the private sector to contribute to financing the green transition, the Commission will present a Green Financing Strategy in 2020.

Fighting climate change and environmental degradation is a common endeavour but not all regions and Member States start from the same point. A **Just Transition Mechanism** will support those regions that rely heavily on very carbon intensive activities. It will support the citizens most vulnerable to the transition, providing access to reskilling programmes and employment opportunities in new economic sectors.

In March 2020, the Commission will launch a 'Climate Pact' to **give citizens a voice and role** in designing new actions, sharing information, launching grassroots activities and show-casing solutions that others can follow.

The global challenges of climate change and environmental degradation require a **global response**. The EU will continue to promote its environmental goals and standards in the UN's Biodiversity and Climate Conventions and reinforce its green diplomacy. The G7, G20, international conventions, and bilateral relationships will be used to persuade others to step up their efforts. The EU will also use trade policy to ensure sustainability and it will build partnerships with its neighbours in the Balkans and Africa to help them with their own transitions.

#### Background

Climate change and environmental degradation present an existential threat to Europe and the world. To overcome this challenge, Europe needs a new growth strategy that transforms the Union into a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases by 2050, where economic growth is decoupled from resource use and where no one and no place is left behind.

The European Union already has a strong track record in reducing its emissions of greenhouse gases while maintaining economic growth. Emissions in 2018 were 23% lower than in 1990 while the Union's GDP grew by 61% in the same period. But more needs to be done. The EU, given its extensive experience, is leading the way in creating a green and inclusive economy.

The Green Deal Communication sets the path for action in the months and years ahead. The Commission's future work will be guided by the public's demand for action and by undeniable scientific evidence as demonstrated most comprehensively by IPCC, IPBES, Global Resources Outlook and EEA SOER 2019 reports. Our proposals will be evidence-based and underpinned by broad consultation.

An overwhelming majority of Europeans consider that protecting the environment is important (95%). Almost 8 in 10 Europeans (77%) say that protection of the environment can boost economic growth. The results of the Eurobarometer survey concerning environmental attitudes of EU citizens confirm the wide public support for environmental legislation at EU level and EU funding for environmentally friendly activities.

### The concept of competitiveness

Competitiveness is the demonstrated ability to design, produce and commercialize an offer that fully, uniquely and continuously fulfils the needs of targeted market segments, while connecting with and drawing resources from the business environment, and achieving a sustainable return on the resources employed.

The levels of competitiveness

- This level assesses whether companies are managed according to best practices, need resources, and whether they have competencies to manage those resources.
- Business ecosystem This level assesses whether the local business ecosystem, which is made up of business support institutions, supplies enterprises with the resources or competences they need to be competitive.

► National environment This level assesses the macro-economic and regulatory environment enterprises operate under. The national environment is primarily set by government.

The pillars of competitiveness:

- Compete: the static ability to meet market expectations
- Connect: communications with other actors in the market, getting info on what is happening in the market and what is required.
- Change: using this information to anticipate market trends, and adapt to them, dynamically changing with the market

When we speak about competitiveness, we know that is not only about costs and profitability but involves how countries, sectors and firms manage socio-economic and environmental resources to achieve greater prosperity, in both the short and long term (Esty and Sharnovitz, 2013). For example, economic resources can be used at a country level to promote additional economic growth, human capital development, redistribution, equality and well-being.

At sectoral level, the interactions between companies can generate economies of scale, technological development, innovation and efficient resource use. At firm level, the impacts on the environment and the use of natural resources can influence the level of development and the wellbeing of populations. For these reasons, the multiple interactions between the different economic levels and the different socio- economic and environmental dimensions should be taken into account in the planning of a sustainable competitiveness approaches. This broader definition of competitiveness can be described using the concept of 'sustainable competitiveness' and this is based on the idea that competitiveness today should be reached without compromising the possibility of competitiveness tomorrow. It includes elements of high-quality growth, resource management, social equality, human development and well-being. Within this context, the concepts of social and environmental sustainability are linked to that of competitiveness.

- Sustainable competitiveness is defined as the set of institutions, policies and factors that make a nation productive over the longer term, while ensuring social and environmental sustainability.
  - Inclusion and equality: An inclusive society ensures that all citizens benefit from economic growth and contribute to the prosperity of their own country. Social inclusion and equality are fundamental for stability, social cohesion and long-term development. Any type of exclusion and inequality that prevents people from participating in the following activities can undermine the social stability, the integration and development of social and human capital, with negative consequences on productiveness and long-term competitiveness:
    - 1. social activities, such as education, health services and the welfare state;
    - political activities, such as involvement in participative decision-making processes and elections;
    - **3.** economic activities, such as business development, job markets, job training and fairremuneration
  - Equity and cohesion: Equal opportunities, clear legislation and equal rights must be guaranteed for all members of society. This should include the possibility of developing individual talents, accessing resources and having an equal distribution of benefits with limited income disparities.
  - Resilience: A social system characterised by inclusion, equity and cohesion is more likely to be able to absorb temporary or permanent shocks and to adapt quickly to changing conditions. For this reason, a well-developed welfare state is particularly useful to reduce the impacts that unexpected events could generate on society and to help groups of citizens recover from unemploymentand illness.
    - Culture: The promotion of a culture of equality, sustainable lifestyles, peace

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and the appreciation of cultural diversity can increase social stability and the interactions between members of society.

## Competitiveness and social sustainability

- Social sustainability is defined as the institutions, policies and factors that enable all members of society to experience the best possible health, participation and security, and which maximise their potential to contribute to and benefit from the economic prosperity of the country in which they live.
- Long-term economic growth: A short-term profit maximisation perspective should be

placed by an economic growth perspective that is oriented to generate benefits in the long term. Within this context, economic growth should be able to sustain itself through the adoption of strategies that manage economic, social and environmental resources from a sustainable and long-term perspective. Investments: Infrastructure, human capital and research and development should be promoted to increase efficiency and competitiveness and to reduce overall production costs.

- <u>Specialisation and diversification: The economic sectors that can provide a competitive</u> advantage in international markets should be given particular attention in the policies for competitiveness. Finance: Financial support, from both private and public sectors, is needed to promote the development of business activities and to increase competitiveness on the national and international markets.
- Access to economic resources and clear legislation: The possibility of having equal rights in the use of economic resources, together with clear legislation in terms of ownership and control, and a consistent and effective framework in 20 terms of illegal activities, are fundamental elements needed to promote investment, economic growth and an increase in competitiveness
- Trade restrictions and market distortions: International legislation should contribute to reducing trade restrictions and avoiding the market distortions that can prevent improvements in efficiency and productivity and can generate an unequal distribution of opportunities between countries and business activities.
- Accounting framework: The development of a consistent accounting framework can be useful to increase the transparency of the activities in the public and private sector. This will also facilitate comparisons of the performances and practices of the different business initiatives.
- Resilience: The recovery capacity of the economic system, recently hit by different financial shocks, and its ability to enhance financial stability should be strengthened by improving the regulation and monitoring of global financial markets and institutions and by implementing macro-prudential policies to guarantee sustainable economic growth in financial terms. An efficient financial market is nowadays considered to be a core characteristic of the economic competitiveness of a country.

## Competitiveness and environmental sustainability

- Environmental sustainability is defined as the institutions, policies and factors that ensure efficient management of resources to provide prosperity for present and future generations
- Long-term perspective: A long-term perspective should be adopted in the management of the natural environment. Short-term profit maximisation strategies adopted by governments and business activities should be replaced by policies oriented to the preservation resources in accordance with the principles of renovation and carrying capacity.
- Resilience: Limited impacts on environment and sustainable use of natural resources contribute to increase the resilience of the natural system, improve the adaptability of society and reduce the costs of unexpected events. 2 Uncertainty and precautionary principle: Human societies should recognise that they cannot be completely aware of the impacts that human actions can have on the present and future environment. For this reason, a precautionary principle should be adopted in the management of natural systems. The study of sustainable development requires a deep understanding of human-induced changes.
- Intergenerational approach: The inclusion of the value and preferences of the present and future generations should be taken into account in decisions related to the use of the natural environment.
- Vulnerability and exposure: A set of policies oriented to reduce the exposure and the vulnerability of the socio-economic environment should be established to minimise the impact that extreme environmental shocks and disasters couldhave at both local and global levels

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