



International
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Panel

INTENTIONALLY DESIGNING SUSTAINABLE CONSUMPTION AND PRODUCTION POLICIES AND PRACTICES TO REDUCE INEQUALITIES

A Think Piece by the International Resource Panel

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INTENTIONALLY DESIGNING SUSTAINABLE CONSUMPTION AND PRODUCTION POLICIES AND PRACTICES TO REDUCE INEQUALITIES

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SUSTAINABLE CONSUMPTION AND PRODUCTION SYSTEMS CAN AND SHOULD BE INTENTIONALLY DESIGNED TO REDUCE INEQUALITIES AND SEEK EQUITABLE AND JUST OUTCOMES FOR ALL.

The way resources are extracted, processed, consumed, and disposed of, and the inequalities¹ this leads to, are fuelled by today's global economy and the linear consumption and production systems that underpin it. The association between issues of equality, equity and justice, and global natural resources is not new. These issues are indeed historically bound to consumption and production systems, including as they relate to the history of colonialism² and multilateral trade systems. On the production side, issues of equality, equity and justice are inherent to, inter alia, the extraction and processing of natural resources, the associated pollution, and the unequal distribution of its environmental and health impacts. On the consumption side, they relate to unequal access to and unequal benefits from natural resource use, and the unequal impacts of their disposal.

The International Resource Panel (IRP)'s Global Resources Outlook 2024 (United Nations Environment Programme [UNEP] 2024) documents the extent of the unequal benefits derived from resource extraction, processing, and consumption, and the unequal distribution of environmental and health impacts. These are often borne disproportionately, especially by the poor, women, and other marginalized groups (United Nations Department of Economic and Social Affairs - United Nations Development Programme [UNDP] 2014). Resource extraction and processing depletes natural resources and results in impacts on people and planetary health, leading to up to 60 per cent of global greenhouse gas emissions, 90 per cent of global biodiversity impacts, and 40 per cent of particulate matter health-related impacts (UNEP 2022).

This nexus between social and economic inequalities and the environment has become a central topic in recent years. Notably, the Intergovernmental Panel on Climate Change (IPCC) has emphasized the criticality of equity in addressing climate change in its Sixth Assessment Report (2023). The human right to a clean, healthy, and sustainable environment is also enshrined in the United Nations General Assembly Resolution A/RES/76/300 (2022). Resource extraction and use can have an impact on individuals' enjoyment of their human rights, such as promoting inequalities of opportunity which continue to persist, within and between countries, and which may deprive future generations from reaping the same benefits of these resources. It may also have a long-term effect on the health of Indigenous peoples and local communities, thereby increasing inequality (Zhang *et al.* 2024).

Box 1: Definitions— Equality versus Equity

Inequality is a multidimensional concept generally understood as the state of being unequal, especially in terms of status, rights and opportunities (Clark *et al.* 2022). Equality refers to the situation where all members of society have the same access to the available resources, which does not necessarily result in the same outcomes. Equity aims to ensure that everyone gets the needed support to have access to resources. Equity addresses fairness in the societal distribution of burdens and benefits, across determinants and outcomes, to reduce disparities for the most disadvantaged, by, for example, race/ethnicity, income/class, gender identity, migrant status, or age (Clark *et al.* 2022). This think piece will focus mainly on economic, social, and environmental inequalities and in line with Sustainable Development Goal 10 which aims to reduce inequality within and among countries.

While tremendous gains have been made in improving the quality of life and standard of living for many across the planet, this has been achieved at a cost to the environment and with benefits and costs not evenly distributed. Recent data shows that global inequalities have increased (UNDP 2024). Addressing inequalities in all forms, including intergenerational and those related to gender, within and among countries, is urgent because rising

¹ Inequalities in this paper refers to social and economic inequalities.

² The Sixth Assessment Report of the Intergovernmental IPCC cites "ongoing patterns of inequity such as colonialism" as drivers of vulnerability to climate change (Nature, 2022)

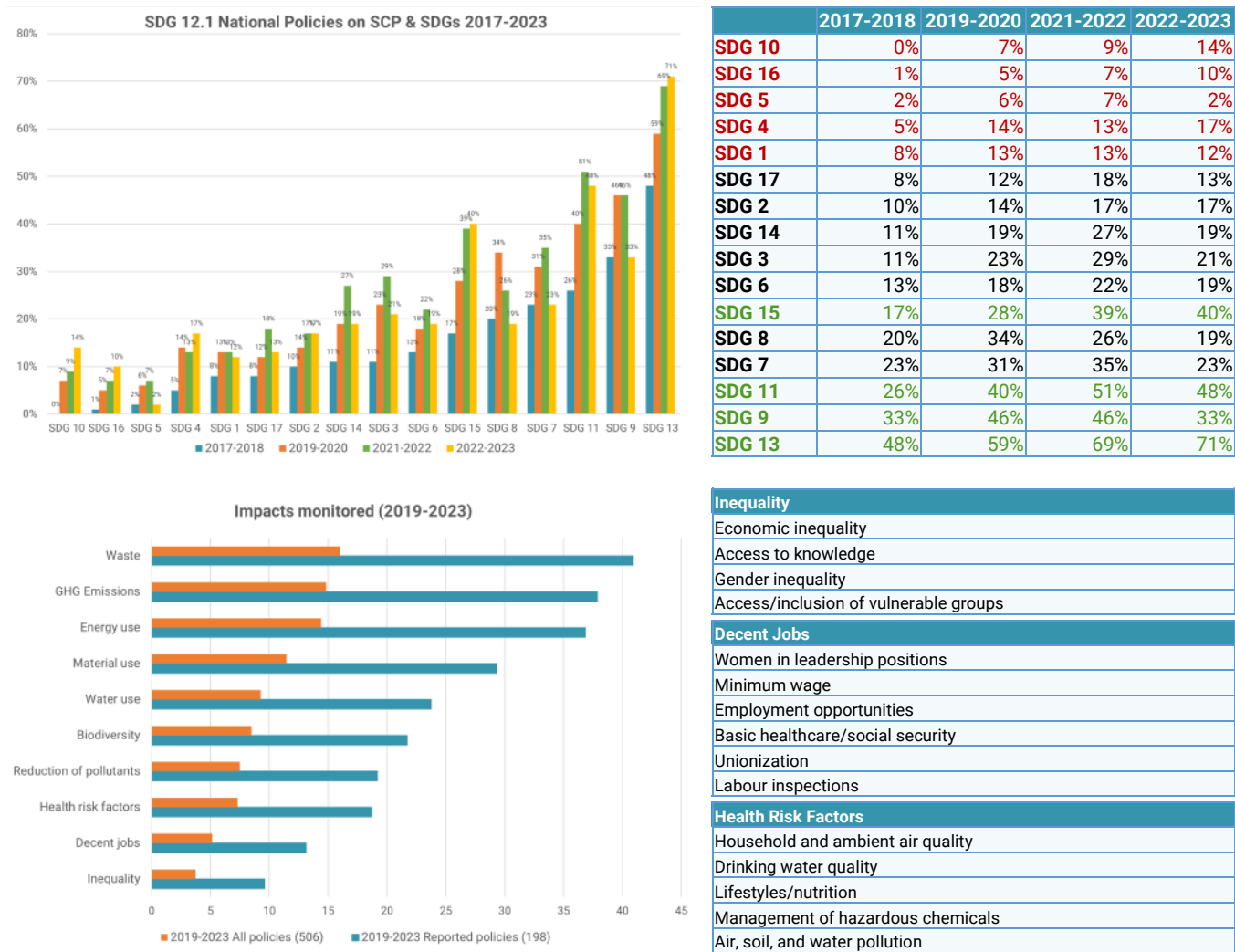
inequalities can bring adverse social, economic, and political consequences (United Nations (n.d.)). It is also an important barrier to reducing poverty (European Commission: Directorate General for International Partnerships 2021) as well as to sustainability transitions.

Reducing inequalities is one of the main priorities of global, regional, and national development agendas. The 2030 Agenda for Sustainable Development’s transformational promise of ‘leaving no one behind’ speaks to the centrality of the global community’s aspiration to tackle inequalities. Addressing inequalities is also at the top of regional and national agendas: The Africa We Want of the African Union’s Agenda 2063 aspires to pursue development that addresses all needs (The African Union Commission (n.d.)); under its G20 presidency in 2024, the Government of Brazil has prioritized three pillars: the fight against hunger, poverty and inequality, sustainable development in its economic, social and environmental dimensions and energy transitions, and the reform of global governance (Brazil Ministry of Labor and Employment 2024); the European Union Green Deal aims to leave no person or place behind (European Commission (n.d.)), and a perusal of several national development agendas shows that reducing inequalities is a recurring aspiration.

Sustainable consumption and production (SCP) systems can and should be intentionally designed to reduce inequalities and seek equitable and just outcomes for all. However, policies that seek to make consumption and production sustainable have a ‘social gap’ that should be addressed. This trend is clear through an analysis of the annually reported policies to the 10-Year Framework of Programmes on Sustainable Consumption and Production (10YFP) on the development, adoption or implementation of policy instruments aimed at supporting the shift to sustainable consumption and production as part of reporting on Sustainable Development Goal (SDG) 12³.

(Figure 1)

Figure 1: Analysis of the SDG12 National Policies on SCP & SDGs 2017-2023 reported to the Secretariat of the 10YFP.



Source: Secretariat of the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns.

³ SDG 12 Target 12.1: “Implement the 10YFP, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries”

The analysis demonstrates limited connections between SDG 12 and social SDGs including SDG 1 (poverty), SDG 5 (gender) and SDG 10 (inequalities). Despite an increase in the number of reported policies identified as relevant to those SDGs, only 14% were associated with SDG 10 in 2022-2023, 12% with SDG 1 and 2% with SDG 5, while 71% were considered relevant to SDG13 on Climate Change for example. When impacts of policies are reported, which remains the case only for a minority, social indicators are most often not being considered: of all the policies reported between 2019 and 2023, less than 20% monitored impacts on health risk factors, less than 15% considered decent jobs indicators and less than 10% considered their impacts on reducing inequalities from various angles (economic inequality, access to knowledge, gender inequality, vulnerable groups).

The issue of inequalities is complex, and the scope of this paper is a select number of areas wherein designing for equity is critical as we map out policies and technologies for the sustainable consumption and production of natural resources. The underlying premise is that intentionally designed sustainable natural resource consumption and production policies and practices can help reduce inequalities. The paper presents some key messages, which draw on the IRP's previous work and the publicly available scientific knowledge on the subject matter within the framework of SDG 10 (reduce inequality within and among countries) and SDG 12 (responsible consumption and production) while acknowledging the relevance of the other goals. A sample of potential action points (not exhaustive) follows each message. The paper identifies key considerations for promoting equity and sustainability in the consumption and production of resources and presents these for consideration at the One Planet Network Forum 2024.



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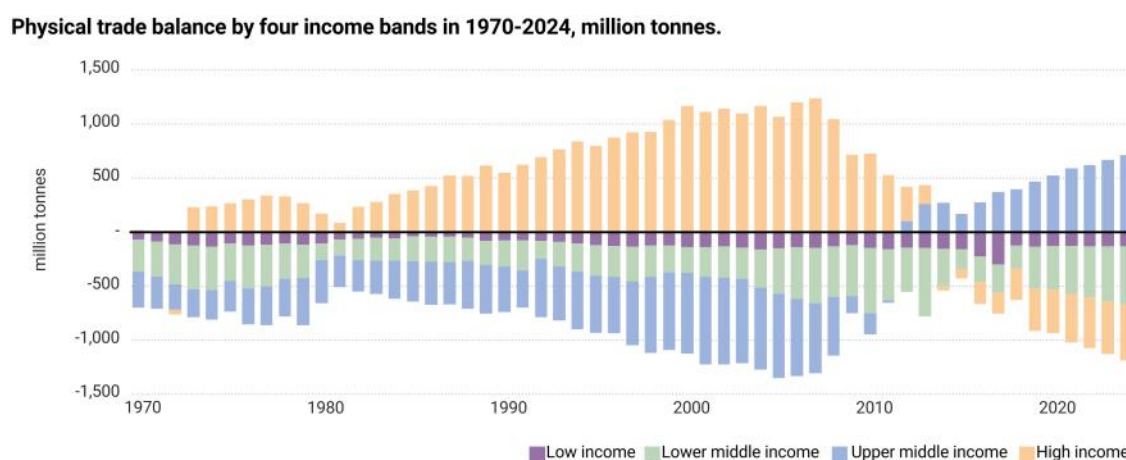


KEY MESSAGE 1

Inequality is a driver and a consequence of unsustainable consumption and production patterns.

The spatial source of natural resources will always be unequal based on geologic and climatic conditions in the countries of origin, while the consumption patterns of countries converge. Trade aims to mitigate these inequalities. The lower-income⁴ and (lower and upper) middle-income countries (LMICs) have historically supplied material resources to higher-income nations, with this trend changing only for the upper-middle income countries around 2014 (UNEP 2024). The lion's share of global materials is extracted in upper-middle-income countries that, in 2020, also had the highest per capita extraction rate (UNEP 2024). The group of upper-middle-income countries, which includes the large economies of China, Brazil, Mexico, and South Africa, extracted 55.8 billion tonnes of materials (equivalent to 21.3 tonnes per capita) (UNEP 2024). This reflects both the demand for materials to build up the infrastructure required for newly organized and industrializing countries and the outsourcing of material- and energy-intensive stages of production by higher-income countries to the upper-middle-income group of transition economies (UNEP 2024). The relocation of resource-intensive processes to middle-income countries is likely to have been driven by lower environmental standards and cheaper labour costs than in higher-income regions (UNEP 2024).

Figure 2: The physical trade balance (PTB) by four income bands (1970-2024, million tonnes). When the PTB is categorized into wealth bands, it becomes evident that low-income and lower-middle-income countries have consistently supplied material resources to higher-income nations.

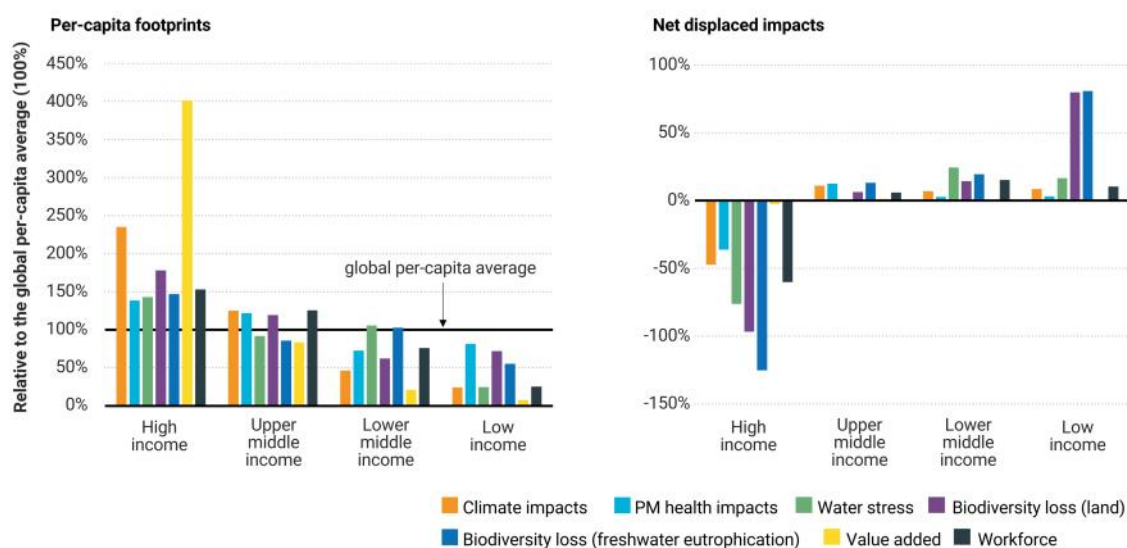


Source: Global Materials Flow database (UNEP 2023)

From the consumption perspective, in addition to the net resource outflow of material resources, energy, and land from lower-income to higher-income regions, associated environmental impacts are unequally distributed (UNEP 2024). High-income countries displace environmental impacts to all other income country groups, which means they import resources and materials that cause environmental impacts in the exporting regions (see **Figure 3**). On a per capita level, significant differences in the environmental impacts of consumption remain between country income groups. High-income countries cause ten times more climate impacts through consumption than low-income countries. The idea that inequalities perpetuate unsustainable consumption and production patterns is also supported by international legal frameworks. For example, the Convention on Biological Diversity (CBD) and the Nagoya Protocol underscore that inequities in access to resources and technology exacerbate environmental degradation, especially in poorer regions.

⁴ This Think Piece uses The World Bank Group classification of the world's economies to four income groups: low, lower-middle, upper-middle, and high. The World Bank Group classification is similarly used in the International Resource Panel's Global Resources Outlook 2024 and 2019 publications. For more information see the Annex of United Nations Environment Programme (2024) available at: <https://www.resourcepanel.org/file/3292/download?token=053XaKRv>

Figure 3: Left: Per capita environmental impact footprints (climate change, PM health, water stress, land-use related biodiversity and biodiversity loss from freshwater eutrophication) and socioeconomic benefits (value added, employment) by income group (consumption perspective). Right: Global net trade impacts per capita ordered by income group countries, represented as a share of global per capita impact. Reference year 2022.



Source: UNEP 2024

In 2022, more than half of global land-related biodiversity loss occurred in Africa and Latin America, but less than 10 percent of global value-added was generated in these regions (UNEP 2024). Conversely, almost half of the global value-added was generated in Europe and North America, although less than 10 percent of global water stress and biodiversity loss happened in these regions (UNEP 2024). This opposing pattern of lower domestic environmental impacts and higher value added is partially a sign of higher environmental standards, but also a consequence of impact displacement to other regions. Europe and North America import goods that cause climate, biodiversity, and water stress impacts elsewhere. For instance, land-related biodiversity impacts are more than twice as high from a consumption perspective compared to a production perspective (UNEP 2024).

The displacement of environmental costs from high-income to low-income countries contradicts the principles of a human rights economy (United Nations Sustainable Development Group (n.d.)), which advocates for equitable sharing of both the benefits and burdens of resource use and the principle of environmental justice. These principles strive towards the goal that no single community bears a disproportionate environmental impact.

Actions:

1. Stringent environmental regulations that are effectively enforced should be implemented to prevent, address, or mitigate the negative impacts of resource extraction on the environment, ecosystems, and affected communities. This will support sustainable and responsible resource management, including restoration and compensation for affected communities.
2. Promote economic diversification in LMICs to reduce vulnerability to market fluctuations and ensure sustainable and equitable economic growth, while policies and infrastructures aimed at enabling local resource value retention in producer countries should be put in place.
3. National consumption and production patterns of natural resources should be monitored and the reporting of footprints of materials, water and land promoted.

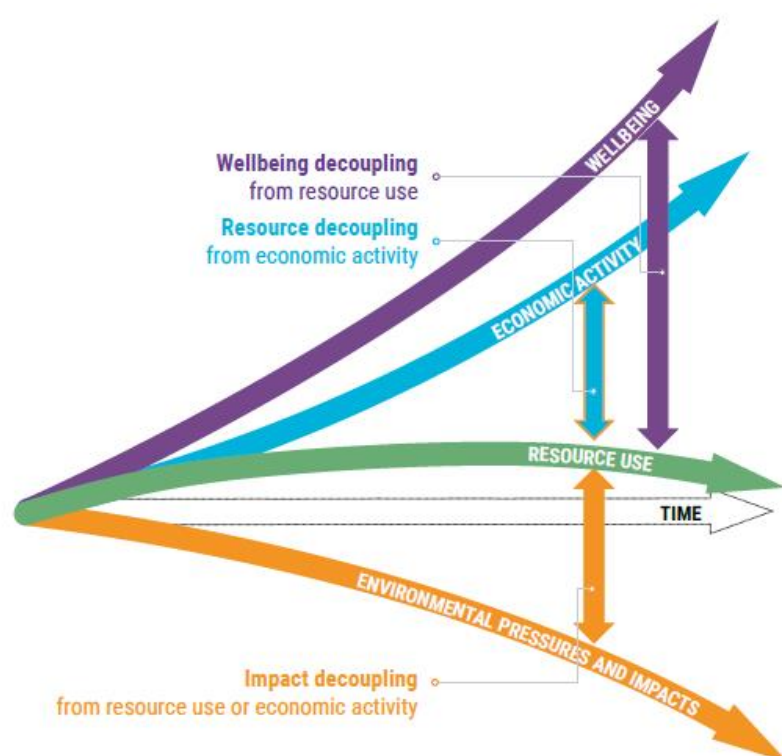


KEY MESSAGE 2

Developing and implementing targeted and coordinated policies can significantly reduce resource extraction and consumption and their related environmental impacts.

IRP analysis (UNEP 2024) demonstrates the potential for integrated policy action to decouple pressures and impacts across multiple energy- and resource-use domains, while improving well-being outcomes and reducing economic and resource-use inequalities. Crucially, the analysis finds that an integrated approach, combining action on resource efficiency, energy and climate plus food and land, achieves significantly greater positive effects than any one of these policy packages would in isolation. This builds on previous findings suggesting that resource efficiency increases the effectiveness of actions to reduce greenhouse emissions while reducing economic costs. Policies need to aim not only at improving production (e.g., by reducing pollution) but also to mitigate the consumption footprints of countries. The concept is not a one-size-fits-all approach. For the parts of the population with the highest resource consumption footprints (countries or fractions in a national population), actions should lead to absolute decoupling (reduction of resource use). For the contexts where resource consumption is expected to grow to enable dignified living, the aim should be relative decoupling (where resource consumption increases more slowly than human well-being outcomes) (UNEP 2024).

Figure 4: The concept of decoupling.



Source: UNEP 2024

Decoupling should not be seen as a refitting exercise, but rather, it should be seen as an opportunity to advance equality and the full enjoyment of human rights and well-being for all by intentionally addressing both the physical and social elements of consumption and production systems. In all cases, equity should be a central consideration (Clark *et al.* 2022).

The differential paths for resource consumption and decoupling are linked to the concepts of sufficiency and a 'fair consumption space'. These concepts aim to achieve human well-being through systemic changes to the way resources are used to deliver human needs, rather than through the current model of additional material consumption. Coupled with the provisioning systems approach, which provides a holistic consideration of material and political-economic dimensions that interact to transform resources to meet human needs, the concept emphasizes demand-side solutions that address requirements for energy, materials, land, water, and other natural resources. According to UNEP (2022), a 'fair consumption space' aims to "curb overconsumption while ensuring consumption opportunities needed for meeting basic needs, decent living standards, and human dignity," thus supporting the well-being of all without endangering our planet's ecological systems and resource capacities. Notably, such approaches make it possible to counteract the 'rebound effect', where the benefits resulting from the increase in resource use efficiency are wiped out by the continuously growing demand (Bianchi and Cordella 2023; Hickel and Vogel 2023). Crucially, just as decoupling, sufficiency and fair consumption space measures must be applied in a differentiated manner that accounts for present disparities in living standards and resource consumption.

Actions:

1. Policies should be explicitly (re)designed to address inequalities and equity, enabling populations in vulnerable situations to benefit from sustainability initiatives, in line with the human rights principles of equality and non-discrimination.
2. Quantifiable sufficiency targets should be incorporated into national policies, such as per capita material consumption limits and demand reduction goals.
3. Action plans should be developed to ensure credible and transparent information on the environmental and social performance of products and services is available, as well as to improve access to and promote affordable and sustainable options (sustainable lifestyles and consumer information).





KEY MESSAGE 3

Reforming the financial system is essential to more equity, equality, and justice in resource use.

The global financial architecture plays a key part in setting the rules for producing and consuming natural resources. For example, advancing a just energy transition globally is critical to achieving climate and other sustainability goals. However, although investments in renewables have nearly tripled since 2015, most of the money has gone to developed countries (United Nations Trade and Development [UNCTAD] 2023).

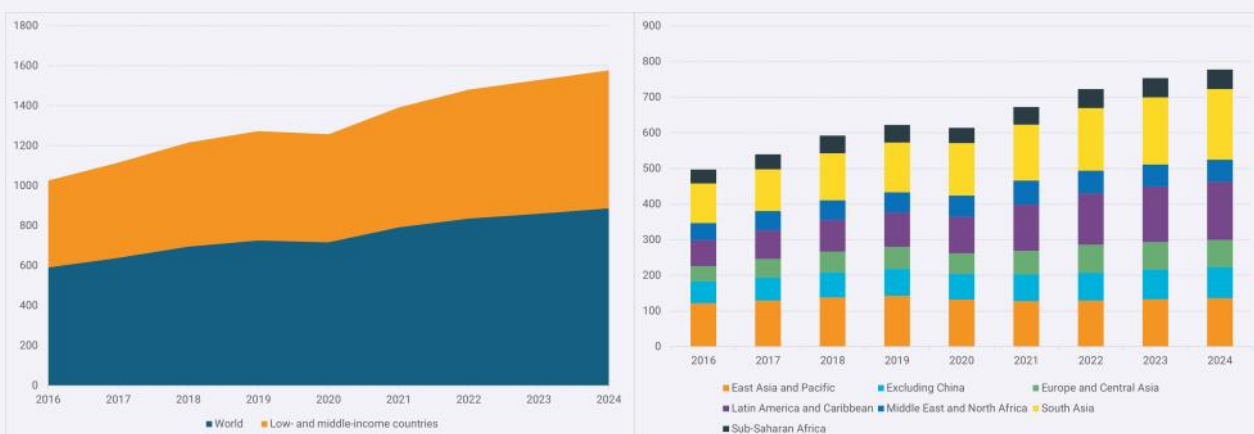
Various financial tools can address equity, equality and justice issues including inter alia through women's cooperatives, diaspora bonds, and sustainable critical mineral futures and options. As an example, **Box 2** shows the volume of migrant remittances worldwide which could be redirected to, for example, climate financing, especially in LMICs.

Box 2: Establishing diaspora bonds from migrants' remittances.

Migrants are forecasted to remit about US\$690 billion in 2024 to lower- and middle-income countries (panel a of **Figure 5**), surpassing the foreign direct investment (FDI) to these countries by about 250 billion US\$ in the same year. The 2024 forecast indicates that the top three recipients of remittances will be South Asia, Latin America and the Caribbean, and East Asia and Pacific (panel b).

The crucial point of potential policy intervention concerning migration, equality, and the consumption and production of resources is to promote a change of lens around migration. Migrants should be seen as agents of change via the remittances they provide. Remittances can be leveraged in financing sustainable resource management including through diaspora bonds. In terms of consumption, migrants function as conduits of norms around sustainable consumption patterns both to origin and destination communities. Returning migrants can bring back skills and knowledge of sustainable consumption and production approaches. Migrant workers can play a critical role in the green transition (International Organization for Migration 2024).

Figure 5: Remittances by migrants (2016-2024).



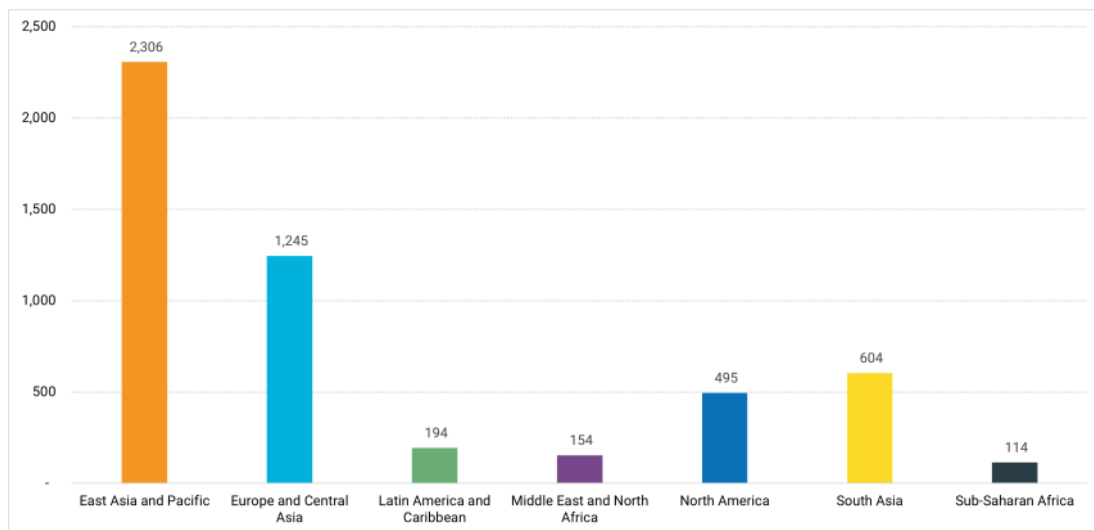
Source: World Bank Group and KNOMAD (2023).

Taking the idea further, Frimpong *et al.* (2017) propose a mixed investment-linked diaspora revenue bonds model (ILDRBM) which generates diaspora investments, which are not used to service sovereign debts, instead directing such investments towards projects, programmes, or sectors with high economic and productive returns and developing hybridized institutional frameworks of private-public and foreign-domestic actors to manage this investment. Relevant authorities could redirect these bonds to finance the extractive industry to contribute to achieving the SDGs as outlined in the forthcoming IRP report with an emphasis on ensuring equality of outcomes.

From another perspective, decoupling can create the fiscal space for improvements in welfare and equity. Resource extraction often leads to environmental damage, such as deforestation, water pollution, and biodiversity loss, which disproportionately affects Indigenous Peoples and communities who depend on these ecosystems for their livelihoods. There is a potential for an increase in economic productivity and welfare (and subsequent reduction of inequalities) that the global community can achieve by eliminating environmental harm. This includes ensuring that prices reflect the social and environmental costs of resource extraction. Addressing environmental degradation creates the fiscal space for gains in Gross Domestic Product (GDP) to be used in social programmes, consequently reducing inequalities.

For example, **Figure 6** presents the results of a study by the World Bank (2016) which shows that the global welfare losses from PM_{2.5} and O₃ exposure amounted to USD 5.11 trillion. The message here is unambiguous: net savings can be made by tackling PM_{2.5} and O₃ exposure. These savings can be re-directed and used for societal well-being.

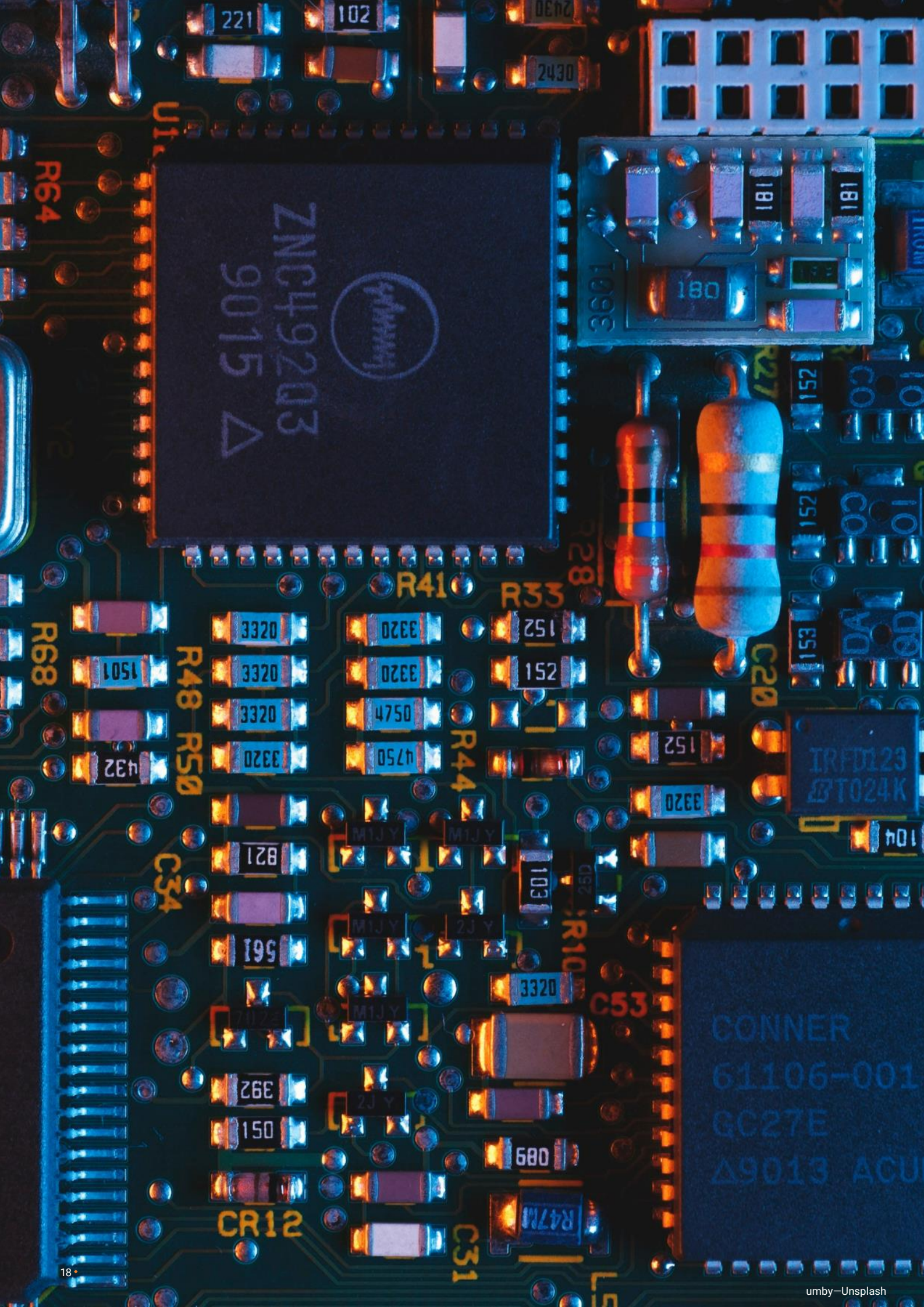
Figure 6: Estimates of global welfare losses from PM_{2.5} and O₃ exposure by region (in USD billion).



Source: World Bank Group and Institute for Health Metrics and Evaluation (2016).

Actions:

1. Reform the international financial architecture, i.e., the Multilateral Development Banks (MDBs), International Financial Institutions (IFIs) and the Bretton Woods Institutions to address crises of climate change, biodiversity loss, pollution, and waste and to support just transitions based on equity and equality.
2. Enhance international cooperation to combat illicit financial flows, including tax evasion and transfer pricing by multinational corporations, for resource-rich countries to benefit through transparent and fair taxation practices. This includes fair taxation and stronger international tax cooperation to combat the corrosive effects of tax evasion and unfairly distributed tax revenues from multinational companies, with States engaging constructively on the proposed United Nations Framework Convention on International Tax Cooperation.
3. Identify and implement policies (and incentives) that can reduce inequalities, which may include investing in human capital (health and education), channeling private finance towards sustainable resource use, and international cooperation supporting LMICs to attract more investment for sustainability transitions.

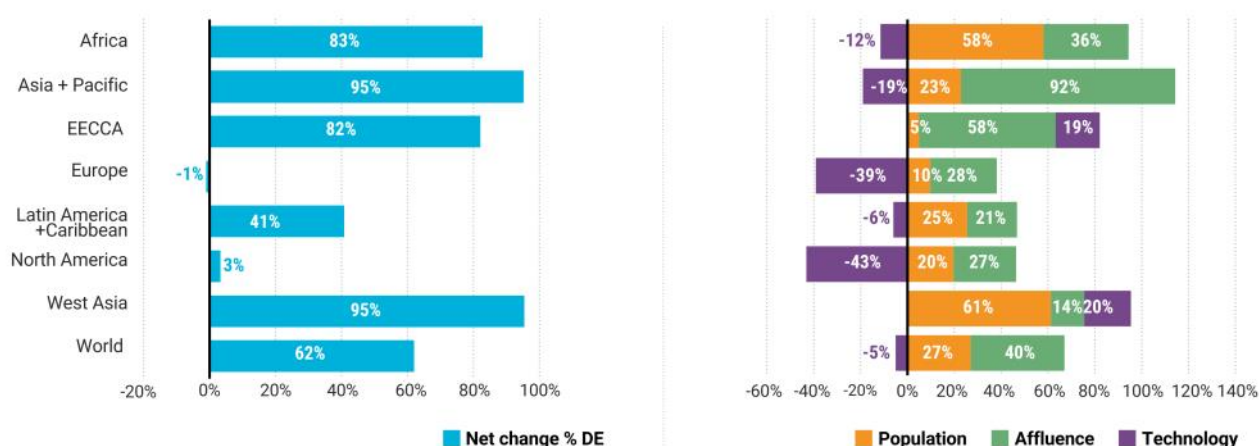


KEY MESSAGE 4

Technological innovations and adoption increase resource efficiency but may also increase vertical and horizontal inequalities.

Technology plays a key role in mitigating or exacerbating environmental impacts of resource production and consumption. Technology can contribute to increasing the efficiency in the use of resources helping in decoupling (in the context of reducing the use of resources). Evidence suggests that technological improvements can increase resource efficiency and reduce the pressure on natural resources (Liu and Liang 2024). Between 2000 and 2022, technology⁷ mitigated material footprint drivers of population and affluence in North America and Europe by 43 and 39 per cent respectively⁸. However, globally, on average, technology has only mitigated 5 per cent of those same drivers in that same period (Figure 7).

Figure 7: Drivers of material footprint, 2000-2022, percentage.



Note: Net changes might vary from the sum of the impacts of population, affluence, and technology due to rounding.

Source: UNEP 2024

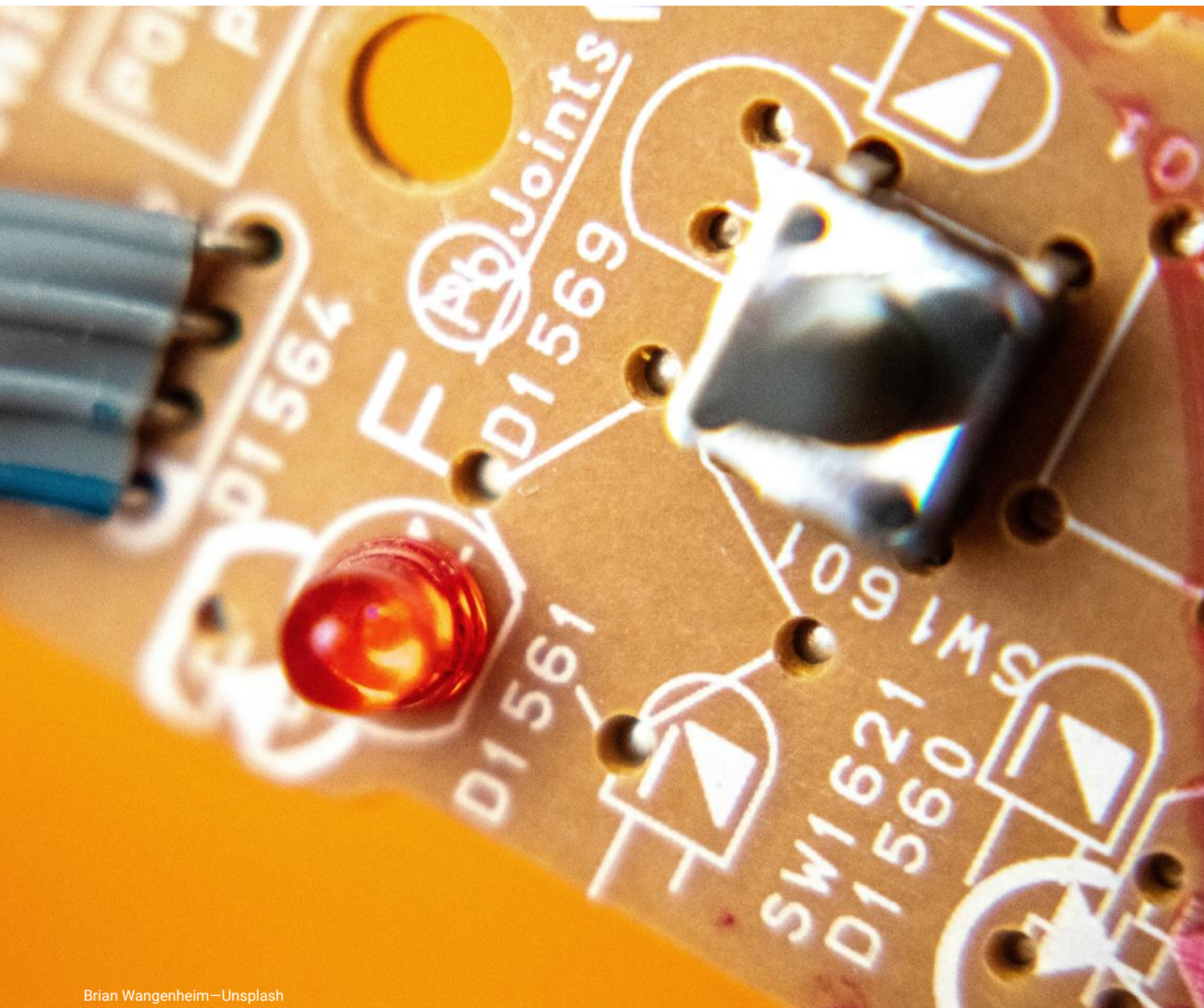
Recycling, solar panels, better energy storage systems, green technology, sustainable sourcing and digitalization are examples of technologies that can increase resource efficiency. Voluntary technology and knowledge transfer on mutually agreed terms to enable the uptake of these essential technologies to mitigate the drivers of material footprint globally is an important aspect of enabling just and fair transitions to sustainability for all. The impact on equity is positive where access to technology is common and negative where access to technology is rare (Skare and Porada-Rochoń 2022; UNCTAD 2021). Trade can help transfer clean technologies needed for local industries; and access environmentally preferable goods and services that contribute to decoupling, including reducing CO₂ emissions. It should be noted that technological innovation shapes both production possibilities/efficiencies as well as the structure of profits, margins, and returns to labour and capital (Acemoglu and Johnson 2023). Technology innovation and adoption are both design and policy choices that governments should make.

⁷ It is important to note that the T in IPAT is not strictly speaking about technology but reflects all drivers other than population and per capita income combined (UNEP 2024).

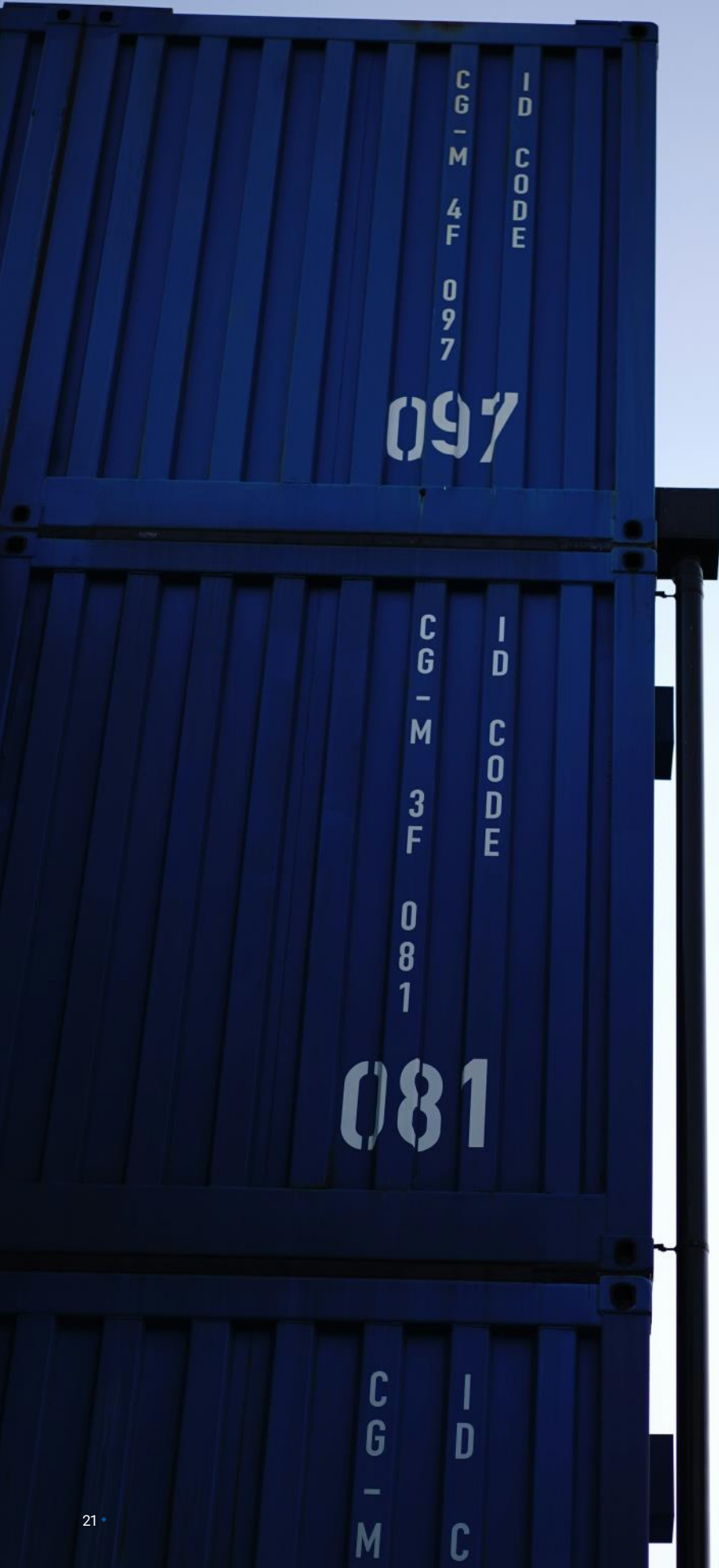
⁸ It is recognized that there could be a rebound effect. However, this is beyond the scope of this paper.

Actions:

1. Countries need to urgently identify the technologies necessary for sustainability transitions, and mechanisms needed to fast-track the voluntary transfer of these technologies on mutually agreed terms including strengthening international cooperation for technology adoption and capacity-building.
2. Governments should provide incentives to develop and promote technological innovations and ensure that LMICs have access to green technologies that support equitable development and help bridge the technological gap, fostering sustainable and inclusive growth. This could include reviving the 'infant industry model' which shields new industries in a country from global competition. This action could also include supporting voluntary technology transfer across regions that is accessible and affordable (for LMICs) and suitable for application in the local context.
3. Development partners should assist national stakeholders in fostering skills development, focusing on women and marginalized groups, and assisting them to learn new skills and adjust to new practices and knowledge.



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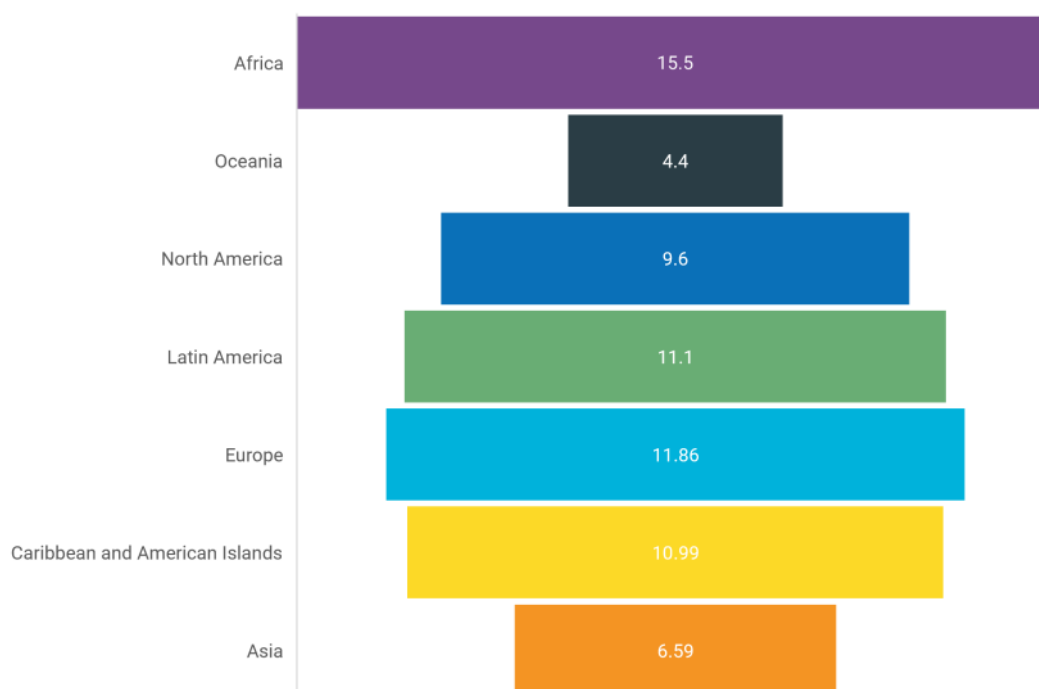
KEY MESSAGE 5

Trade and trade policy can support decoupling, but illicit trade in natural resources, unequal exchange, and illicit financial flows can exacerbate inequalities within and between countries.

Empirical evidence shows that international trade has reduced poverty among millions and reduced inequalities between rich and poor countries. Trade has benefited many by increasing economic efficiency, consumer purchasing power, and product varieties (UNCTAD 2019). Trade and trade policy can support decoupling environmental pressures and emissions from GDP and reducing inequalities. Trade can help transfer clean technologies needed for local industries; and improve access to environmentally preferable goods and services that contribute to decoupling, including reducing CO₂ emissions. Trade produces revenues, which can be directed towards supporting public policies promoting sustainable development, especially just transition, education, capacity building, and reducing inequalities. At the same time, trade-related policies enabling sustainable consumption and production could lower pressures on the environment while also supporting social development, therefore reducing inequalities, particularly in those countries most in need.

Illicit trade of natural resources through inter alia trade mis-invoicing, transfer pricing, tax avoidance, corruption, and illicit trade in food can be drivers of inequalities. For example, the scale of trade mis-invoicing and tax avoidance by multinational corporations and corrupt officials is high in Sub-Saharan African countries (Asmah *et al.* 2020), and tax-loss amounts to 15.5 per cent of health expenditures in Africa (see [Figure 8](#)). Arresting the leakage can create the fiscal space for social programs that can tackle inequalities.

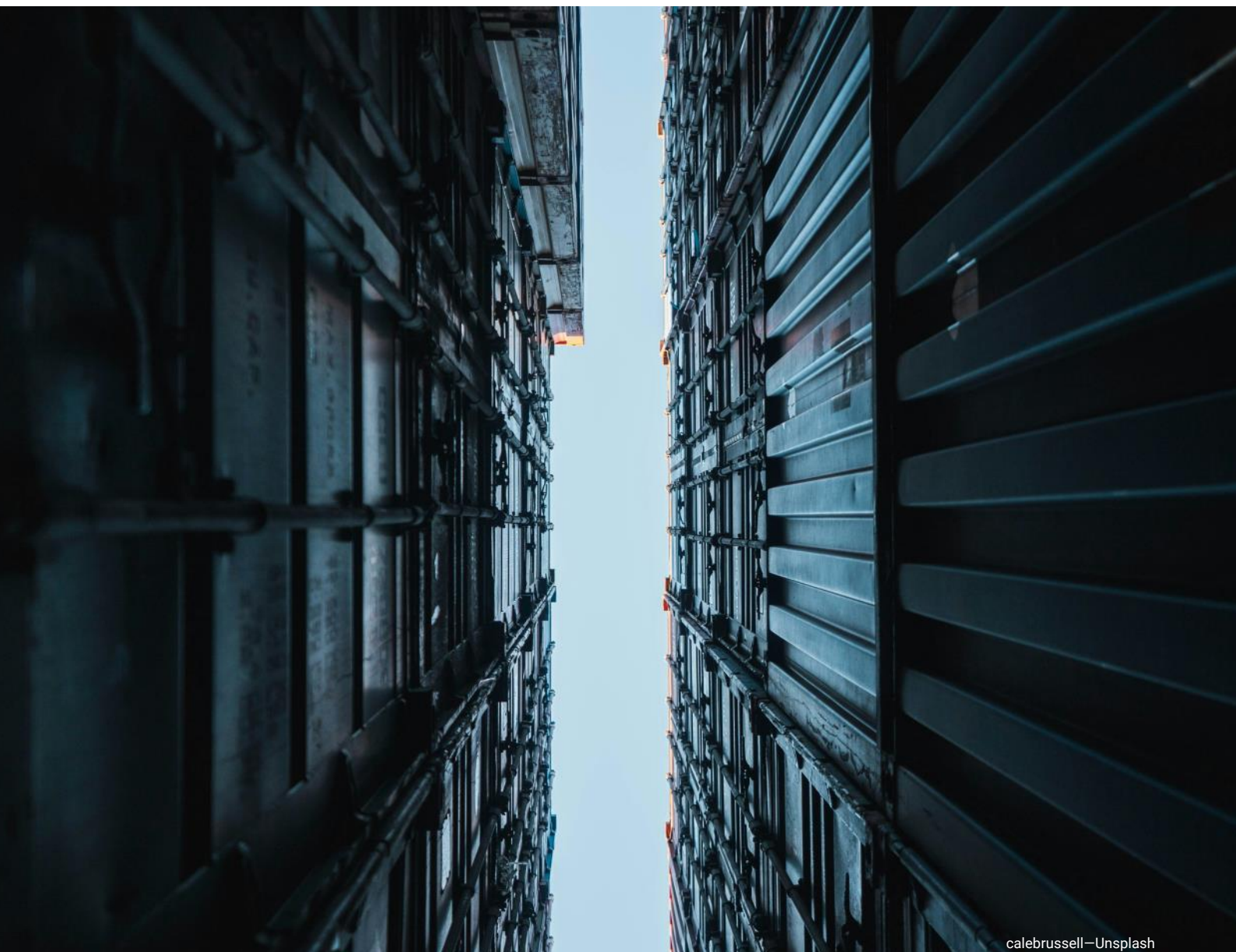
Figure 8: Percentage of health expenditures that tax losses could cover (2023).



Source: Tax Justice Network 2023

Actions:

1. Support LMICs and foster international cooperation that promotes fair trade practices and equitable economic relations and financial systems, ensuring that resource-rich LMICs benefit adequately from their resources.
2. Governments should make trade and trade agreements the driving forces behind sustainable resource use. Through trade facilitation, government procurement, and regulatory standards, governments can play a pivotal role in reducing inequalities by improving access to environmental goods and services, and clean technologies, and supporting sustainable consumption and production. Therefore, policies need to aim not only at improving production (for example, by reducing pollution) but to mitigate the consumption footprints of their countries.
3. Governance structures should be improved to ensure the fair and transparent allocation of resource extraction rights, revenue distribution, and regulatory oversight. This improvement includes implementing and enforcing anti-corruption measures and ensuring that revenues from natural resources are used for sustainable development and re-invested into local development to promote the enjoyment of human rights. In addition, corporate policy should emphasize the importance of responsible sourcing of critical raw materials.



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KEY MESSAGE 6

The international community urgently needs to develop a new metric of progress beyond GDP that incorporates human well-being and other distributional issues, as the current measures are inadequate in capturing these crucial aspects.

What society measures shapes what is collectively valued and pursued – and what society values and pursues determines what is measured. GDP measures market production. The GDP metric has several limitations, including among others excluding measures of human well-being, not taking into consideration negative externalities, non-market activities, natural capital (Ramos and Mossé 2021), social capital (Systemiq and the Club of Rome 2020) and the informal economy. It also does not consider the resilience, efficiency, and adaptability of economic systems (ibid.). However, it is often treated by policymakers as a measure of success and well-being. To date, it is the single most important indicator to capture economic activity.

The shortcomings of GDP as a measurement of economic success have been recognized by SDG target 17.10 which aspires to, by 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement GDP, and support statistical capacity building in developing countries. The most recent report by the Special Rapporteur on Extreme Poverty covers this issue stating that “current focus on increasing the gross domestic product is misguided (... and that) as long as the economy is driven mainly by profit maximization, it will respond to the demand expressed by the richest groups of society, leading to extractive forms of production that worsen social exclusion in the name of creating more wealth, and it will fail to fulfil the rights of those in poverty.” (United Nations Human Rights Council 2024)

The international community has been actively working to develop alternative measures to GDP. Earlier attempts include Bhutan’s Gross National Happiness Index, the World Happiness Report, and the Legatum Prosperity Index. Other significant efforts have resulted in the creation of the Human Development Index (HDI), the Social Progress Index, and the Human Capital Index. The recent introduction of a measure by the UNDP of a planetary-adjusted HDI is a testament to this commitment (UNDP 2024). Other indicators that could contribute to this endeavour include Eurostat’s Quality of Life indicator, the Netherlands Monitor of Well-being, and New Zealand’s Well-being Budget (Concord 2019).

In summary, GDP is not a measure of the indicator of the good health of societies and ecosystems (Ramos and Mossé 2021). It is a poor proxy for societal well-being, and an economic indicator that eventually depends on an ever-increasing consumption goal (Ward *et al.* 2016). Therefore, this metric for measuring economic well-being and inequity should be carefully reconsidered.

Actions:

1. The international community should collaborate and build consensus on an alternative to GDP, in line with the SDGs, as a metric to measure progress and well-being, as well as on a set of indicators, aligned with the new metric, to monitor the impacts of SCP policies on social and individual well-being.
2. Government, development partners and civil society organisations should work together to develop mechanisms to monitor, evaluate and report on the social impacts of sustainability policies should be established, and the availability of data, particularly disaggregated data, that could enable assessing the impact of policies on specific groups, including in the early stages of implementation. Populations in vulnerable situations should be the focus of this monitoring.
3. Governments can conduct impact assessments and equity audits to identify gaps that need to be filled.



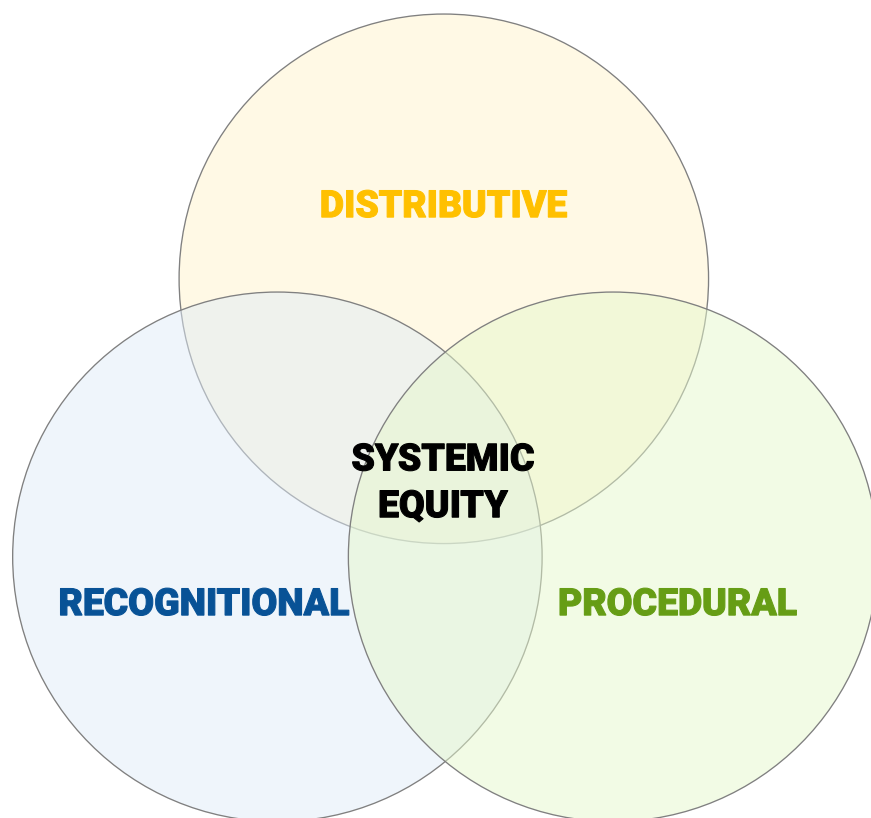
KEY MESSAGE 7

Just, transparent, and participatory processes and good governance are essential in designing sustainable consumption and production to reduce inequalities and inequity.

Designing for equity requires an integrated approach given that equality, equity and justice have several dimensions including those that relate to gender, intra-generational, inter and intra-nation states, rich-poor, race, caste, and class, to name a few. Processes to design, implement, monitor, and evaluate sustainable consumption and production policies and processes must be just, transparent, participatory, and driven by the desired outcome of meeting three conditions: distributive equity, recognitional equity, and procedural equity. Following Bozeman *et al* (2022) and Mendez-Barrientos *et al* (2024), distributive equity seeks to provide resources to an individual or group in a fair manner. Recognitional equity addresses the ‘psychological, emotional, and cultural needs of the systematically marginalized where bias and disadvantage are embedded or evident.’ Procedural equity measures strive to use ‘procedures and decision-making activities that facilitate the allocation of resources in an unbiased and fair manner’.

The three dimensions mentioned above are critical in addressing equality, equity, and justice issues. These conditions (**Figure 9**) must be met for the production and consumption of natural resources to help reduce inequalities and inequity. Equity will not happen on its own and policymakers need to design it in procedures and other technological solutions. In addition, policymakers need to ensure that the policies are inclusive and equitable by engaging with all stakeholders to gather feedback and input, thus leaving no one behind.

Figure 9: Dimensions of Equality, equity, and justice



Source: Adapted from Bozeman *et al.* (2022).

Communities affected by resource extraction often lack information and are frequently excluded from decision-making processes. This can lead to outcomes that impact their human rights and do not reflect their interests, or needs, exacerbating inequalities. Strong institutions, access to information and appropriate skills are critical to enhancing equity. Savoia and Sen (2021) show that policy responses and the kinds of institutions play a critical role in the potential of resource rents to reduce income inequalities. The authors note that it is 'the institutional context in which this sector develops, and natural resources are exploited that determines the types of distributive, health, and education outcomes that resource-rich countries experience' (ibid., p. 17).

Public participation and access to information and capacity building provide a fertile ground for promoting equity measures. The right to participate in public affairs and the ability to access information contribute to the enjoyment of human rights⁹. The importance of access to information is, for instance, fully embedded in the UN guidelines on consumer protection (UNCTAD 2016). Unequal access to information on the environmental impacts of products and services leads to further inequalities, such as those related to risk exposure, but also to the capacity to make informed decisions or to promote a sustainable environment. Engaging stakeholders at all levels enhances ownership and leads to the co-creation of knowledge.

Good governance is crucial for upholding human rights, as it ensures that policies and decisions are made in a manner that respects, protects, and fulfils human rights. Transparent and accountable governance structures help prevent corruption and enable the effective use of resources to reduce inequalities. Institutional changes should reflect distributive, restorative and procedural measures through a natural resource lens.

The Sustainable Development License to Operate (SDLO) proposed by the IRP (2020) seeks to ensure that the processes are right, specifically as related to mineral extraction. The paradigm ensures that there is a level playing field for all actors. For a transition to be just, it requires social dialogue as well as policy coherence (ILO 2015) and needs to make efforts to overcome patterns and processes of marginalization and exclusion (Just Transition Research Collaborative 2018).

Actions:

1. Facilitate effective stakeholder engagement, supported by robust governance frameworks and inclusive partnerships, so that affected communities, especially Indigenous Peoples, are actively involved in decision-making processes related to resource extraction, including respecting the principle of Free, Prior, and Informed Consent.
2. Governments should facilitate access to essential resources such as clean water, energy, and sanitation which are fundamental to realizing economic, social, and cultural rights. The prevailing system's failure to provide equitable access impacts the enjoyment of these rights.



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⁹ See the International Covenant on Civil and Political Rights, the Escazu Agreement, and the Aarhus Convention.



CONCLUSION

The global community is not on track to achieve the 2030 Agenda for Sustainable Development. Indeed, a recent report by the Independent Group of Scientists appointed by the Secretary-General (2023) indicates that in terms of current progress, only 12% of the targets will be completed by 2030. Rather than reducing inequality in all its forms, from intergenerational to intragenerational, we are heading towards a more unequal world.

This paper identifies certain issues that are often “inconvenient” to discuss. It suggests several transformations to how we produce and consume natural resources that the international community must make to address inequalities. These changes must occur at the supra, sub-national, and national levels. Absolute and relative decoupling of resource use from economic growth and social well-being is necessary along the whole production chain to the consumption of natural resources.

This paper argues that the global community must (re)design systems for sustainable consumption and production of natural resources to reduce inequalities, noting that sustainable consumption and production cannot happen independently. These systems will need to explore distributive, recognitional, and procedural measures. The report identifies several actions related to how we produce and consume our resources, address the global trade imbalance, promote institutional changes and good governance, create the fiscal space to improve human well-being and support societal changes, incentivize technology adoption, and rethink the metric for measuring societal wellbeing. Designing for equity in the consumption and production transitions must be deliberate and requires processes that are just, transparent, and participatory. We call on the One Planet Network community, programmes, and partners to work tirelessly to continue integrating issues of equality, equity and justice into every international, national and local initiative or policy supportive of sustainable consumption and production patterns, as a necessary condition for impacts and success. Without the recognition and consideration of the deleterious effects of inequalities on society, individuals and the environment, these policies and initiatives will not be able to express their full potential. Together with other platforms leading on sustainable socio-economic transformations, the One Planet Network should promote the implementation of the actions recommended in this paper, whenever permitted by the respective mandate of its members, but also identify further actions that can form a collective, ambitious plan to achieve the full integration of the human rights, inequality and sustainable consumption and production agendas.



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