

Description of the photo. DAVE HOFLEER

A Holistic Approach to Unlocking the Impact Economy through Transparency and Collective Action

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By YVES CARNAZZOLA • APRIL 12, 2023



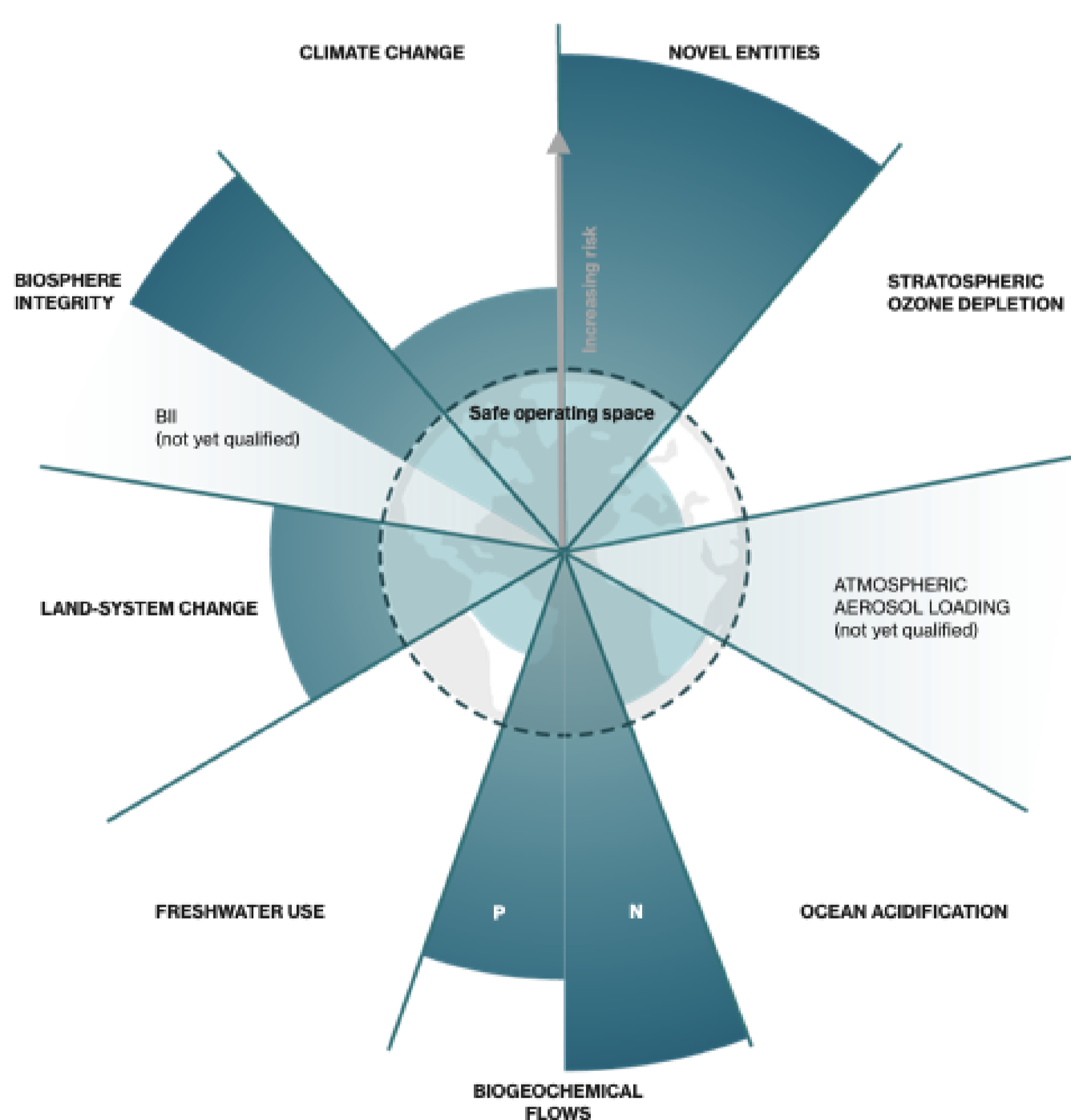
Our planet is a complex and interconnected system of natural processes and resources that sustain life as we know it. However, human activities such as industrialization, urbanization, and agriculture have put increasing pressure on these natural systems, leading to a range of environmental challenges such as climate change, biodiversity loss, and pollution.

To address these challenges, it is crucial to understand the natural limits and boundaries within which our planet's systems can operate sustainably, without compromising their ability to provide vital services to humans and other living beings:

- **Climate change:** The economic, environmental and social costs of climate change are projected to be substantial, including damage to infrastructure, increased healthcare costs, and reduced agricultural productivity.
- **Biodiversity loss:** The loss of biodiversity can have significant economic impacts, including reduced agricultural productivity, lost revenue from ecotourism, and increased healthcare costs due to the loss of ecosystem services.
- **Freshwater use:** The depletion of freshwater resources can lead to increased costs for water treatment and infrastructure, as well as decreased agricultural productivity and other economic impacts.
- **Chemical pollution:** The health and environmental costs of chemical pollution are significant, including increased healthcare costs, lost productivity due to illness, and damage to ecosystems and the services they provide.
- **Land use change:** The loss of natural habitats can have economic impacts, including reduced productivity of natural resources and lost revenue from ecotourism.

SDGs as planetary boundaries

As we approach the year 2030, it's becoming increasingly clear that achieving the United Nations' Sustainable Development Goals (SDGs) will require a significant amount of financing.



"Climate Tipping points occur when a change in a part of a system becomes self-perpetuating beyond a forcing threshold, leading to abrupt and/or irreversible impacts." To avoid the sixth mass extinction event.

STOCKHOLM RESILIENCE

According to estimates by the UN, the financing gap for achieving the SDGs in developing countries alone is currently around **\$2.5 trillion annually**.

At the same time, the urgency of addressing climate change and protecting biodiversity has never been more apparent. The Paris Agreement, which aims to limit global warming to well below 2 degrees Celsius above pre-industrial levels, requires substantial investments in low-carbon infrastructure, energy efficiency, and natural capital.

Meanwhile, the Green Deal and EU Taxonomy regulation, among others, is set to become a crucial tool for directing investments towards sustainable activities, including biodiversity conservation.

The challenges we face in achieving the SDGs, Paris Agreement, and other global sustainability goals are complex and interconnected, often referred to as **"wicked problems."**

These problems are characterized by their high level of uncertainty, multiple and conflicting objectives, and significant impacts on various stakeholders.

To tackle these wicked problems, it is crucial to adopt a collective action approach.

This means engaging stakeholders from various sectors, including governments, businesses, civil society, and academia, to work together and co-create solutions that are accessible to a diverse range of experts, who can provide the necessary knowledge and skills to design and implement effective solutions.

