UNEP

GREEN economy

TOWARDS GREENER & MORE INCLUSIVE ECONOMIES

UNEP Engages with Strategic Partners & Countries to Deliver on Rio + 20

At the 2012 Rio+20 Conference, green economy in the context of sustainable development and poverty eradication was recognized as a tool for achieving social, economic and environmental sustainable development. The outcome document, The *Future We Want*, requested UN support for "the implementation of green economy policies by countries that seek to apply them for the transition towards sustainable development as a common undertaking." UNEP has been active in this regard, partnering with numerous UN and civil society partners to respond to country demand wherever it may occur. These responses – a rainbow of activities in unison with member states around the world – are described below, and provide food for thought on how sustainable development goals can be met and exceeded in the emerging post-2015 development agenda.

Some key highlights follow:

- African countries have been among the front runners, and more than 10 African countries have adopted or are developing green economy policies and plans, including Burkina Faso, Ethiopia, Mozambique, Senegal and South Africa among others.
- In the Asia-Pacific region, national green economy strategies are spreading with recent advances in Viet Nam, Mongolia and Cambodia, and important steps forward have been taken in China with leadership on what it calls an "ecological civilisation".
- In the Caribbean and across the spectrum of Small Island Developing States, Barbados adopted green economy strategies years before Rio+20 and several islands are now moving in this direction, including Jamaica, Mauritius, Seychelles, St Lucia, and Trinidad and Tobago.
- In Latin America, countries such as Mexico, Peru and Uruguay are working towards greener and more inclusive economies as part of overarching strategies to achieve sustainable development.

65 countries have embarked on green economy and related strategies, and **48** of them are taking steps to develop national green economy plans.

At the global level, more than 20 UN entities have introduced programmes that support a global shift towards a green economy. Some examples include:

1. **The Partnership for Action on Green Economy,** UN response to the Rio+20 call to assist countries on green economy combines the collective expertise of ILO, UNDP, UNEP, UNIDO and UNITAR. The programme aims to assist 30 countries by 2020, with 20% of this goal already underway in 2014.

   - The first country to join PAGE, Mongolia, recently passed a National Green Development Strategy and plans to build hundreds of new green schools, in addition to pushing the frontiers of new metrics for sustainable economic growth and development.
   - Another PAGE partner, Mauritius has included Green Economy as one of its priority programmes in its national planning, now part of the Maurice Isle Durable framework.
   - Peru, the second country to join PAGE, is drafting a national green growth strategy. As part of their efforts, a cross-section of ministries in Peru signed the 'Lima Accord' on green growth under the PAGE initiative earlier this year.
   - PAGE Partners and countries gathered in Dubai in March of this year, with over 25 ministers, 30 agencies, and 450 people from 66 different countries participating in the inaugural event.

2. **The UN REDD Programme -** an inter-agency initiative with FAO, UNDP and UNEP to reduce emissions from deforestation and forest degradation - is working with 55 partner countries. Of note:

   - Zambia, Tanzania, Republic of Congo, Panama and Indonesia have examined the costs and benefits of REDD+ relative to deforestation, and the contribution of REDD+ to broader Green Economy objectives.
   - As an indicative number, a recent economic valuation study of Kenya's montane forests found that deforestation had a net cumulative negative effect on the country's economy of about USD 40 million per year by 2010, mainly borne by those working in the agricultural sector.

3. **The UNEP-UNDP Poverty-Environment Initiative** is another example, which now addresses the link between environmental, social and economic issues in 26 countries. Some highlights include:

   - Bangladesh has now included poverty and environment issues into their current Five Year Plan.
   - Rwanda has shown a strong commitment to address poverty and environmental degradation and has established a National Climate and Environment Fund.

Catalysing change…

Finance has a key role to play, and the private sector is showing leadership.

- The total volume of green bonds issued is expected to reach US$40b this year, almost triple the volume of 2013 issuance.
- Seventy organizations have signed up to UNEP FI's Principles for Sustainable Insurance (PSI) Initiative, including insurers representing approximately 15 per cent of world premium volume and US$8 trillion in assets under management.
- More than forty CEOs of financial institutions signed up to the Natural Capital Declaration (NCD), initiated by UNEP FI and Global Canopy Programme. The NCD delivers practical tools to hardwire natural capital in loans, bonds and equities.

In early 2014 UNEP launched The Inquiry into the Design of a Sustainable Financial System, which is looking to accelerate and scale emergent policy innovations that better align the financial system to sustainable development and associated positive environmental and social outcomes.

The drivers behind the Inquiry's work are multiple: first, to address systematic failings in the financial system (eg short-termism, misaligned incentives); second, to deal with new forms of environmental risk (eg climate, water, pollution); third, to introduce policies that drive financial innovation (eg green bonds); and fourth, to ensure policy coherence between financial and sustainability goals (eg Basel III, Solvency II). Country partnerships involve intensive research and engagement across a dozen countries, including well developed work in Bangladesh, Brazil, China, the European Union, India and South Africa, and forthcoming engagements in Colombia, Indonesia, Kenya, Switzerland, Uganda and the USA. Indeed, a cross the world, a new generation of green financial policy innovation is emerging which the Inquiry is looking to scale and mobilise. Examples include:

- Banking: A variety of 'green credit' measures in countries such as Bangladesh, Brazil, and China have been introduced to improve risk management and capital allocation, while the debate intensifies on the implications of Basel III for green finance.
- Insurance: US states such as California are in the vanguard of requiring insurance companies to disclose climate risks, and the UK is also exploring the links between prudential regulation and climate change.
- Investment: Pensions Fund policy has been updated, notably in South Africa, to incorporate sustainability into prudent investment, while stewardship codes also highlight investor responsibilities to sustainability in Malaysia.

Emerging trading patterns…

South-South Trade is growing rapidly at a rate of 16% per annum on average, and the share of developing countries trade in renewable energy has more than doubled the last decade. In fact, trade flows between the North and South in solar PV have now reversed over the past ten years: the South currently accounts for approximately two-thirds of all exports. These and other figures were presented in the recently launched UNEP report on South-South Trade in Renewable Energy.

On the ground, UNEP is engaging with a number of countries to ensure they can benefit from new "green" markets. In Ghana, the Green Economy Trade Opportunities Project harnesses the favorable conditions for regional trade in solar energy. In Peru, GE-TOP fosters sustainability certification and value added product development in the BioTrade sector. In Viet Nam, GE-TOP promotes the uptake of and compliance with internationally recognized aquaculture standards in order to enhance market access and increase trade in sustainable aquaculture products.

Introducing Policy Tools for an Inclusive Green Economy…

To create the right enabling environment, governments need policy tools for advancing the green economy

- The Economics of Ecosystems and Biodiversity (TEEB) is a global initiative drawing attention to the economic benefits of biodiversity and the cost of ecosystem degradation. With financial support from the European Commission, TEEB is assisting five countries, namely Bhutan, Ecuador, Liberia, Philippines and Tanzania, to undertake studies to examine the ecosystem services vital to meeting each country's development goals ,as well as recommending strategies to reflect the value of biodiversity into policy–making.
- Natural capital accounting has emerged as a leading tool in support of policy and analysis of our relationship with the environment. The TEEB Office together with the United Nations Statistical Division (UNSD) the United Nations Environment Programme (UNEP) and the Secretariat of the Convention on Biological Diversity have embarked on a project to advance

CAPACITY BUILDING

PAGE Green Academy in Turin, October 2014:

The Academy on the Green Economy, a 2-week training and learning event hosted by the ILO International Training Centre (ITC-ILO) in Turin, Italy (October 6-17), is organized within the framework of the Partnership for Action on Green Economy (PAGE).

This PAGE capacity building strategy seeks to strengthen the knowledge and skills of national policymakers, technical staff, practitioners and other public and private-sector stakeholders, to actively promote environmentally sustainable and socially inclusive economies through policy and strategy development.

http://www.ilo.org/empent/WCMS_247032/lang--en/index.htm

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http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/genericdocument/wcms_250406.pdf

Natural Capital Accounting in 7 pilot countries namely Bhutan, Chile, Indonesia, Mauritius, Mexico, South Africa, and Viet Nam.

- In September 2014, UNEP launched a trilogy of Green Economy policy tools. The three reports provide countries with practical guidance on how to formulate and assess policies, measure progress and model future effects of green economy investments.
- A regional roadmap for the shift to sustainable consumption and production patterns in Asia and the Pacific – the first of its kind in the world – was launched by UNEP in partnership with Republic of Korea and Indonesia.

Valuing nature is at the heart of a green economy

- With the support of UNEP's VANTAGE (Valuation and Accounting of Natural Capital for Green Economy) Programme, 10 countries in Africa and Asia, captured their diverse contexts and it respective contributions to natural capital and their contribution has been captured for a sustainable planning and policy.
- UNEP, with partners, published an with Inclusive Wealth Report (IWR) in 2012 and our update for 2014 will be available by the end of this year. This report covering 100 countries will provide quantitative information and analysis on produced, natural and human capital for transition to sustainability.
- UNEP is working with Ethiopia, Kazakhstan, Morocco and Nepal to identify the sectoral contributions of forest and water resources in their economies.
- Under the Proecoserv project, Chile, Trinidad and Tobago, South Africa and Viet Nam have been integrating the findings and tools of ecosystem service assessments in respective national policy and decision making.
- South Africa has been piloting a risk assessment for incorporating ecosystem services into risk management.
- Viet Nam has integrated the concept of ecosystem services into its Party Resolution on Responding to Climate Change, Natural Resources Management and Environmental Protection, and into its National Green Growth Strategy.
- Trinidad and Tobago, developed a methodology for incorporating ecosystem services into national accounts.
- Demonstrating South-South Cooperation, India and Uganda have identified trade-offs by quantifying the relationship between food production and key inputs affecting ecosystem services. The more sustainable scenarios include

increasing crop diversification and enhancing technology, providing a better income for farmers, and 1.5 million ha. reduction in water consumption.

- The emerging evidence suggests that identifying and reflecting the contribution of natural capital in decision-making strengthens the rationale for an inclusive Green Economy. For example, some of the VANTAGE findings show that in the Zambia, forest resources constitute approximately 4.7% of national income and create 1,067,000 jobs, thereby supporting over 60% of rural Zambian households.
- In Viet Nam, the preservation of mangroves yields more than USD 1500 per ha per year with economic benefits exceeding any benefit derived from conversion.

The Green Growth Knowledge Platform

- Founded by GGGI, OECD, UNEP and the World Bank – the GGKP is a global partnership of 36 leading organizations working to collaboratively identify and address major knowledge gaps in green growth theory and practice.
- The initiative has commissioned 30 research papers as part of three annual conferences.
- The GGKP also manages an extensive online web platform, drawing together key research and data covering 193 countries and over 25 sectors and themes, providing policy makers and practitioners with easy access to the knowledge products needs to support a green economy transition.

And a growing array of strategic partners …

UNEP will continue to seek partnerships to support countries in their aspirations to build greener and more inclusive economies, as a tool for achieving sustainable development and poverty eradication.

Green Economy: A Pluralistic Approach

In the run up to Rio + 20, UNEP defined a green economy as "one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities."

Of course, different countries have their own understanding of green economy and its role helping to achieve sustainable development. For some, the concept of green economy is woven into their national sustainable development plans and strategies; others use closely related concepts (green growth, green development) to describe their approach. Some are pursuing other, and complementary, approaches to sustainable development, such those based on "rights of nature" or "harmony with nature." The need for a pluralistic approach to sustainability has been articulated at several levels, as reflected in UNEP Governing Council decision (GC 27/8) of 2013 and more recently under UN Environment Assembly Resolution L/14.

CAPACITY BUILDING

GGKP Annual conference in Venice, January 2015

The Green Growth Knowledge Platform (GGKP) is holding its Third Annual Conference on the theme of "Fiscal Policies and the Green Economy Transition: Generating Knowledge – Creating Impact". The conference will be held at the University of Venice from 29 through 30 January 2015.

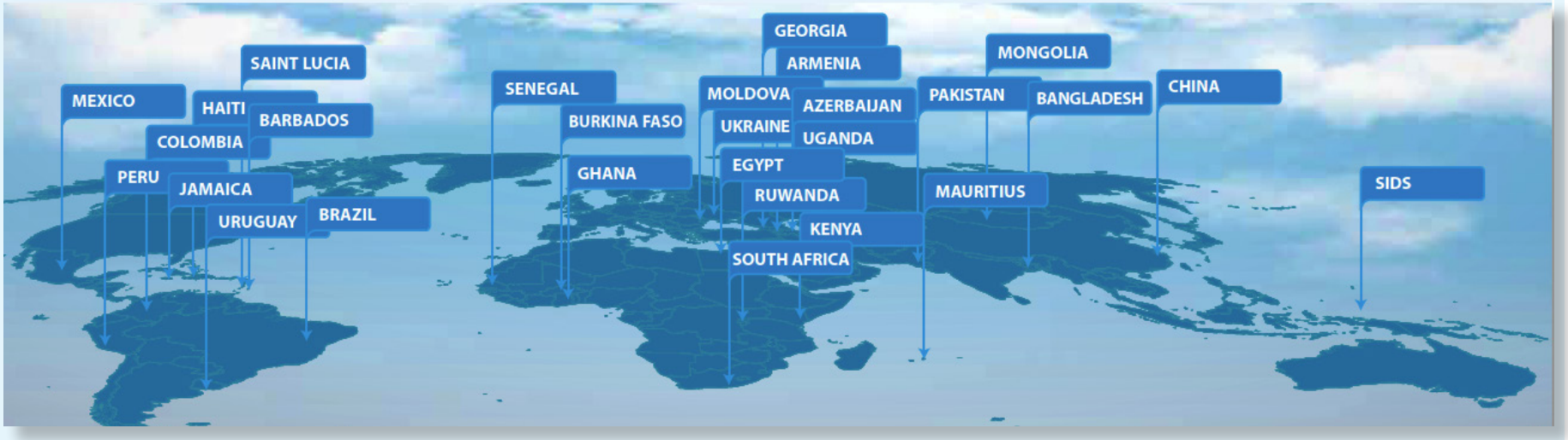
The event is hosted in partnership with the University of Venice, The Energy and Resources Institute (TERI) and the United Nations Environment Programme (UNEP).

Fiscal instruments, such as environmental taxes, pollution charges, subsidies for green technologies, green budgeting, and tax incentives can play a crucial role in promoting a green economy by creating needed fiscal space while limiting environmental externalities. The key to successful implementation and political acceptance of fiscal instruments hinges on effective complementary measures, in particular, addressing distributional impacts.

http://www.greengrowthknowledge.org/conference2015

An Overview of UNEP Engagement

Region/ Country	Services currently provided to the country
Armenia	A sectoral green economy scoping study of the agricultural sector has been completed and projects to demonstrate multiple benefits of "greening the sector" are being designed with a focus on organic agriculture.
Azerbaijan	A green economy assessment focused on opportunities for diversification of the economy other than the oil sector has been completed. UNEP is now providing support for implementation of the recommendations of the assessment.
Bangladesh	Capacity Building support on green economy is being provided through national training workshops. A recent country engagement includes: a) drafting a framework for the analysis of the alignment between a country's monetary policies and sustainability; b) learning from past experience of Bangladesh Bank in reflecting sustainability goals in its activities; c) to identify opportunities for further alignment between monetary policy, financial regulation and sustainability in Bangladesh and other countries.
Barbados	A green economy scoping study has been completed and was launched by the Prime Minister at the World Environment Day 2014. The study covered tourism, agriculture, transport, housing/buildings, fisheries, energy, water, waste and land use.
Brazil	A partnership with Febraban (the Brazilian Bank Association) has been the cornerstone of the Inquiry's work in Brazil. The partnership involves the commissioning by the Inquiry and Febraban of new research from FGV, Brazil's leading business school.
Burkina Faso	A green economy report has been prepared, containing a macroeconomic and quantitative assessment of an investment plan that mainstreams environment and poverty issues into the national budget and planning. Further support to develop Green Economy Roadmap is being provided under the auspices of the Partnership for Action on Green Economy (PAGE)
China	Green economy modelling focusing on the paper industry, renewable energy and environmental protection industry has been conducted. UNEP has supported the development of a set of green economy indicators. Engagement with the People's Bank of China, NDRC, Renmin/MEP, and the DRC Finance Institute.
Colombia	A national project has been initiated to support development of the Green Economy Roadmap.
Egypt	A green economy scoping study has been prepared. Discussions are being held to identify further support.
Georgia	The assessment of the Economics of Ecosystems and Biodiversity has been completed. UNEP is now providing support for a Green Economy Assessment.



Ghana	An analysis of the green economy potential has been completed and the draft of the green economy scoping study focusing on agriculture, cocoa, energy and forestry has been finalized. Support is now being provided for developing an action plan for export of renewable energy as well as advancing transition to green economy under the auspices of PAGE.
Haiti	A sectoral green economy scoping study focused on the agriculture sector has been initiated.
India	Creation of an advisory council through the Inquiry with some task forces on sustainable banking standards, green bonds and credit enhancement
Jamaica	A green economy scoping study has been initiated. The first draft of the report is now being reviewed by stakeholders from public and private sector.
Kenya	A green economy quantitative assessment has been completed which focused on agriculture, energy, manufacturing and transport.
Mexico	A quantitative green economy study assessing the potential of green economy policies in natural capital sectors and transport, as well as the impact of removing harmful subsidies for the environment, is being finalized
Moldova	A sectoral assessment of opportunities for greening the agricultural sector and for development of organic farming has been completed. Demonstration projects are now being prepared.
Mongolia	The country has approved the Green Development Strategy. Support to advance transition to a green economy is being provided under the auspices of PAGE.
Mauritius	Preparation of the Green Economy Action Plan is being supported under the auspices of the PAGE.

Pakistan	Has requested for green economy advisory services under the Partnership for Action on Green Economy (PAGE).
Peru	Green Economy Assessment, Green Jobs assessment, Green Industry assessment, and development of Green Growth Strategy is being supported under PAGE. An assessment of green economy opportunities for trade in biodiversity products has been completed.
Rwanda	A sectoral assessment on the potential of green economy reforms in the energy sector has been completed.
Saint Lucia	Support is being provided to identify options and opportunities for greening the economy. Green economy has been included in the draft of the National Planning Framework, and the National Social Protection Policy.
Senegal	A quantitative assessment of the potential benefits of a green economy transition has been completed. Further support for advancing green economy transition is being provided under auspices of PAGE.
South Africa	A quantitative green economy assessment (SAGEM) focusing on energy, agriculture, transport and natural resource management has been completed.
Uganda	Country engagement regarding the Green Growth Strategy is being assessed with the Ministry of Finance.
Ukraine	A green economy scoping study for the Odessa Region and an assessment of the organic agriculture sector have been completed. Demonstration projects are being planned for the organic agriculture sector.
Uruguay	A quantitative green economy assessment of agriculture, transport, energy, tourism and industry is being developed.

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Partnership for Action on GREEN economy PAGE

UN-REDD PROGRAMME

UNEP Finance Initiative
Changing finance, financing change

Inquiry into the Design of a Sustainable Financial System: Policy Innovations for a Green Economy

GREEN GROWTH Knowledge Platform

The Economics of Ecosystems and Biodiversity

For further information

UNEP Green Economy Initiative
www.unep.org/greeneconomy
PAGE
www.unep.org/greeneconomy/page
UN REDD
www.un-redd.org
UNEP-UNDP Poverty-Environment Initiative

UNEP Finance Initiative
www.unepfi.org
UNEP Inquiry into the Design of a Sustainable Financial System
www.unep.org/greeneconomy/financialinquiry/
Green Growth Knowledge Platform
www.greengrowthknowledge.org

“ In fostering a global dialogue on greener and more inclusive economies UNEP aims to support a rapidly growing community of practise which draws on both the diversity of national approaches and pioneering new policies being applied. Together with our sister agencies in the UN family and many other partners we are now focused on providing advice and services in more than 60 countries to assist in the development and implementation of their own, nationally determined strategies for moving towards greener and more inclusive economies, thereby delivering on the call of Rio+20 to provide countries with capacity and technology support. ”

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