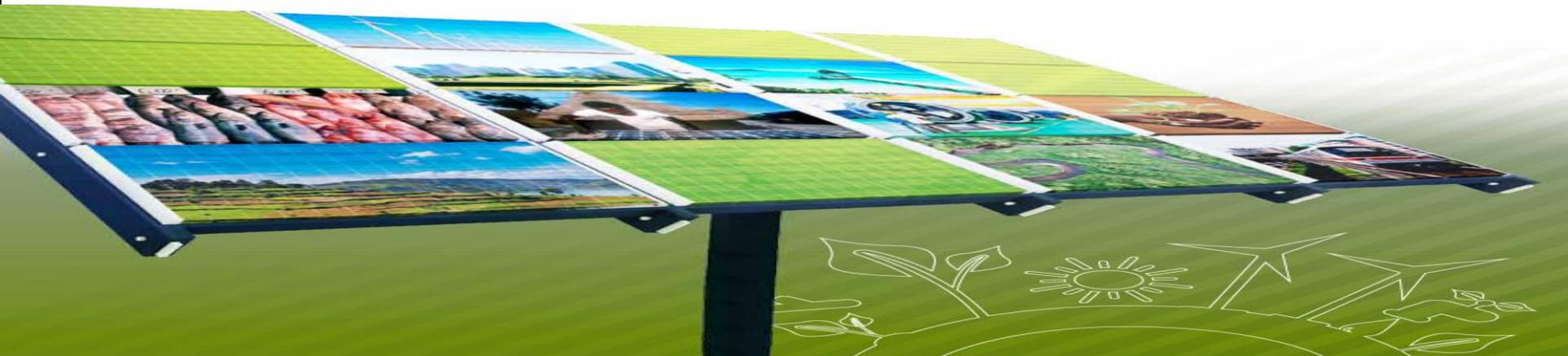




Towards a **GREEN** economy



Enabling conditions that support a green economy transition

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UNEP's **Green Economy**:

- increases human well-being,
- is socially inclusive,
- reduces environmental risks and ecological scarcities,
- is low carbon & resource efficient,
- is a pathway towards sustainable development.



Moving forward:

In 2009:

- US\$ 162 billion on sustainable energies,
- US\$ 122 billion in carbon markets trading

In 2020:

- US\$ 2.2 trillion in the low-carbon energy market
- US\$ 100 billion in climate finance (Copenhagen fast track financing)
- US\$ 90 billion in forest carbon market

However, transition to a GE needs an enabling framework



Externalities prevent capital flowing into a **green economy**

FACTS

- (2008) US\$ 6.6 trillion of damages externalized (11% of global GDP)
- (2050) 62% on increase under BAU scenario

CORRECTING THE MARKET FAILURE :

- Use of regulation & taxes, budgetary activities (e.g., PES) & voluntary initiatives.



Annual Externalities (more FACTS)



Agriculture	UK: GBP £ 5.16 billion USA: US\$ 34.7 billion Germany: US\$ 2 billion China: US\$ 1.4 billion (only pesticides)
Transport	EU: about 7% GDP (overall externalities) Colombia: 0.8% GDP (health cost of air pollution) USA: 0.7% GDP lost productivity (congestion) World: US\$ 518 billion traffic accidents
Waste-related health damages	Palau: US\$ 697,000 Tonga: US\$ 450,000



Enabling Conditions:

1. Increased availability of finance
2. Strengthened governance for sustainability
3. Supportive market
4. Existence of green infrastructure
5. Increased information, training & awareness



Enabling Conditions I :

Increased availability of finance

Funds	Role	Measures
Public	Catalysing private investments: <ul style="list-style-type: none"> • sharing risks at initial stages (e.g., grants, incubators, VC funds, production subsidies) • guaranteeing infrastructure and services 	<ul style="list-style-type: none"> • setting up environmental taxation (e.g., fees & charges, tradable permits) • reforming subsidies
Private	Financing mature stages (e.g., loans, credit lines, guarantees)	<ul style="list-style-type: none"> • greening investments (e.g., ESG principles)



Enabling Conditions II :

Strengthened governance for sustainability

Level	Measures
International	<ul style="list-style-type: none">• negotiate agreements (e.g., trade, reform of international fishing laws, green technology transfer, climate change)
National	<ul style="list-style-type: none">• set up rules, regulations, standards, prohibitions, ecosystem access laws, integrated planning, intellectual property rights• improve technical and administrative capabilities, transparency and accountability• effective enforcements of laws



Enabling Conditions III :

Existence of green infrastructure

- Public works programmes
- Policy structure (e.g., PFIs, PPPs, low interest loans, feed-in tariffs)
- Infrastructure (e.g., electricity grids, telecommunications services, institutions for research & services)



Enabling Conditions IV :

Increased information, training & awareness

- **Data collection & analysis need to be improved (e.g., monitoring)**
- **Workforce needs to be trained (e.g., retraining schemes, workshops)**
- **Public awareness has to be built (e.g., educational initiatives, campaigns)**
- **Life-cycle costs have to be disseminated (e.g., label & certification schemes)**



Enabling Conditions V :

Supportive market

Conditions	Measures
Encouraged by governments	Public funding (e.g., RD&D), green subsidies, public procurement
Supported by policies	Investment-grade policy design (e.g., long-term guarantees)
Reflect true costs of good & services	Reforming harmful subsidies, setting up environmental taxation, PES





Towards a **GREEN** economy

Pathways to Sustainable Development
and Poverty Eradication

A Synthesis for Policy Makers



Enabling conditions & investments to **green** sectors

Natural capital:

Agriculture

Fisheries

Forest

Water

Energy and resource efficiency:

Energy

Building

Cities

Manufacturing

Tourism

Transport

Waste

www.unep.org/greeneconomy

Greening Agriculture - Success Story

Programme of Urban Agriculture, Cuba (1994)



Goal	Reach food security while employing clean agriculture & renewable technologies
Enabling conditions	Strong agriculture institutions for R&D and providing services, trained workforce, fully public financed initiative, integrated planning
Lessons learnt	Government as principal catalyser for a green transition
Future steps ?	Scaling up production by a higher involvement of the private sector, implementing agriculture standards, exporting



Greening Forest - Success Story

PES programme, Costa Rica (1996)



Goal	Recognize the provision of environmental services from forests
Enabling conditions	Strong forest institutions, tax on fuel use, forest law, experience in forestry incentives
Lessons learnt	PES as a useful tool to lower deforestation rates and contributing to forest expansion
Future steps ?	Create the groundwork for REDD+, improve data collection & analysis, enhance availability of funds



Enabling conditions: Special provisions for DCs

- DCs need access to new & innovative financing mechanisms (e.g., Green Climate Fund, REDD+)
- DCs must be allowed to move at their own speed,
- DCs need support for capacity building,
- Developed nations have to lead the transition to a **GE** by creating an international market & legal infrastructure for a **GE**.



Final thoughts

- In a **GE** physical assets are managed as a source of growth, prosperity, & well-being,
- **GE** reallocates public & private investments to enhance natural capital,
- Economic progress & environmental sustainability is possible as **GE** supports growth & income jobs,
- **GE** has the potential to achieve sustainable development,
- Enabling conditions are needed to facilitate the transition to a **GE**.



Thank You



Towards a

GREEN economy

