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Green economy

Note by the Executive Director

Summary

The annex to the present note supplements the information provided in document UNEP/GC.26/17/Add.1. It contains a summary of international developments in relation to the green economy and describes related activities by the United Nations Environment Programme in 2010. It has been issued without formal editing.

* UNEP/GC.26/1.

Annex

Introduction

1. The following report complements the green economy discussion paper presented by the UNEP Executive Director for the Twenty-sixth session of the Governing Council/Global Ministerial Environment Forum ministerial consultations (UNEP/GC.26/17/Add.1).

2. As noted in the discussion paper, the green economy concept has gained significant international prominence in the aftermath of the recent financial crisis, and has been explored in numerous intergovernmental forums, the United Nations system, international organizations and studies. The following section highlights some of the international developments related to the green economy and concludes with a description of UNEP's activities related to the green economy in the past 12 months.

I. International developments related to green economy

3. There have been numerous international developments related to the green economy concept over the past four years. The following section highlights several of these.

4. Starting in 2007, UNEP, the International Labour Organization, the International Trade Union Confederation, and the International Employers Organization established a partnership that led to the publication in September 2008 of a joint report entitled, *Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World*. The report summarized employment trends in economic sectors relevant to a green economy, and emphasized the need for increased investment to facilitate the transition from a traditional to a green economy.

5. In response to the financial crisis, UNEP published a policy brief in March 2009 calling for a global green new deal. In the brief, prepared in consultation with over 20 United Nations agencies and intergovernmental organizations, UNEP recommended that Governments invest 1 per cent of GDP during the biennium 2009–2010 to support the transition to a green economy. This initial policy brief was followed by a global green new deal update that was launched by UNEP during the Group of Twenty summit in Pittsburgh, United States, in September 2009, which summarized steps undertaken by Governments to reflect green investments in national fiscal stimulus packages.

6. In April 2009, the High-Level Committee on Programmes of the United Nations System Chief Executives Board established nine joint crisis initiatives to respond to the financial crisis. UNEP was appointed lead agency for a green economy joint crisis initiative and worked with more than 20 United Nations agencies, the World Trade Organization and the World Bank to issue a joint statement calling for a global transition to a green economy. The statement was released at a conference on the world financial and economic crisis and its impact on development, held in New York, United States, in June 2009. By its resolution 63/303 of 9 July 2009, the United Nations General Assembly endorsed the outcome document adopted at the conference, which concluded that the response to the global financial crisis presented an opportunity to promote green economy initiatives.

7. Building on this momentum, the Environment Management Group (EMG)¹ decided in September 2009 to constitute an Issue Management Group (IMG) to assess how the United Nations system as a whole could more coherently support countries in making the transition to a green economy. The IMG is collaborating with 32 organizations from the United Nations system to develop a “focused and forward-looking inter-agency assessment report on the UN system and the green economy analysing where and how the expertise of the different agencies, funds and programmes of the UN system can contribute to supporting countries in the transition to a green low-carbon economy”.²

8. International momentum on green economy culminated in December 2009 when the UN General Assembly adopted resolution 64/236 deciding to organize, in 2012, the United Nations Conference on Sustainable Development (UNCSD) and calling for the Conference to focus on the theme of “green economy in the context of sustainable development and poverty eradication”.³

1 Enhanced coordination across the United Nations system, including the Environment Management Group. Report of the Executive Director, UNEP/GC.26/16 [provisional title and document number].

2 Environment Management Group, Terms of Reference for the Issue Management Group on a “Green Economy”, 12 February 2010, para. 6.

3 A/RES/64/236, para. 20(a).

9. The first of three sessions of the Preparatory Committee for the UNCSD took place on 17-19 May 2010 in New York, United States. At the first session, several delegations requested that the United Nations Department of Economic and Social Affairs (UN DESA), UNEP and other relevant organizations cooperate on the preparation of a study that would assess the benefits, challenges and risks associated with a green economy transition.⁴ UNEP, UN DESA and UNCTAD responded by convening a high-level expert panel from developed and developing countries to prepare this study, which will serve as an input to the second session of the Preparatory Committee in March 2011.

10. At its May 2010 Council at Ministerial Level, the OECD leaders noted the increasing support across countries for the “green growth”⁵ concept “as a paradigm to bring about economic growth and development while responding to environmental challenges, such as climate change, biodiversity loss and unsustainable use of natural resources”.⁶ The OECD released its report entitled *Interim Report of the Green Growth Strategy: Implementing our commitment for a sustainable future* in May 2010 which highlights key issues that policy makers face in transitioning to greener economies.

11. In their June 2010 Summit communiqué, the leaders of the Group of Twenty reiterated their “commitment to a green recovery and to sustainable global growth”, and noted the report on fossil fuel subsidies prepared by the International Energy Agency, Organization of the Petroleum Exporting Countries, the Organisation for Economic Co-operation and Development (OECD) and the World Bank.⁷

12. Most recently, the United Nations Millennium Development Goal Summit was held on 20-22 September 2010 as a High-Level Plenary Meeting of the General Assembly to review progress and plan future actions and strategies for achieving the Millennium Development Goals. The General Assembly, in its resolution 65/1 and outcome document of the Summit, noted that successful policies and approaches in the implementation and achievement of the Millennium Development Goals could be replicated and scaled up by, among others, “[a]dopting forward-looking, macroeconomic policies that promote sustainable development and lead to sustained, inclusive and equitable economic growth, increased productive employment opportunities and promote agricultural and industrial development”.⁸

II. UNEP’s work on green economy in 2010

13. Following the high-level consultations on the green economy held during the eleventh special session of the Council/ Forum, and the General Assembly resolution deciding to organize UNCSD, UNEP further strengthened its work on green economy. The following section provides a snapshot of some of UNEP’s green economy activities over the previous 12 months.

A. Research

14. UNEP released four publications on the green economy in 2010. At the meeting of the first session of the Preparatory Committee for the United Nations Conference on Sustainable Development in May 2010, UNEP released a publication entitled *Green Economy Report: A Preview*. The report includes a number of key findings from UNEP’s green economy report with a particular focus on the fisheries, transport, water, and finance sectors.

15. In June 2010, UNEP launched a publication entitled *Green Economy: Developing Countries Success Stories*, which showcases through eight case stories how the green economy concept has been applied in some developing countries. The case studies cover renewable energy in China, Tunisia and Kenya, organic agriculture in Uganda, sustainable urban planning in Brazil, rural ecological infrastructure in India, and forest and ecosystem management in Nepal and Ecuador.

16. UNEP launched its publication entitled *Green Economy: A Brief for Policymakers on the Green Economy and Millennium Development Goals* in September 2010 to coincide with the United Nations Summit on the MDGs in New York. The publication looks at the central role that

4 Co-Chairs’ Summary, First Preparatory Committee Meeting for the UN Conference on Sustainable Development, 2012, 20 May 2010, para. 74.

5 UNEP uses the term “green economy” whereas the OECD uses the term “green growth”. Although these concepts have aspects in common, it is not the purpose or intention of this document to enter into definitions.

6 Meeting of the OECD Council at Ministerial Level, 27-28 May 2010, 2010 Ministerial Conclusions, C/MIN(2010)6/FINAL, para. 10.1.

7 The G-20 Toronto Summit Declaration, June 26-27 June 2010, para. 42.

8 General Assembly resolution 61/1 of 22 September 2010, A/RES/65/1, para. 23.

investment in sectors such as clean energy, sustainable transport, forests and environmentally-friendly agriculture can play in attaining development goals related to poverty eradication.

17. For the October 2010 Annual Meetings of the International Monetary Fund and the World Bank, UNEP released a technical working paper entitled *Green Economy: Driving a Green Economy Through Public Finance and Fiscal Policy Reform*, which reflects on public finance and fiscal policy measures in a green economy. The paper highlights, among others, the importance of environmentally related taxes in raising public revenue and discouraging environmentally harmful practices.

18. In addition to the specific publications focused on green economy, four reports were released as part of the global study entitled *The Economics of Ecosystems and Biodiversity (TEEB)*, which is hosted by UNEP. A *TEEB for Business* report was released in June 2010 and presents information and tools that the private sector can use to take better account of biodiversity questions in managing risk, addressing opportunities, and measuring business impacts on ecosystems and biodiversity. In September 2010, a *TEEB for Local and Regional Policy Makers* report was released, which considers how the value of nature for local well-being and regional development can be integrated into policy making.

19. During the Convention on Biological Diversity's tenth meeting of the Conference of the Parties in October 2010 in Nagoya, Japan, a *TEEB Ecological and Economic Foundations* report was released. This report outlines concepts and methodologies for the economic valuation of biodiversity and ecosystem services. A *TEEB Synthesis Report* was also released at the CBD COP meeting. This report focuses on the findings from the previous reports and provides recommendations on how economic concepts and tools can be used to incorporate the value of ecosystems and biodiversity into decision making.

20. UNEP, the European Patent Office and the International Centre for Trade and Sustainable Development launched a joint study entitled *Patents and clean energy: bridging the gap between evidence and policy* in September 2010. The study includes the results from a review of clean energy patents and a survey of related licensing practices.

21. Research on the green economy is complemented by scientific assessment reports delivered by the UNEP International Panel for Sustainable Resource Management. The Resource Panel provides independent scientific assessment of socio-economic drivers behind environmental impacts associated with the use of resources, and advises governments on ways to reduce these impacts. In 2010, the Resource Panel launched a report entitled *Assessing the Environmental Impacts of Production and Consumption: Priority Products and Materials*, as well as a report entitled *Metal Stocks in Society: Scientific Synthesis*. The research by the Panel highlights opportunities and challenges associated with improving efficient use of resources from a life cycle perspective, and the role that recycling can play in promoting the decoupling of economic growth and environmental degradation.

B. Partnerships

22. In 2010, UNEP continued to collaborate on the theme of green economy both within the UN system and with other stakeholders. Some of these partnerships are highlighted below.

23. As noted in section II, paragraph 9 of this document, UNEP is collaborating with UN DESA and UNCTAD to produce a study on the benefits, challenges and risks associated with a transition to a green economy. The study will serve as an input to the UNCSD preparatory process and draw on the knowledge of an internationally renowned expert panel of economists from developed and developing countries.

24. In April 2010, UNEP hosted the 30th Annual Conference of the International Association for Impact Assessment (IAIA) in Geneva, Switzerland. The theme of the conference was "the role of impact assessment in transitioning to a green economy", and more than 600 impact assessment practitioners, policy advisors, researchers and other stakeholders participated.

25. The Green Economy Coalition was founded in 2009 and brings together a broad range of government, non-government, research, private and international organisations – including UNEP – from developed as well as developing countries. In 2010, the coalition convened a number of events to enhance the dialogue on green economy at the national level and produced policy recommendations.

26. A conference on green growth and the green economy was held in November 2010 within the framework of the Network of Institutions for Sustainable Development. UNEP is a member of the network, together with national training and research institutes, universities, and regional, non-governmental, and other international organizations. The participating institutions play a leading role in capacity building at the national and regional level, and thereby help countries address the challenges of sustainable development.

27. In 2010, UNEP hosted two Green Economy Major Groups and Stakeholder Workshops in the context of the preparation of UNEP's Green Economy Report. In July 2010, UNEP organized a workshop to share initial results and key messages with the stakeholders. The workshop also facilitated interaction between the report authors and stakeholders. In October 2010, a stakeholder consultation was held to facilitate substantive input from the participants on the draft green economy report and its policy recommendations, including in the context of the preparatory process for the UNCSA.

28. In December 2010, a UN Major Groups meeting on green economy entitled "Green Economy in the context of sustainable development and poverty eradication – Opportunities and Challenges for Rio +20" was held. The meeting focused on green growth and green jobs, opportunities and challenges related to a green economy, and the way forward.

C. Technical support and capacity building at the country level

i. Green economy advisory services

29. An increasing number of countries are requesting support and assistance with their national green economy initiatives and strategies. To date, UNEP has been in dialogue with 21 countries – and is actively engaged in 15 of them – to provide advisory services at the national level. The support takes the form of platforms for national and regional dialogue and consultation, macroeconomic assessments and sector-specific assessments on green economy opportunities and challenges, and training and capacity building activities. These advisory services are provided in collaboration with other programmes within UNEP and are coordinated with the relevant activities of other UN agencies. By providing technical support and analytical input, the advisory services seek to assist with the formulation and implementation of national green economy strategies and thereby also contribute to the countries' readiness for the UNCSA. A summary of the advisory services activities in 2010 is provided below.

30. In Africa, UNEP has initiated implementation of a regional pilot project on Green Economy and Social and Environmental Entrepreneurship covering Burkina Faso, Egypt, Ghana, Kenya, Rwanda, Senegal, and South Africa. The project involves collaboration with regional institutions, such as the African Ministerial Conference on the Environment, the UN Economic Commission for Africa, the Commission of the African Union, the African Development Bank and sub-regional economic commissions.

31. In the Asia-Pacific region, UNEP has worked with China, India, Indonesia, Nepal, and the Republic of Korea, and initiated discussions with Papua New Guinea and the Philippines to support the development, promotion and visibility of national initiatives to transition to a green economy. Activities include a policy review of the Korean National Strategy on Green Growth, support to the development of a Strategic Framework and Policy Options for a Green Economy in China, a Green Economy plan in Indonesia, and support to a national study on TEEB in India to help develop a framework for green national accounting.

32. In Eastern Europe, UNEP engaged with Armenia, Moldova and the Ukraine in a regional initiative on organic agriculture. At the country level, UNEP activities included macroeconomic assessments of green economy investment opportunities, a national workshop to promote awareness of a green economy and resource efficiency in Azerbaijan, and collaboration on a green economy strategy in the Ukraine.

33. In Latin America and the Caribbean, UNEP assisted with the development of a regional green economy initiative in the Caribbean sub-region, building on the ongoing process for the creation of a single market in that region. At the country level, UNEP has offered support to Barbados and Dominica with their respective green economy initiatives. At the sub-national level, UNEP engaged with the state of Sao Paulo in Brazil in the process of the development and implementation of the state's green economy plan.

34. In West Asia, UNEP assisted the Hashemite Kingdom of Jordan in the development of its national programme for green economic development, which aims to turn Jordan into a regional centre for green services and industries. At the regional level, UNEP's involvement included a workshop with the League of Arab States to raise awareness of the concept of a green economy, and activities to promote an understanding of a green economy, building on the process of the Regional Roundtable on Sustainable Consumption and Production in the Arab region. UNEP also developed a proposal for a "Mediterranean Green Economy Initiative" that would cover Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, the Occupied Palestinian Territories, Syria, and Tunisia. This proposal has been submitted to the European Union.

ii. Complementing Sustainable Consumption and Production interventions at the national level to make the transition

35. National level advisory services of the Green Economy Initiative build on and are complemented by national level activities in support of sustainable consumption and production (SCP). SCP policy approaches and tools are critical to support the implementation of green economy instruments. Various countries requested assistance to mainstream SCP into national development strategies, in the context of the Marrakech Process. The SCP support also considers specific industries and resource intensive supply chains that are pertinent in the countries involved.
36. The Marrakech Process, a global and informal multi-stakeholder process led jointly by UNEP and UN DESA since 2003, has facilitated national dialogues and cooperation on SCP issues. The Process provides a global platform for SCP knowledge and experience sharing, and provided support to regional SCP roundtables in all regions. It has supported the implementation of SCP policies and measures in several countries, including the establishment of national roundtables on SCP in Brazil, China, India, Mexico, and South Africa.
37. Seven Marrakech Task Forces have also been launched to engage governments and stakeholders from developed and developing countries. The Task Forces support the development of SCP tools, capacity building and the implementation of SCP projects in relation to specific issues. Outcomes from these Task Forces provide solid background information, tools and case studies on which to build green economy, such as sustainable public procurement (SPP) policies in Uruguay, Chile, Colombia, Costa Rica, Tunisia, Lebanon, and Mauritius, or tools for the tourism industry and sustainable buildings for promoting resource and energy efficiency.
38. With regards to national policies, UNEP, in close cooperation with partners such as United Nations Development Programme, the International Organisation of La Francophonie (OIF) and the UN Poverty-Environment Initiative, has provided support to implementation of a national SCP programme in various countries in all regions.
39. With regards to greening markets, sustainable procurement requirements together with appropriate standards and labelling schemes will be necessary. In the area of eco-labelling, UNEP is implementing a project in several developing countries such as Brazil, China, India, South Africa, Mexico, Kenya, and Ethiopia, focusing on ways in which eco-labelling can be used as market-based instrument to stimulate the demand for sustainable products, and on helping governments create an enabling policy environment.
40. With regards to green industry, a joint project by UNEP and the United Nations Industrial Development Organization (UNIDO) entitled “Global Programme on Resource Efficient and Cleaner Production” (RECP) was launched in 2009. The project aims to provide a strategic and coherent framework for the scaling up and mainstreaming of RECP activities in national development frameworks in developing countries and economies in transition.
41. A green economy is also founded on investment in clean technologies. UNEP's International Environmental Technology Centre (IETC) provides support on the introduction of environmentally sound technologies and associated management systems, with a focus on waste management, water, and sanitation, with several technology compendiums produced. These include sourcebooks on solid waste management, converting waste agricultural biomass into useful materials/energy, converting waste plastics into fuel, as well as urban and domestic water use efficiency.
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