United Nations

TD/INF.64

United Nations Conference on Trade and Development

Distr.: General
15 September 2016

English only

**Fourteenth session**
Nairobi
17–22 July 2016

# Ministerial round table: Fostering green economies through trade, investment and innovation

## Summary prepared by the UNCTAD secretariat

1. At the United Nations Conference on Sustainable Development in 2012 and the Third International Conference on Financing for Development Conference and United Nations Climate Change Conference in 2015, a greener economy had been recognized as one key approach to achieving ecologically sound sustainable development and poverty eradication. The green economy tended to be understood as a development path that promoted economic growth while helping avert and/or reduce environmental risks and ecological scarcities. It involved resource conservation, sustainable use, social inclusion, the internalization of negative externalities and the building of sound institutions, while green growth included job creation and diversification. Such gains could be attained with a well-coordinated government structure and strong engagement by the private sector, and also required the reform of education systems in a manner that introduced sustainability into existing teaching programmes and a shift towards the formation of green start-ups by entrepreneurs.

2. A growing number of countries, such as Costa Rica and Lesotho, had actively pursued green economy strategies that could help promote the implementation of the Sustainable Development Goals. Such countries, working with UNCTAD, as well as with the United Nations Environment Programme and United Nations Industrial Development Organization and other agencies and stakeholders, could further deepen transitions to more green and blue economies with the elaboration of supportive approaches and modalities. To date, over 65 countries had embarked on a green or blue economy and related strategies, with 48 developing national green economy plans as the centrepiece of such strategies. Despite this growing engagement with green initiatives, several major challenges remained, such as climate change, deforestation and oceans conservation. Further transformational approaches were thus required, to enhance green economy-related changes.

GE.16-17219(E)
*1617219*

3. While some Governments continued to debate the definition of green products and services, consumers and firms in global markets had already distinguished such products and services through their consumption preferences. For example, green products and services mostly included renewable and energy-efficient products and technologies. Acquiring environmentally and climate-change friendly technologies to introduce renewable sources into an energy mix was vital for countries, to help reduce emissions while increasing their competitiveness, yet this was not an easy task. For example, Costa Rica was close to achieving 100 per cent renewable electricity use, having expanded its energy mix from hydropower to geothermal and wind sources, and, in Lesotho, 90 per cent of energy used was from hydropower, and the national target was 100 per cent renewable energy. Several other countries were considering the use of biomass and second-generation biofuels from agricultural waste from activities such as the production of coconuts and sugar cane. For example the use of bagasse (a sugar cane waste) and coconut waste – along with research on the most productive varieties for biomass and the better processing of wastes – was helping to increase energy security in many small island developing States.

4. The universe of green products in developing countries was much larger than the scope of such goods currently being discussed in multilateral and plurilateral negotiations, and included sustainably produced agriculture, fisheries and forestry products; organic foods, beverages and health-care products; biotrade-related and other natural products; ecotourism services; and a variety of other products. Such products were produced in many of the least developed countries, small island developing States, countries in the African, Caribbean and Pacific Group of States and other developing countries. For example, Costa Rica was aiming for the lowest possible carbon footprint in agricultural products by developing climate-smart technologies for banana and coffee production.

5. The role and relevance of natural resources, including biological diversity, was key to promoting and sustaining a green economy. In this regard, three elements could form the basis for future policymaking and the implementation of actions. First, the conservation agenda and trade policy agenda needed re-examining in terms of how to effectively promote both agendas in a mutually supportive manner and link them to the development agenda. Second, the continued undervaluing of natural resources when using natural capital needed to be reversed. Third, national actions related to a green economy needed to include consideration of the relevance of a bottom-up approach to consolidating long-term impacts. A good example of the latter was the long-standing UNCTAD BioTrade Initiative.

6. The panellists highlighted that a Sustainable Development Goal dedicated to oceans (Goal 14) focused on the sustainable use of marine resources. Such resources were key to food security, transport, energy generation, tourism and research and development. The exclusive economic zones in many small island developing States and coastal developing countries, as well as many countries in the African, Caribbean and Pacific Group of States, were several times larger than land territories. For example, the exclusive economic zone in Costa Rica was 10 times larger than its land territory. For many countries, the transition to a blue economy was therefore no longer an option but an imperative. The ongoing cooperation between UNCTAD and the Commonwealth Secretariat had been a leading force in raising awareness of the potential for developing countries of a blue or ocean economy.

7. The Sustainable Development Goals represented a once-in-a-lifetime opportunity for all participants in the global economy to unite on a single framework, a single language, a single measurement and reporting system and a single vision for humanity on Earth. The benefits for countries that had begun to adapt their productive structures to address environmental challenges such as climate change were increasing, as were the opportunity costs of not doing so in shorter time frames. Sustainability and sound environmental performance assessments were essential elements and, in this regard, the Sustainable Development Goal Index and Dashboards developed to assess State progress in implementing the Goals could be helpful.

8. Large amounts of financial resources – with one estimate of the investment required totalling several trillions of dollars per year – were needed to address the infrastructure gap and technological changes required to facilitate transitions towards a green economy. The panellists proposed several options for raising the required resources, such as fossil fuel taxes, green bonds, payments for ecosystem services, emissions taxes and official development assistance. For example, Costa Rica had used resources raised from gasoline taxes for reforestation, and India had raised about 500 million dollars from green bonds to finance projects related to green energy and smart electricity grids.