



Green Economy: A Transformation to Address Multiple Crises

An Interagency Statement of the United Nations System

The current financial and economic crisis is throwing millions of people into poverty, especially the most vulnerable in the developing world. This is happening amidst the ongoing food, water, energy, ecosystem, and climate crises. Together, these crises are undermining the efforts to achieve the Millennium Development Goals and setting back development progress of the past few decades.

The financial and economic crisis requires a collective response from the international community. Leading economies should continue and further strengthen the coordination of their stimulus programmes to revive global economic growth. Apart from addressing urgent needs in such areas as social safety nets, health, and education, programmes should lay a solid foundation for shared growth and sustainable development. Furthermore, the international community should ensure that developing countries have not only the fiscal space to launch their own stimulus programmes but also access to international markets for a rapid resumption of trade.

Central to the new economic foundation are new growth poles that can potentially contribute to economic recovery, decent job creation, and reduced threats of food, water, energy, ecosystem and climate crises, which have disproportionate impacts on the poor. Investing stimulus funds in such sectors as energy efficient technologies, renewable energy, public transport, sustainable agriculture, environmentally friendly tourism, and the sustainable management of natural resources including ecosystems and biodiversity, reflects the conviction that a green economy can create dynamic new industries, quality jobs, and income growth while mitigating and adapting to climate change and arresting biodiversity decline.

Such investments should be scaled up significantly in all countries and be supported by national and international policy instruments and incentives such as updating building codes and enforcement of internationally agreed environmentally friendly shipping regulations. It is also essential to have green investments at the community level to reduce vulnerability and strengthen resilience. Major events such as the climate negotiations in Copenhagen in December 2009 and the 2010 High Level Meeting of the United Nations General Assembly on Biodiversity are opportunities for urging the expansion of green investments.

To be able to scale up such investments, many developing countries will require financial support. It is imperative, therefore, that the world's leaders resolve to deliver on commitments, including those made by G8 and G20 leaders, to support developing countries, especially the most vulnerable, in coping with the effects of the current crisis. This includes augmented balance-of-payments support, trade finance, lending by the multilateral banks, and concessional finance for the poorest countries.

Fiscal reforms can shift the burden of taxation from jobs, income and savings to the overuse of resources, resource depletion and environmental degradation, thereby encouraging green investments. Carbon pricing can advance these aims. There is also a need for phasing out perverse subsidies that encourage excessive use of fossil fuel based production inputs in agriculture and fishing sectors. Both carbon pricing and the reform of perverse subsidies, however, must be accompanied by measures to protect the access by the poor to food security and energy. The revenues saved by phasing out such subsidies could be reallocated towards the development of green job skills, the provision of clean, affordable energy alternatives for the poor, and support to other green sectors with broad economic benefits.

Trade needs to be revived and trade policies need to support both development and the transfer of environmentally sound technologies. These include technologies to make clean energy affordable to developing countries as well as to support climate change mitigation and adaptation including ecosystem-based adaptation. It is important to avoid any measures that could result in new protectionism, including measures in stimulus packages. Early conclusion of the Doha Round trade negotiations can facilitate a green recovery, in particular the negotiations on environmental goods and services, fisheries subsidies, and reforming agriculture rules that would be conducive to fostering food security for all. The Aid for Trade mandate should be fulfilled. Reliable finance should be provided to small and medium-sized enterprises for investment in green businesses.

The shift towards a green economy requires education for sustainable development including training in new job skills and newly required health systems. All stakeholders must double efforts to provide training on a range of skills for decent and remunerative jobs protected by adequate health care. A particular focus should be given to the poor, vulnerable groups including women, youth, and to small and medium sized enterprises and farms. These green jobs training programmes can be integrated into both formal and informal education schemes. Similarly, green jobs related health issues should be taken into account by formal health systems. These efforts will assist developing countries in leapfrogging to a greener and inclusive economic development path. Skill transfer and the sharing of experience in labour health protection is an area ripe for international – both North-South, South-South, and triangular - cooperation.

Capacity of national and local governments should be strengthened to facilitate the transfer of knowledge and technology, including by exploring and using intellectual property related mechanisms for the benefit of developing countries. The various parts of the United Nations System through the United Nations Development Group should coordinate their efforts to formulate guidance to UN Country Teams on mainstreaming green economic principles into the United Nations Development Assistance Framework and the Regional Coordination Mechanism. National development agencies could be encouraged to do the same. Significant additional financial and technical assistance should be mobilised to support the efforts of Member States to shift their economies towards a green path. To be efficient and coherent, an integrated approach should be adopted when pursuing a green economy. Green investments in transport, renewable energy, tourism and long-term investment in agriculture, for example, should aim to generate environmental and health co-benefits and to expand agriculture and food production.

To ensure that short-term emergency actions do not undermine the longer-term sustainability of interventions, stimulus plans should avoid lock-in to business-as-usual patterns of consumption and production. In addition, a sound monitoring and accounting system is essential. There is a need for a rapid standardization and operationalisation of the System of Environmental-Economic Accounting and additional systems that adequately capture the social and environmental dimensions of economic transformations.

The solidarity of the international community is being tested. Let this economic recovery be the turning point for an ambitious and effective international response to the multiple crises facing humanity. The most representative test case is when governments meet to seal the deal on climate change in Copenhagen in December 2009. Let Copenhagen be the turning point for ushering in a global green economy.

The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (**BASEL CONVENTION**)
Convention on Biological Diversity (**CBD**)
The Convention on International Trade in Endangered Species of Wild Fauna and Flora (**CITES**)
Food and Agriculture Organization of the United Nations (**FAO**)
International Labour Organization (**ILO**)
International Maritime Organization (**IMO**)
United Nations Conference on Trade and Development (UNCTAD)
United Nations Development Programme (**UNDP**)
United Nations Environment Programme (**UNEP**)
United Nations Educational, Scientific and Cultural Organization (**UNESCO**)
United Nations Economic Commission for Europe (**UNECE**)
United Nations Economic Commission for Latin America and the Caribbean (**UNECLAC**)
United Nations Economic and Social Commission for Asia and the Pacific (**ESCAP**)
Economic and Social Commission for Western Asia (**ESCWA**)
United Nations Framework Convention on Climate Change (**UNFCCC**)
United Nations Human Settlements Programme (**UN-HABITAT**)
United Nations Industrial Development Organization (**UNIDO**)
World Bank Group
World Intellectual Property Organization (**WIPO**)
World Meteorological Organization (**WMO**)
World Trade Organization (**WTO**)
United Nations World Tourism Organization (**UNWTO**)