

Policy Options to Advance Environmentally Sustainable Inclusive Growth

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Focus

- Policy and country examples for integrating environment into trade, industrial policy
- Incentive systems, institutional mandates, enabling policy frameworks, financing
- Examples of UNDP, UN, partner support



Key Considerations

GDP and the quality of growth

the role of integrated public policy

 why integrated approaches that consider environmental concerns can be <u>key</u> to inclusive and sustained growth.



Social, Environmental, and Economic Links

- many jobs dependent on natural resources
- healthy ecosystems underpin agriculture, extractives, tourism, transport and trade
- soil provides over US\$16 trillion of ecosystem services each year
- 5% percent of agricultural GDP lost annually due to land degradation: US\$500 billion
- By 2030, global demand for food, energy and water to increase by 50, 45, and 30%



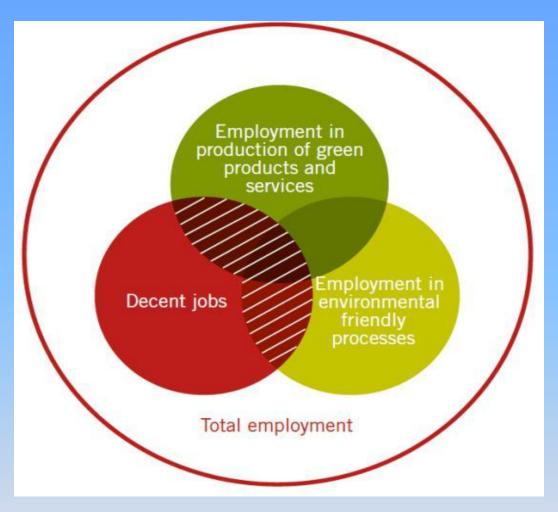
Business Case and Economic Justification

"Green" growth policies can:

- enhance efficiency and productivity
- underpin industrial policy and macroeconomic goals
- improve quality of life and, if implemented well, address social equity issues and employment



New techjobs vs greening traditional jobs



Source: ILO Green Jobs



Green Growth Best Practice Initiative: Key Steps

- Nat'l, sub-nat'l policy design, implementation;
- Inter-ministerial co-ordination, coherence;
- Vision, baselines, and targets;
- Assessing costs and benefits of inclusive growth options, e.g. through modelling;
- Prioritizing env sustainable growth options;
- Mobilizing domestic, int'l investment;
- Incentivizing public-private collaboration; and
- Monitoring and evaluation



Incentivizing, Mandating, Enabling Policies

- incentivize transition through pricing and fiscal policies
- mandate transition through regulations, standards or codes; and
- enable transition through public investment including information and education;

| Туре | Economy-wide policy | Sector-targeted policy |
|---|---|---|
| Fiscal and pricing policies | Environmental (e.g. carbon and pollution) taxes and subsidies Allowance schemes Payment for environmental services | ? Full-cost pricing of energy, water, or fuels ? Taxes and charges e.g. waste disposal, congestion ? Feed-in tariffs ? Targeted subsidies ? Tax credits e.g. clean energy, technologies ? Fossil fuel subsidy reform |
| Regulations, standards, and codes | Air quality or water pollution standards Green public procurement | Efficiency standards Energy performance/efficiency standards Green public procurement Vehicle standards Building codes Regulation of utilities, public transport Renewable portfolio standards |
| Enabling policies, including information, education | Redirection of environmental tax revenue Earmarked budget, e.g. infrastructure, R&D Education, skills and training Awareness raising | Green jobs training programmes by sector Product labelling and consumer awareness initiative Soft loans Land tenure regulation |



Financing

traditional and innovative financing

 efficient use of public resources to leverage private and foreign direct investment

 Sovereign Wealth funds: globally 45 based on oil and gas revenues totaling > <u>USD 4 trillion</u>.



Country Examples

- Brazil Agriculture Policy
- Korea Labor Market Policies
- India Optimization Tools for Green Technologies
- Thailand Agriculture Policy



Global Partnerships and Programmes

- Extractive Industries Strategy
- Green Commodities Programme
- UNDP-UNEP Poverty Environment Initiative
- Partnership for Action on Green Economy,
 UNDP-UNEP Poverty-Environment Initiative
- Green Growth Knowledge Platform
- Global Green Growth Forum
- Global Green Growth Institute





Global Policy and Research Centres

- World Centre for Sustainable Development or RIO+ Centre in Brazil
- Global Private Sector Policy Centre in Istanbul
- Green Economy Centre of Excellence in Dubai
- Center for Economic Research in Tashkent



Closing

- Ours the last generation that can avert catastrophic climate change and reverse environmental degradation
- Ours also the first generation with resources and knowledge to change business-as-usual in ways that can advance inclusive, sustainable growth
- UNDP and partners are ready to collaborate

Thank You tim.scott@undp.org