
Green economy, finance, and trade studies – an update

Bridging the implementation Gap for Rio+20
Workshop and Side Event to the HLPF

Wednesday, 2nd July, 2014, Rm6, NLB

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Structure

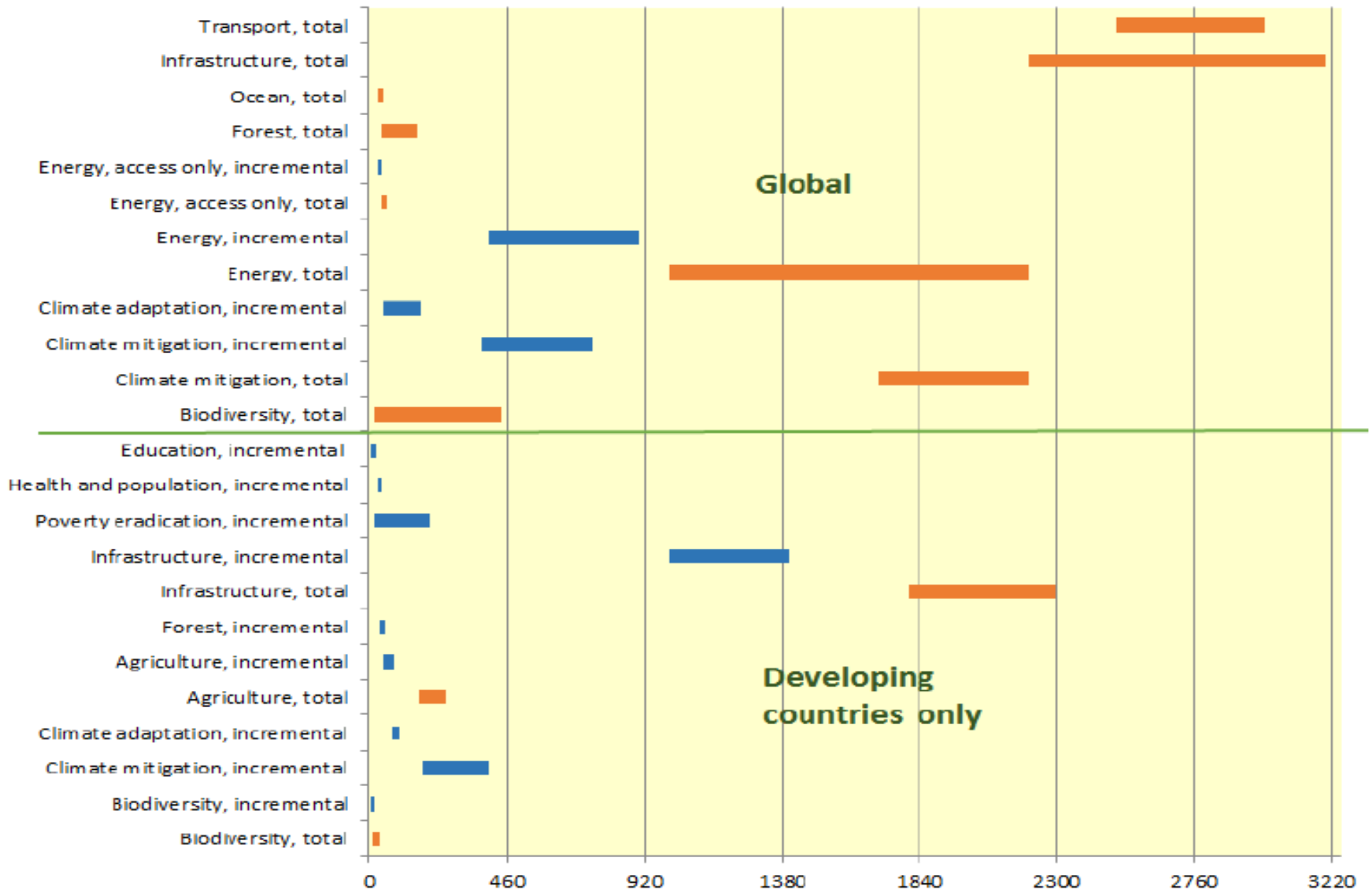
- Finance studies
- On-going and future work
- ...



Financing needs assessment

- Based on existing literature
- Use existing goals and targets as baselines
- Country coverage: all countries or developing countries
- Period: up to 2015, 2030, 2050 ...
- Incremental cost estimates
- Total cost estimates
- Public v.s. private funds
- Comment on the approach used (e.g. methodology)

Figure 15. Orders of magnitude of investment requirements for various sectors from the literature



Source: Prototype Global SD Report, 2014.

Finance available to developing countries (billion EUR 2010)

- Public Domestic Finance Total: 3,317
- Tax revenue: 3,252
- Public External Borrowing: 65

Source: Pielbags, 2013.

Finance available to developing countries (billion EUR, 2010)

- Public International Finance Total spent: 158
- Official Development Assistance (ODA)
Grants: 92
- Concessional Loans: 7
- Other official development finance: 54
- UN-sanctioned international security operations: 5

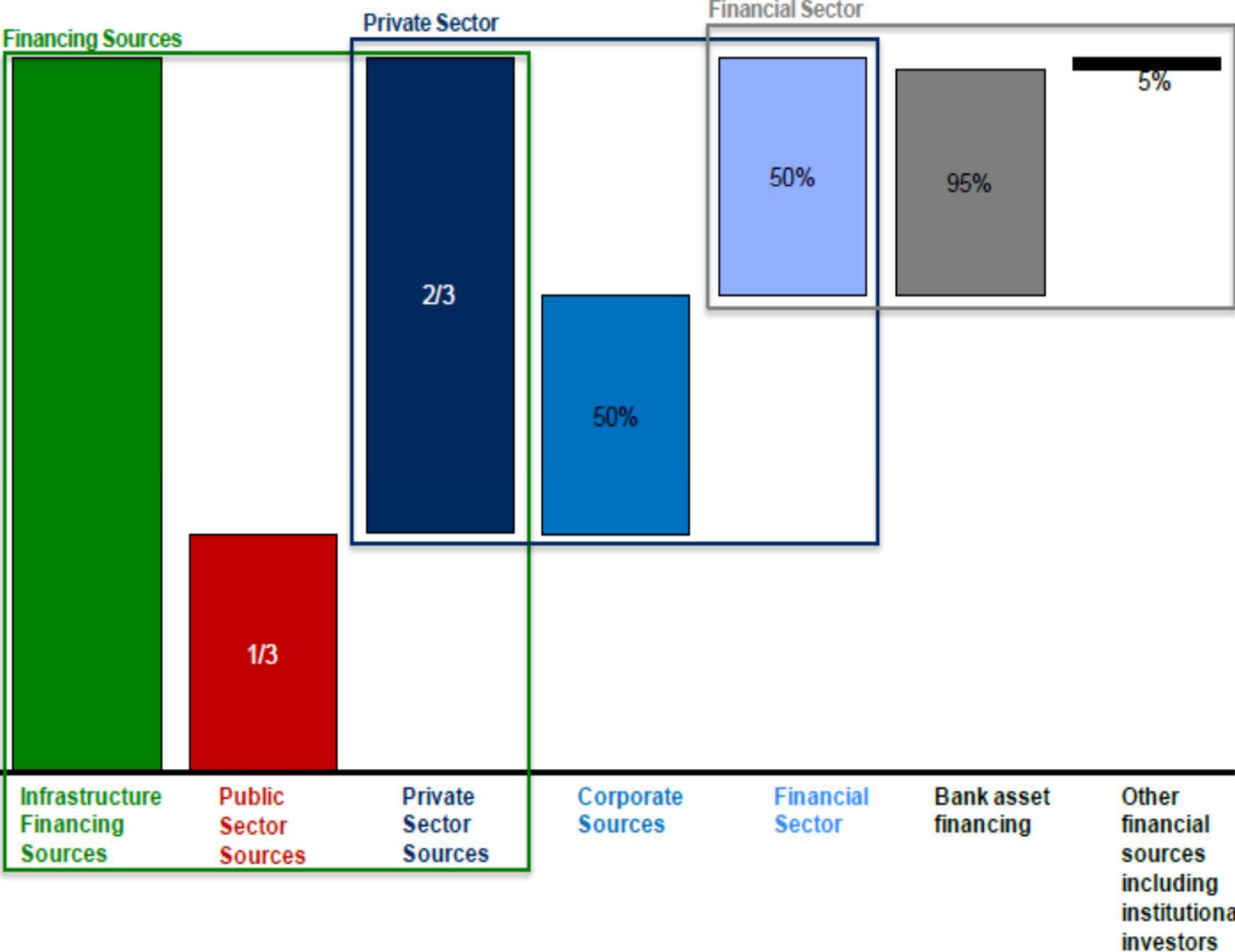
Source: Pielbags, 2013.

Finance available to developing countries (billion EUR, 2010)

- Private Finance – domestic and international
Total: 3,652
- Domestic Private Investment: 2,678
- International Investments: 624
- Private External Borrowing: 70
- Remittances: 238
- Private Philanthropy: 42

Source: Pielbags, 2013.

Figure 7. Sources of infrastructure financing – Estimate for Developed Economies



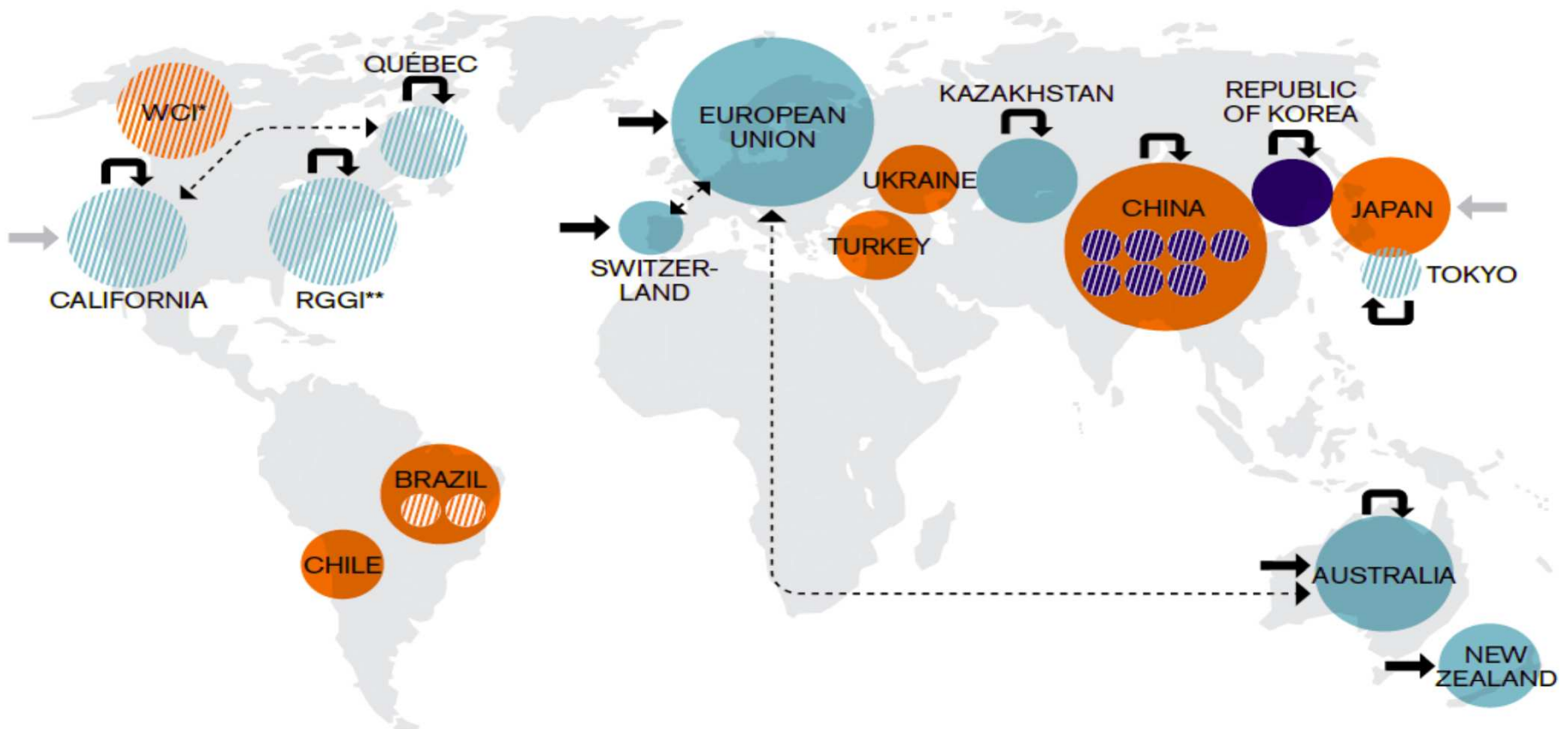
Source: OECD; Author's analysis based on EIB figures

	Research and development	Demonstration and pilot projects	Full-scale investment
Agriculture and food	++ Important role of public investment in R&D Mixed with private investment	++ Important role of public sector investment Co-exist with private sector investment	Overwhelmingly private
Buildings and housing	(+) Limited role of public sector financing in R&D	++ Important role of municipalities in pilot projects including through public housing	+ Mostly private outside public or social housing component Important role of municipalities in city-wide programmes for energy efficiency and urban renewal
Energy systems	+++ Important role of public investment in R&D Mixed with private investment	+++ Critical role of public sector	+++ Important role of public sector, many times in conjunction with private sector
Basic infrastructure (roads, ports, bridges, etc.)	(+) Limited role of public sector investment in R&D	n.a.	+++ Important, sometimes exclusive role of public sector investment
Public transport systems	+++ Important role of public investment in R&D Mixed with private investment	+++ Important role of public investment in pilot projects	+++ Important role of public investment, often in conjunction with private sector
Management of protected areas, control of land use changes	++ Important role of public resources	++ Important role of public resources	+++ Critical role of public resources

Status of PES and market certification systems

Ecosystem market	Products	Market value (current)	Market type
Government-mediated PES (Watershed and Biodiversity)	Streams, rivers and lakes meeting water quality standards, biodiversity conservation, protection of specific wildlife habitats.	\$11.3 billion in 2012	Government programs; National conservation programs, Debt for Nature swaps; Voluntary agreements; credit-and-trade of pollutant reduction credits
Biodiversity offset and compensation programs (compliance and voluntary)	Acres of restored or conservation land managed/ wetlands, biodiversity conservation	\$3 billion	Biodiversity offset or compensation policy; Credit-and-trade/ compliance, voluntary agreements
Certified agricultural and fishery products	Habitat, species, soil, and water protection	\$64 billion	Certification/ bundled; Voluntary agreements, and Compliance
Certified forest products	Acres of sustainably managed forest	\$54 billion	Certification/ voluntary and compliance
Bio-prospecting contracts	Commercially valuable genetic information	\$35 million	Government-mediated: bilateral agreements between governments and firms; voluntary

Existing and planned carbon price mechanisms



Status of implementation

- Implemented (in force with established rules)
- Implementation scheduled (mandate agreed, start date communicated, rules in preparation)
- Under consideration*** (government gave public signal towards the development of an ETS)

- National
- Sub-national or regional

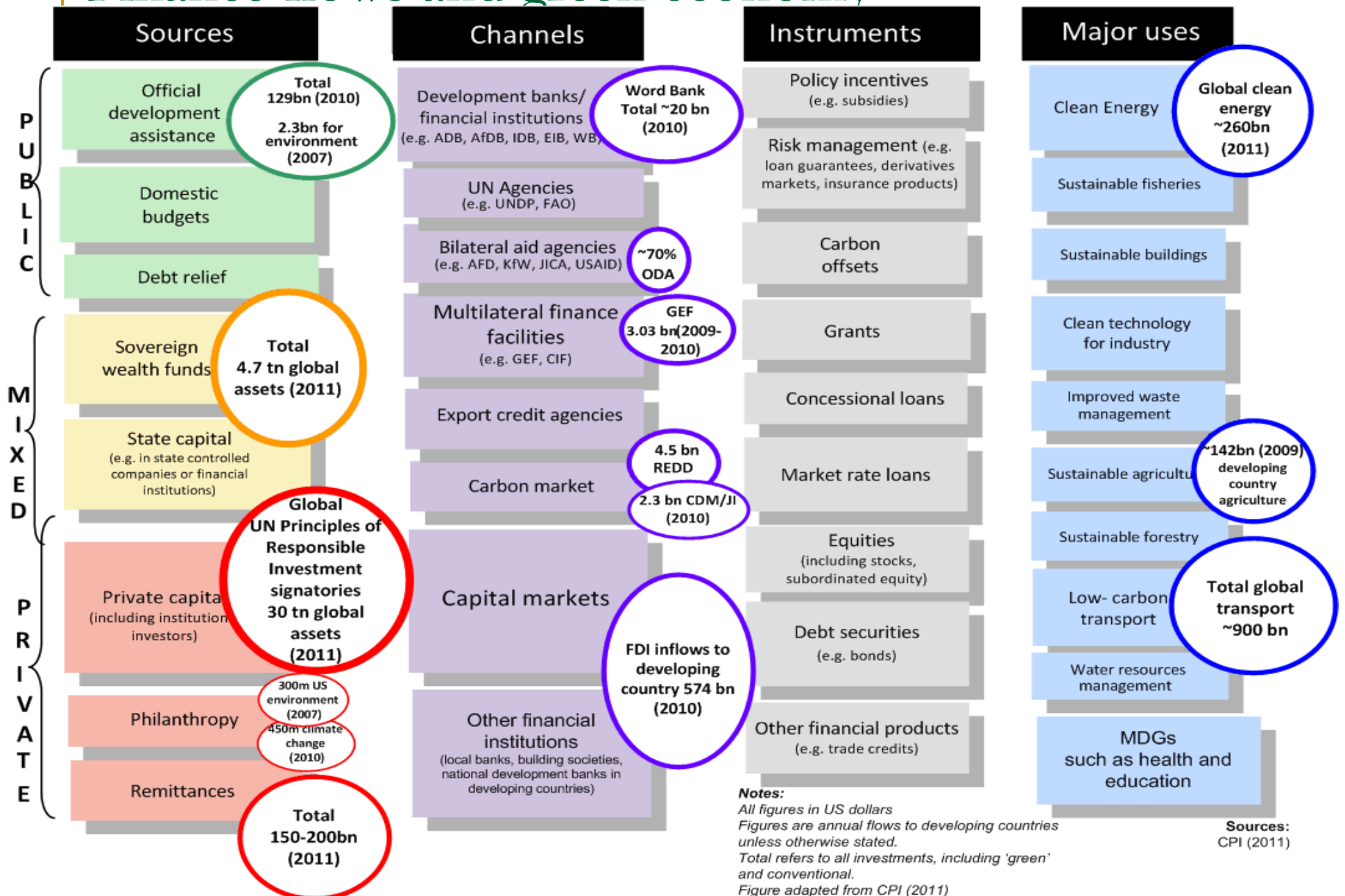
Offsetting

- ➔ CDM and JI credits
- ➔ Bilateral offsets
- ↻ Domestic offsets

Linking

- ↔ Planned link

Finance flows and green economy



On-going and future work ...

Green Growth Knowledge Platform (GGKP)

- The GGKP Trade and Competitiveness Research Committee has been established and recently launch a study on data collection efforts concerning the competitiveness effects of environmental policies and regulations, with a particular focus on developing countries.
 - Summarize data collection needs and research gap...
 - Drafting a call for proposals and supporting future data-collections efforts ...
-
- First draft will be ready by end of July.

All the existing finance studies
presented can be downloaded at:
<http://sustainabledevelopment.un.org/index.php?menu=1558>

or

<http://sustainabledevelopment.un.org/sdissuesbriefs.html>

Questions/feedback? – liuw@un.org

Thank you!
