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**Supporting green growth in countries with economies in transition:
recent initiatives and lessons learned****Supporting green growth in countries with economies in
transition: recent initiatives and lessons learned*****Note by the secretariat***Summary*

At its fourth session, in 2011, the Committee on Trade was requested to advise member States on the relevance and potential contribution of other subprogrammes to trade-development efforts in the UNECE region. In response to this request, the Bureau of the Committee decided to organize, as part of the Committee's fifth session, a round-table discussion on UNECE's contribution to supporting "green growth" in countries with economies in transition.

The discussion will take place under agenda item 9 "Trade development in countries with economies in transition: recent initiatives and impact", and will highlight best practices and potential areas for joint action.

This note outlines what UNECE is currently doing to support green growth, in particular in transition economies. Member States are invited to discuss further activities through which the Trade Subprogramme could support their goals in a coordinated manner, and how these activities could be financed.

* This document was submitted late due to delayed inputs.

I. Introduction

1. Conventional wisdom framed the sustainability challenge in terms of rapid environmental change, resource depletion, climate change, and population growth. As a consequence, governments and the private sector approached sustainability issues through a negative lens. To the private sector, sustainability was associated with ever-stricter compliance, escalating costs, declining profitability, resource constraints and a high degree of uncertainty. To governments, it meant increased budgetary pressure.

2. The World Summit on Sustainable Development (WSSD), held in Johannesburg, South Africa 2002, repositioned the sustainability challenge to a series of concrete opportunities. The Summit ended with the endorsement of the Johannesburg Plan of Implementation, which called for the development of a 10-year framework of programmes for ensuring sustainable consumption and production.

3. This repositioning of sustainability was upheld during the international expert meetings of Marrakech, Morocco and San José, Costa Rica, held in June 2003 and September 2005, respectively. The meetings emphasized the need to de-link economic growth and environmental degradation through improving efficiency and sustainability in the use of resources and production processes, and reducing resource degradation, pollution and waste.

4. To achieve these objectives, the Fifth Ministerial Conference on Environment and Development in Asia and the Pacific, organized in 2005 by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), adopted the concept “green growth” as a reference framework. The concept emphasizes the need to address the ecological, environmental and overall welfare consequences of any development effort at the design stage. The implication is that governments should focus on promoting the eco-efficiency of economic growth (i.e. meeting basic needs and improving well-being with the lowest possible ecological cost), and on moving beyond the imperative of improving environmental performance (that is, the end result, mainly pollution control objectives) to ensuring the environmental sustainability of the economy.¹

5. UNECE focuses on contributing to a “green economy” rather than “green growth”, as most of its programmes involve practical tools and institutional capacities for addressing broader economic issues as opposed to development policies. The concept “green economy” is to be understood in terms of the United Nations Environment Programme widely accepted definition:

- “one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. In its simplest expression, a green economy can be thought of as one which is low carbon, resource efficient and socially inclusive. Practically speaking, a green economy is one whose growth in income and employment is driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services. These investments need to be catalysed and supported by targeted public expenditure, policy reforms and regulation changes. This development path should maintain, enhance and, where necessary, rebuild natural capital as a critical economic asset and source of public

¹ For a detailed discussion of the concept of “green growth”, see UNESCAP (2008) “Greening Growth in Asia and the Pacific”.

benefits, especially for poor people whose livelihoods and security depend strongly on nature“

II. Trade and Sustainable Land Management

6. The Trade Programme draws up standards that reduce barriers to trade in goods and services. It does this by creating a common language without which international trade as we know it today would be simply unimaginable. Standards are already helping companies produce cleaner and more energy-efficient products. They play a key role in monitoring and improving the quality and reliability of production processes, and contribute to reducing the ecological footprint. They also help prevent industrial accidents and ensure that resources are used in a manner that does not compromise their continued availability for future generations.

A. Committee on Trade intergovernmental subsidiary bodies

UNECE Working Party on Regulatory Cooperation and Standardization Policies

7. The UNECE Working Party on Regulatory Cooperation and Standardization Policies is the only body within the United Nations system that develops best practice in the domain of technical regulations, standardization, metrology, accreditation, conformity assessment, and market surveillance. It creates common regulatory frameworks in specific sectors where, for instance, a group of countries will jointly define common regulations and common ways of assessing compliance with the regulations.

8. Once these frameworks are set and countries introduce them into their national legislation, products can move freely within the markets of the participating countries, without additional controls. This experience could usefully be replicated in sectors that are of key importance to addressing sustainable development concerns, such as polluting or energy-intensive products. Indeed, ISO (International Organization for Standardization) has highlighted that standardization has the potential to play a leading role in promoting sustainable development in all of its three pillars: economic growth, environmental integrity and societal equity.

9. Most recently, the Working Party has created a Group of Experts on Risk management in regulatory systems. This Group will help build the capacity of all stakeholders in a country's regulatory system, including the quality infrastructure institutions, to manage risks of all kinds, including risks to the environment.

United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)

10. UN/CEFACT supports activities dedicated to improving the ability of business, trade and administrative organizations, from developed, developing and transition economies, to exchange products and services effectively. The UN/CEFACT Programme Development Area for Regulatory Issues is responsible for environmental management and promotes international and regional cooperation in support of environmental data exchange. Key UN/CEFACT projects include:

(a) In agriculture, these include a project for electronic data interchange of fisheries catch data, Cattle Registration Information Exchange, DAPLOS project

describing the data crop sheet exchanged between farmers and their partners, eCert - XML for Sanitary and Phytosanitary Certificates, EDI of Agronomical Observations Report and Livestock Life Record;

(b) In transport, UN/CEFACT is working on standards related to Dangerous Goods Declaration, a revision of Recommendation No. 11 - Documentary Aspects of the Transport of Dangerous Goods, Globally Harmonized System of Classification and Labelling of Chemicals (GHS), Material Safety Data Sheet BP models & Class Diagrams, as well as Registration, Evaluation, Authorization and Restriction of Chemicals.

B. Forestry and Timber

11. The UNECE/FAO (Food and Agriculture Organization) Forestry and Timber Section² has served as a source of information, data and analysis about the forest sector in the UNECE region for over 60 years. The programme promotes the sustainable management of forests—as well as the sound use of forest products for raw material and energy, while providing a forum for policy discussion about major issues affecting the forest sector. The Section plays a pivotal role in the regular assessment of the state of forests in the pan-European region and contributes to the periodic global Forest Resources Assessment. It also works with Forest Europe to ensure regular assessment of the health and sustainability of Europe's forests, using criteria and indicators drawn up by the countries active in the Forest Europe process. The results are published in the report on the *State of Europe's Forests*.

12. The Section is also active in the area of forest policies and institutions, recognized as an integral part of sustainable forest management. It collects, analyses and disseminates information, monitors developments, analyses trends and undertakes capacity-building.

13. It addresses important cross-sectoral aspects of relevance to the forest sector, notably related to climate-change mitigation and adaptation, bioenergy, biodiversity, land use, water and agriculture. For instance, it works to improve the knowledge and understanding of wood energy sources and uses, in particular by collecting data on wood energy in member countries through the Joint Wood Energy Enquiry, and promotes the sustainable use of wood for energy.

14. For over half a century, a core part of the UNECE/FAO forest and timber programme has also been the publishing of long-term forest-sector outlook studies. A new *European Forest Sector Outlook Study* (EFSOS) is under preparation, building on the Section's expertise in the markets, resources and policies.

15. This study comprises scenarios addressing the main policy issues on climate change mitigation, wood energy promotion, biodiversity preservation and industrial innovation for the period 2000-2030. EFSOS is used in many circles as a basis for policy formulation and analysis.

C. Housing and Land Management

16. The Committee on Housing and Land Management is the only intergovernmental body addressing the unique housing challenges of the UNECE region. It produces

² The Section is a joint UNECE/FAO secretariat, servicing the UNECE Timber Committee and the Food and Agriculture Organization's European Forestry Commission.

recommendations, methodologies and guidelines for sustainable housing development, land administration and spatial planning.

17. The goal of the Committee, as outlined in the strategy is “to promote the sustainable development of human settlements in the ECE region while fostering economic and social prosperity and supporting democratic governance”. The Committee acts in full conformity with the principles, commitments and global plan of action of the Habitat Agenda, adopted at the second United Nations Conference on Human Settlements (Habitat II) in 1996, and the Declaration on Cities and other Human Settlements in the New Millennium, adopted by the General Assembly in June 2001.

18. Most recently, the Committee has broadened the scope of its activities to better tackle emerging housing-related challenges in the region such as: climate-change mitigation and adaptation; real estate market stability and informal settlements. The Committee’s projects are carried out through training courses and model projects. These projects develop practical solutions that could be replicated in different countries. For instance, a recent one deals with raising residential energy efficiency. The project involves drawing up a draft Action Plan for energy-efficiency measures, with a particular focus on informal settlements.

III. Other UNECE divisions

A. Economic Cooperation and Integration

19. In cooperation with UNESCAP and the United Nations Development Programme, the Economic Cooperation and Integration Division has been helping the six member countries of SPECA³ (United Nations Special Programme for the Economies of Central Asia) to address climate-change considerations during the planning stage. This includes building the capacity of these countries to adopt and apply innovative green technologies for climate-change adaptation, and providing information about available mechanisms for financing investments in green technologies.

20. At the regional level, the project aims at improving the exchange of national experiences and best practices.

21. The project includes the following:

- (a) Preparing assessments of the region’s innovation policies and financing options for adoption and diffusion of green technologies;
- (b) Preparing training materials based on the results of needs assessments;
- (c) Holding national seminars (one per two countries);
- (d) Holding meetings of national stakeholders (one per two countries);
- (e) Creating a project webpage on the Division's website (which contains information on innovation, financing innovative development and Public-Private Partnerships);
- (f) Creating project websites for knowledge-sharing and continuous learning;
- (g) Holding a regional meeting.

³ Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

B. Environment

22. The Environment Division's activities in support of a "green economy" in countries with economies in transition are undertaken within the context of its programmes of work under each of the five Multilateral Environmental Agreements concluded under the auspices of the UNECE. These Agreements include a number of protocols that offer operational provisions in their areas of activity, as well technical assistance for implementing them at both the country and regional levels. The following initiatives highlight the core work being done to promote a "green economy".

Convention on Long-range Transboundary Air Pollution ("Air Convention")

23. This Convention aims at reducing the discharge of pollutants into the atmosphere. It has 51 States parties and eight Protocols. Monitoring and enforcement is done by compliance committees, which are composed of independent experts.

24. The major activities under the Convention in countries with economies in transition are as follows:

(a) Joint project of Belarus, Kazakhstan and the Russian Federation: "Facilitating the implementation and ratification of the protocols of the Convention...in Eastern Europe, Caucasus and Central Asia – Elaboration of national air pollutant emission inventory framework"

(b) Supporting the implementation of the Convention in the Republic of Moldova (2009-2011)

(c) Implementing and ratifying the Protocol on Heavy Metals, the Protocol on Persistent Organic Pollutants and Gothenburg Protocol (2008-2011).

Convention on the Protection and Use of Transboundary Watercourses and International Lakes ("Water Convention")

25. This Convention is intended to strengthen national measures for protecting and managing transboundary surface waters and groundwater in an ecologically sound way. It obliges the parties to prevent, control and reduce transboundary impact, use transboundary waters in a reasonable and equitable way and ensure that they are managed sustainably. Parties bordering the same transboundary waters must cooperate by entering into specific agreements and establishing joint bodies.

26. Its provisions include monitoring, research and development, consultations, warning and alarm systems, mutual assistance, and exchange of information, as well as public access to information. It has 38 States parties and two Protocols.

27. The work of the Water Convention in countries with economies in transition focuses on national policy dialogues on integrated water resources management.

Convention on the Transboundary Effects of Industrial Accidents

28. This Convention is designed to protect both people and the environment against industrial accidents. It aims to prevent accidents from occurring, or reducing their frequency and severity and mitigating their effects. It has 40 States parties.

29. In the context of the administration of this convention, the major programme in countries with economies in transition is the “Systematic Assistance Project”, which targets countries of Eastern Europe, Caucasus and Central Asia and South-Eastern Europe. It is based on the principle that assistance can be effective only if a recipient country is (a) capable of receiving the assistance and (b) willing to take advantage of it. When a country completes the preparatory phase it is accepted into the implementation phase. That phase focuses on helping countries address impediments to implementation.

C. Statistics

30. Together with member countries and international organizations, the Statistical Division is developing methodologies that incorporate human and natural capital concepts, as well as indicators for measuring progress towards sustainable development as basic tenets for assessing wealth and economic prosperity.

31. Activities related to “measuring the green economy” include:

(a) Drafting a conceptual framework that allows the various approaches for measuring sustainable development to be linked. This should lead to an internationally comparable set of indicators on sustainable development statistics;

(b) Helping countries of Eastern Europe, Caucasus and Central Asia and South-East Europe with environmental monitoring within the “Environment for Europe” process. Developing methods and constructing time series for environmental and environment-related energy indicators for improving environmental policies;

(c) Building capacity for countries in Eastern Europe, the Caucasus and Central Asia to better monitor their progress towards a greener economy (part of a United Nations Development Account project that aims at improving national indicators on environmental sustainability);

(d) Drafting recommendations and offering guidance to countries on improving the statistics needed for climate-change mitigation and adaptation. A Task Force is identifying practical steps for developing climate-change-related statistics to meet user needs, in particular on the economic, social and environmental impact of climate change.

32. Under a United Nations Development Account project, capacity-building will be offered in countries of Eastern Europe, the Caucasus and Central Asia in 2012-2013 to support the implementation of international recommendations and good practices in producing indicators on environmental sustainability.

D. Sustainable Energy

33. The Sustainable Energy Division runs an “Energy Efficiency 21 Programme” (EE21) in countries with economies in transition. The Programme helps economies in transition to:

(a) Develop and promote sustainable energy policies;

(b) Pursue energy-efficiency strategies;

(c) Reduce greenhouse-gas emissions to meet international treaty obligations;

(d) Enhance the security of energy supplies by producing the specific outputs from operational activities in the industry, housing and services, transport and energy sectors through national actions, bilaterally and multilaterally.

E. Energy Efficiency 21

34. Established in 1991 as the Energy Efficiency 2000 Project, the Energy Efficiency 21 Programme is now in its seventh phase (2009–2012). In April 2012, at its twenty-third session, the Project's Steering Committee discussed a new plan for the eighth phase of the Programme and introduced new projects into the plan, including:

- (a) Global Energy Efficiency 21 (interregional project):
 - (i) Analysis of advanced technologies in energy efficiency and renewable energy in the framework of the Global Energy Efficiency 21 project, and preparations of recommendations on its application, with special emphasis on the Central Asian region (sub regional project of the EE21 Programme/subproject of the GEE21 project)
 - (ii) Promoting energy efficiency investments for climate-change mitigation and sustainable development (interregional project of the EE21 Programme/subproject of the GEE21 project)
- (b) Enhancing synergies in the Commonwealth of Independent States national programmes on energy efficiency and energy saving for greater energy security (sub regional project)
- (c) Enhancing energy security and improving access to energy services through development of public-private renewable-energy partnerships (interregional project)
- (d) Mitigating climate change through attracting foreign direct investment in advanced fossil fuel technologies (interregional project).

35. The following lists the main subregional, interregional and country-oriented projects, and UNECE interdivisional cooperation activities:

- (1) Financing energy efficiency and renewable energy investments for climate change mitigation (subregional project).
- (2) Regional Network for Efficient Use of Energy and Water Resources in South-East Europe (subregional project).
- (3) Energy-efficiency market formation in South-East Europe (subregional project).
- (4) Removing barriers to energy efficiency improvements in the State sector in Belarus (country project).
- (5) Increasing energy efficiency for secure energy supplies.
- (6) Developing the renewable energy sector in the Russian Federation and in countries of the Commonwealth of Independent States.
- (7) Global Energy Efficiency 21: cooperation between the United Nations regional commissions on energy efficiency for climate change mitigation (interregional project).
- (8) Buy Smart—green procurement for smart purchasing (subregional project);

- (9) Cooperative project on methane capture and use: best practice guidance on effective methane drainage and use in coal mines (subregional project).
- (10) Interdivisional cooperation activities of Energy Efficiency 21:
 - (a) **Energy efficiency in housing:** ECE Action Plan for Energy Efficiency in Housing;
 - (b) **Wood energy:** Modern and sustainable heat and power from woody biomass in South-Eastern Europe.

F. Transport

36. The Transport Division runs a global project to foster a green economy: “Development and implementation of a monitoring and assessment tool for CO₂ emissions in inland transport to facilitate climate change mitigation”. This project is of great interest for countries with economies in transition as the transport sector is the second largest and second fastest-growing source of global greenhouse-gas emissions, especially in those countries.

Development and implementation of a monitoring and assessment tool for CO₂ emissions in inland transport to facilitate climate change mitigation

37. The main objective of the project is to enhance international cooperation and planning through developing and use of a standard monitoring and assessment tool for CO₂ emissions in inland transport.

38. This tool is based on involves developing a uniform methodology for evaluating the emissions of carbon dioxide (CO₂) in the inland transport sector (road, rail and waterways except national and international aviation and maritime transport). It takes into account climate-relevant indicators, new transportation trends and the implementation of regional, national or local policy measures. CO₂ emissions caused by international aviation and maritime transport are excluded from this project.

39. The project will offer the following outputs, which will be available for electronic publication:

- (a) Review study;
- (b) International expert meetings—presentations, summary of discussion, recommendations;
- (c) Transport CO₂ monitoring and assessment tool with transport policy converter (ForFITS);
- (d) Reports of the pilot studies;
- (e) Capacity-building and training materials and a user-manual with additional region specific guidelines;
- (f) Regional workshop reports;
- (g) Global status report about countries that established national targets to reduce transport CO₂ emissions based on regional surveys;
- (h) Recommendations on common approaches to data collection and sampling of inland transport CO₂.

IV. Implications

40. Successful development experiences suggest that improvements in supporting a “green economy” depend on the countries’ ability to :

- Collaborate in new ways to deliver efficiency, growth and/or innovation to address challenges of sustainability.
- Deliver more output from fewer resources.
- Achieve greater specialization in products and services which use renewable sources of energy and materials with little, or no, environmental impact.
- Adapt to the impacts of climate change across operations and supply chains.
- Measure, monitor, report and manage environmental impacts and resources (energy, greenhouse gas emissions, waste, water, and other factors).

41. Keeping in mind the activities undertaken by the different subprogrammes in support of a green economy, member States are invited to advise the UNECE on how best it could help them acquire and maintain these abilities. Member States are also invited to advise if there are any specific concerns and issues that could be addressed by the Committee on Trade and its subsidiary bodies.
