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The “Environment for Europe” mid-term review of the Astana

Conference main outcomes: greening the economy

Greening the economy in the pan-European region: progress and future prospects

Report by the secretariat and the United Nations Environment Programme

Summary

Ministers at the Seventh “Environment for Europe” Ministerial Conference (Astana, 21–23 September 2011) agreed to take the lead in the transition to a green economy and to make a substantive contribution to the discussions on green economy within the context of sustainable development and poverty alleviation at the United Nations Conference on Sustainable Development (Rio+20 Conference). They invited the United Nations Economic Commission for Europe (ECE) to contribute, together with the United Nations Environment Programme (UNEP) and relevant international organizations, to the development of the Rio+20 green economy outcomes (ECE/ASTANA.CONF/2011/2/Add.1, para. 11).

In line with that mandate, at its eighteenth session (Geneva, 17–20 April 2012), the ECE Committee on Environmental Policy (CEP) invited the secretariat to prepare jointly with UNEP and other relevant partners an overview on developments in the ECE region towards a green economy (ECE/CEP/2012/2, para. 25 (d)).

The present report contains the requested overview, which was prepared jointly with UNEP and in consultation with the United Nations Development Programme, the International Labour Organization, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, the United Nations Industrial Development Organization, the European Environment Agency and the Organization for Economic Cooperation and Development. This document aims to facilitate the discussion by CEP during the “Environment for Europe” mid-term review.

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Introduction

1. Green economy is seen as a means for achieving sustainable development and eradicating poverty. For this reason, green economy approaches are at the heart of renewed efforts by the United Nations and its member States to contribute to and progress towards the broader agenda of sustainable development, as well as to contribute to achieving internationally agreed development goals, including the Millennium Development Goals (MDGs) and the forthcoming Sustainable Development Goals (SDGs).

2. The concept of a green economy evolved in the discussions during the first decade of the new millennium, which was characterized by concurrent crises and market failures. A sense of fatigue and disillusionment with the prevailing economic paradigm led to the emergence of a new economic model, one in which environmental damage and growing social disparities are not necessary by-products of wealth generation. Instead, 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 on which many poor households and communities depend.

3. Green economy was one of the main themes of the Seventh “Environment for Europe” Ministerial Conference (Astana, 21–23 September 2011), where ministers agreed that the pan-European region should take the lead in the transition to a green economy. In the Astana Declaration, they stressed the need to strengthen efforts to decouple economic growth from environmental degradation through stimulating green investments in various economic sectors and promoting sustainable consumption and production, energy and resource efficiency and innovation as well as developing human, institutional and economic sector capacities in support of greening of economies (ECE/ASTANA.CONF/2011/2/Add.1, paras. 9–11).

4. Heads of State and Government at the United Nations Conference on Sustainable Development (Rio+20 Conference) affirmed that a green economy in the context of sustainable development and poverty eradication was one of the available tools for achieving sustainable development. They also stressed that, apart from eradicating poverty, a green economy should also help to sustain economic growth, enhance social inclusion, improve human welfare and, last but not least, create opportunities for employment and decent work for all. At the same time, it should maintain the healthy functioning of the planet’s ecosystems.¹

5. The Rio+20 Conference called upon the United Nations system to support countries, upon request, in achieving sustainable development through, inter alia, a green economy, including providing and sharing toolboxes, methodologies, experiences and good practices and offering policy advice.²

6. This report was prepared at the request of the United Nations Economic Commission for Europe (ECE) Committee on Environmental Policy (CEP). It details the achievements and impacts of the recent activities supported by ECE, the United Nations Environment Programme (UNEP), sister agencies and other organizations in the region in the context of the Astana and Rio+20 green economy outcomes. It also identifies the lessons learned and the challenges faced in supporting transitions to greener, more inclusive economies.

¹ See “The Future We Want” (A/RES/66/288, annex), para. 56.

² *Ibid.*, para. 66.

7. The report further suggests future steps to be undertaken in order to achieve the transition to a green economy more effectively. Finally, it contains questions for consideration by CEP on how to further promote greening of the economies in the region.

I. Main achievements and key findings

8. Countries differ not only when it comes to natural resource endowment — they also differ in terms of socioeconomic development, leading economic sectors, the state of the environment or of the populations' health, the strength of their institutions, etc. For this reason, there is no “one-size-fits-all” instrument mixture possible that can assure the transition to greener economies across different countries. Instead, the choice of instruments must be tailored to the countries' individual features and priorities.

9. To support countries in preparing for the green economy discussion at the Rio+20 Conference and in follow-up to the green economy outcomes at Rio, the United Nations system and other organizations are assisting countries in the transition to greener economies by identifying green economy potentials and opportunities, facilitating multi-stakeholder consultations and long-term development vision and developing strategic frameworks, investment packages and policy solutions based on an assessment of synergies, incentives and trade-offs, including a focus on more vulnerable groups, as well as strengthening the technical and functional capacities of governments and national partners to implement, finance, monitor and evaluate these inclusive green economy approaches. Different instruments — from economic or market-based, to regulatory or legal, to information-based and voluntary ones — all find application in support of the transition to green economy. Depending on their objectives, the instruments can be economy-wide or sectoral.

10. The choice of instruments must be grounded in a sound analysis of social, environmental and economic dimensions and how these interact. To this end, countries may take advantage of a wide range of tools, including policy tools, conceptual frameworks for measurements with indicators, but also scoping studies and performance reviews offered by international organizations and programmes.

11. While the developed countries, their provinces and cities, are able to implement these instruments themselves, developing countries and those with economies in transition may wish to seek assistance in this regard. They can therefore take advantage of knowledge-building activities on the different instruments and on the ways to implement them successfully either across the entire economy or in specific sectors.

12. Furthermore, targeted advice is provided for developing and showcasing training and for the development of skills in different fields that are important for the transition to green economy.

13. Despite the fact that activities supporting the transition to green economy have started only recently, a number of countries in the region have already taken steps to take on green economy approaches. There are already a multitude of tools available to support the transition to an inclusive green economy, either already existing or specifically being developed. These include diagnostic and decision-making tools, e.g.: integrated environmental, social and economic assessments and long-term models that consider policy trade-offs and synergies; policy instruments, including for environmental fiscal reform, employment and social protection and financing for sustainable development; measurement frameworks, including data, indicators, accounts and indices to inform, value, monitor, evaluate, educate and advocate; and inclusive capacity-development approaches, including stakeholder engagement, capacity assessments and institutional context analysis.

14. These tools and services have been delivered by a multitude of organizations, working in partnerships or individually, according to their mandates as well as geographical

or thematic scopes. In the pan-European region, the efforts by countries to transition to greener economies are supported by various organizations, including ECE, UNEP, the United Nations Development Programme (UNDP), the World Health Organization (WHO), the International Labour Organization (ILO), the United Nations Industrial Development Organization (UNIDO), the Organization for Economic Cooperation and Development (OECD), the European Environment Agency (EEA) and others.

A. Activities supporting the development of instruments to green economies and economic sectors

15. International organizations carry out research and studies with the objective of developing policy options that countries can adapt to their national circumstances in order to transition to more inclusive and greener economies. Recent research projects and studies in this area from which pan-European countries can benefit include:

(a) The UNEP report, *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication*,³ developed with inputs from more than 100 experts and organizations, to identify opportunities and policy packages to enable countries to move towards green economy by focusing on 10 key sectors, namely: agriculture, fishery, water, forests, renewable energy, manufacturing, waste, buildings, transport and tourism;

(b) Two studies within the framework of the ILO, UNEP, International Organization of Employers and International Trade Union Confederation Green Jobs Initiative — *Green Jobs: Towards decent work in a sustainable, low-carbon world* (2008)⁴ and *Working towards Sustainable Development: Opportunities for decent work and social inclusion in a green economy* (2012)⁵ — which highlight the necessary conditions, policy options and good practice for the transition to green economy and how it can deliver gains through the creation of more and better jobs, poverty reduction and improvements in social inclusion;

(c) The UNEP study, *Green Economy and Trade: Trends, Challenges and Opportunities*,⁶ identifies a range of international trade opportunities in various key economic sectors associated with the transition to a green economy and policies, as well as measures that may facilitate, and overcome hindrances to, seizing trade opportunities arising from the transition to a green economy;

(d) The OECD Green Growth Studies⁷ series, providing in-depth reviews of the green-growth issues faced by different sectors. Among the recent ones are studies on linking renewable energy to rural development, on compact city policies, on energy, food and agriculture, and on fostering innovation for green growth. OECD also offers numerous papers on green growth;

(e) ECE policy studies with recommendations on how to: foster financing and development of clean technologies; guide incentives for private-public partnership contracts to deliver public services in a more environmentally sensitive ways; promote energy efficiency and renewable energy investments; introduce economic instruments to reduce emissions of regional air pollutants; make payments for ecosystem services; make energy-

³ 2011, available from www.unep.org/greeneconomy.

⁴ UNEP, Nairobi. Available from www.unep.org/civil_society/Publications/index.asp and www.unep.org/labour_environment/features/greenjobs.asp.

⁵ ILO, Geneva, Switzerland. Available from http://www.ilo.org/global/publications/books/WCMS_181836/lang--en/index.htm.

⁶ Nairobi, 2013. Available from www.unep.org/greeneconomy.

⁷ Available from http://www.oecd-ilibrary.org/environment/oecd-green-growth-studies_22229523.

efficient housing or make cities less energy and carbon intensive and more resilient to climatic changes; green transport through intelligent transport systems; create sustainable mobility; and empower women for sustainable development. All of these studies as well as other material are available through the ECE Green Economy Toolbox;⁸

(f) The analyses undertaken by EEA on environmental fiscal reform in Ireland, Italy, Portugal and Spain in collaboration with these countries.⁹ Environmental taxation and the removal of environmentally harmful subsidies have been repeatedly emphasized as enabling conditions in the process of the transition towards a green economy. They are also potentially integral parts of the European Semester. The measures can contribute to a wider fiscal consolidation process in European Union member States, while helping to restructure economies in line with resource-efficiency objectives;

(g) WHO “Health in the Green Economy” sector briefings,¹⁰ which examine the health impacts of climate change mitigation strategies for the following sectors: housing, urban transport, household energy in developing countries, healthcare facilities and occupational health;

(h) Green Economy-related initiatives launched by various organizations, including the Green Industry Platform led by UNIDO¹¹ or the “Green Bridge” initiative championed by Kazakhstan with support from the United Nations Economic and Social Commission for Asia and the Pacific and other interested partners.¹² The Green Industry Platform is an initiative for a private-public partnership in the field of green industrialization. By uniting businesses, government and civil society, the platform aims at mainstreaming social and environmental considerations into the operations of enterprises in all countries and regions through the more efficient use of energy and raw materials, innovative practices and applications of new green technologies. The Green Bridge initiative offers a partnership programme between Europe and Asia and the Pacific that is expected to stimulate further cooperation for eco-efficient use of natural resources, investment in ecosystem services, low-carbon development and adaptation to climate change, sustainable urban development and the promotion of green business and green technology, as well as sustainable lifestyles and improvement of quality of life.

B. Activities supporting the sound analysis of the social, environmental and economic dimensions of the transition to green economies

16. International organizations offer policy analysis services through which countries are provided with tailor-made recommendations on steps to be taken to strengthen the transition to more inclusive, greener economies. Such projects have included:

(a) Azerbaijan, Bosnia and Herzegovina, Montenegro and Serbia underwent comprehensive green economy national assessments supported by UNEP and, for a few of these countries, in collaboration with UNDP. These assessments assisted the countries in identifying key opportunities and options for making the green economy transition. The simulation modelling on priority sectors identified the potential economic and environmental impacts of green economic interventions and possible employment

⁸ The Toolbox with links to the various studies is available from <http://www.unece.org/es/greeneconomy/welcome/toolbox.html>.

⁹ For more information, see <http://www.eea.europa.eu/highlights/fiscal-reform-can-create-jobs>.

¹⁰ Available from http://www.who.int/hia/green_economy/en/.

¹¹ See <http://www.greenindustryplatform.org/>.

¹² For more information, see

<http://sustainabledevelopment.un.org/index.php?page=view&type=99&nr=55&menu=1449>.

opportunities. Policy recommendations, based on national consultations, for enabling conditions to be established were also set out. UNEP also supported civil society in the Russian Federation and Ukraine with a green economy policy analysis to identify opportunities;

(b) Armenia, the Republic of Moldova and Ukraine reviewed, with support from UNEP, the opportunities presented by organic agriculture. They also identified policy options to enhance organic agriculture production and marketing, with the objective to maintain and enhance their natural capital stock and increase economic benefits. An overall analysis of opportunities for countries in Eastern Europe, the Caucasus and Central Asia was also provided. In addition, Serbia received support from UNEP, in collaboration with ILO, in carrying out an in-depth study on the potential for creating green jobs in waste recycling;

(c) Croatia and the Republic of Moldova underwent an environmental performance review by ECE (offered by ECE to the non-OECD countries of the pan-European region) in 2013, during which, among others, their progress towards greening the economies was assessed. In particular, the role of economic and fiscal policies was examined to promote greener modes of consumption and production;

(d) Austria, Germany, Italy, Israel, Norway, Portugal, Slovenia and Slovakia had their environmental performance reviewed recently by OECD. The reviews provide an assessment and recommendations for integrating economic and environmental policies;

(e) Belarus, Kazakhstan and Ukraine received an innovation performance review by ECE, which examines the possible policy actions to stimulate innovation activities and enhance capacity for innovation;

(f) Denmark, Estonia, France, Germany, Spain and the United Kingdom of Great Britain and Northern Ireland were informed about challenges, opportunities and good practices through the case studies undertaken under the ILO study, *Skills for Green Jobs: A Global View*,¹³ related to skill needs and occupational changes and approaches to promote the transition to greener workplaces with sustainable, productive and decent employment.

17. In response to the demand to deliver methods and frameworks to measure the progress in the transition to a green economy and to understand the impact of policy reform and the implementation of green economy instruments, various international organizations provide support and solutions for the pan-European countries, e.g.:

(a) ECE in partnership with Eurostat and OECD developed a conceptual framework to measure sustainable development and a related green economy transition.¹⁴ The framework fosters the capital approach to measure sustainable progress: progress is considered to be achieved if the aggregated economic, environmental, human and social capital grows with time. It further includes a framework for measuring the well-being of current generations, taking into account the distributional aspects within and between countries (how a country in its pursuit of the well-being of its citizens may affect the welfare of the citizens of another country);

(b) OECD is developing green growth indicators, with which countries can measure their environmental and resource productivity, changes in the economic and environmental assets base, the environmental quality of life, as well as economic opportunities and policy responses;

¹³ Olga Strietska-Ilina et. al, Synthesis report based on 21 country studies (Switzerland, Geneva, ILO, 2011). Available from http://www.ilo.org/global/publications/books/WCMS_159585/lang--en/index.htm.

¹⁴ For more information please see <http://www.unece.org/stats/archive/03.03f.e.html>.

(c) UNEP, in cooperation with the Global Green Growth Institute, OECD and the World Bank as part of the Green Growth Knowledge Platform (GGKP) programme on green growth measurement and indicators, is developing a conceptual framework for green growth indicators. GGKP has defined three research programmes on green growth indicators: innovation, adaptation and diffusion of green technologies; trade; and competitiveness. Its objective is to enhance and expand efforts to identify and address major knowledge gaps in green growth theory and practice, and to help countries design and implement policies to move towards a green economy. GGKP has published a joint paper, *Moving Towards a Common Approach on Green Growth Indicators*.¹⁵ A technical workshop focusing on trade and green growth, combined with the official launch of the GGKP secretariat in Geneva will take place in the coming months;

(d) UNDP has been collaborating with UNEP, the World Bank, the United Nations Statistics Division and other partners to support country efforts to “Go Beyond GDP” measurement, including through implementation of the System for Environment and Economic Accounts and the World Bank-led Wealth Accounting and the Valuation of Ecosystem Services (WAVES) programme, as well as the ongoing family of Human Development indices and indicator tables, including the Multi-Dimensional Poverty Index;

(e) WHO has been working to develop health-relevant indicators for the SDGs and exploring mechanisms of linkages with the post-2015 development process;

(f) The EEA annual environmental indicator report for 2012, *Ecosystem Resilience and Resource Efficiency in a Green Economy in Europe*,¹⁶ presents established indicators that illustrate progress towards improving resource efficiency, as well as indicators that depict the risk of passing environmental thresholds, illustrated for six environmental themes. The 2013 indicator report expands the analysis undertaken in 2012 by describing the corresponding resource use patterns and analyses them in terms of impacts on the environment and human health and well-being. This report will be published in the autumn of 2013;

(g) In mid-2013, building on its Environmental Indicator Report 2012, EEA released a more detailed overview of the key objectives and targets of European Union environmental policies and legislation for the period 2010–2050 (climate change, waste, energy, water, etc.);¹⁷

(h) The WHO Regional Office for Europe and ECE have been working within the framework of the Transport, Health and Environment Pan-European Programme (THE PEP) on developing methodological approaches to the quantification of jobs creation potential from transport policies that promote cycling, walking and public transport. The methodology is being based on case studies in Austria, France, Germany, Spain, the United Kingdom and the United States of America, which indicate that promoting cycling, walking and public transport may in fact lead to the creation of a relatively high number of new “green and healthy jobs”;

(i) ILO in its Green Jobs Programme has developed and is applying analytical tools and indicators to assess the employment and income implications of promoting a greener economy at the enterprise, sector and national levels. These can feed into and

¹⁵ April 2013. Available from <http://www.greengrowthknowledge.org/Pages/Reports.aspx>.

¹⁶ Jock Martin et al. (Copenhagen, EEA, 2012). Available from <http://www.eea.europa.eu/publications/environmental-indicator-report-2012/environmental-indicator-report-2012-ecosystem>.

¹⁷ *Towards a green economy in Europe — EU environmental policy targets and objectives 2010–2050*, EEA Report No. 8/2013 (Copenhagen, EEA, 2013). Available from <http://www.eea.europa.eu/publications/towards-a-green-economy-in-europe>.

inform the development of national action plans on employment- and labour market-related policies and measures, covering productive work, sustainable enterprises, just transitions and social protection. They can help target labour market instruments to youth and vulnerable groups;

(j) UNIDO has developed “Green Industry” strategies, national eco-efficiency profiles and Green Industry policy packages, and initiated a series of country status reports on resource use to serve as a baseline for monitoring progress. This work is focused on enabling developing countries to achieve equitable economic growth by creating conditions that allow industries to significantly reduce pollution and resource use, while continuing to provide goods and decent employment.

C. Activities supporting knowledge building and implementation

18. International organizations offer capacity-building activities to developing countries and to those with economies in transition to show the benefits of using specific instruments, explaining how they work and what it takes to implement them. For example:

(a) Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine participate in the Greening Economies in the European Union’s Eastern Partnership (EaP Green) project, which is sponsored by the European Union, the Netherlands, Norway and Switzerland, and is jointly managed by OECD, ECE, UNEP and UNIDO. Through the project the participating countries will:

(i) Mainstream sustainable consumption and production into national development plans, legislation and regulatory frameworks;

(ii) Enhance the application of strategic environmental assessments and environmental impact assessments, and achieve a shift to a green economy in a number of economic sectors through demonstration activities.

By the end of 2016, the countries should, in particular, have developed sustainable consumption and production concepts or strategies, have a good understanding of the application of green growth indicators and the integration of strategic environmental assessment in their national legal frameworks, have identified opportunities for reducing harmful subsidies, have started introducing incentives for greener products and production processes and have implemented demonstration activities, e.g., in sustainable public procurement, organic agriculture or resource-efficient and cleaner production;

(b) Pan-European countries, especially those of Eastern and South-Eastern Europe, the Caucasus and Central Asia, receive capacity-building assistance on the application of the ECE multilateral environmental agreements (MEAs). These agreements provide the framework for introducing important environmental norms, standards and limits that are crucial in the context of the transition to a green economy;

(c) Albania, Bosnia and Herzegovina, Croatia, Kazakhstan, Kosovo (administered territory under Security Council resolution 1244 (1999)), the Republic of Moldova, Turkmenistan and Uzbekistan received support from the UNDP regional centre in Bratislava in the elaboration of a number of low-emission development strategies;

(d) Armenia, Kyrgyzstan and Tajikistan are receiving support within the framework of the UNDP-UNEP Poverty-Environment Initiative to integrate poverty and environmental concerns into national and subnational policy, planning and budget frameworks;

(e) The Central Asian countries participated in the Green Economy Joint Programme offered by UNDP together with UNEP and other agencies and funded by the

Netherlands aimed at facilitating global and regional dialogues on green economy approaches by building the technical capacities of government policymakers;

(f) A global Partnership for Action on Green Economy (PAGE), led by UNEP, jointly with ILO, UNIDO and United Nations Institute for Training and Research (UNITAR), has been forged in order to respond to the Rio+20 declaration and growing demands from countries seeking to develop and implement national green strategies. PAGE offers countries a full range of integrated services and tools to raise social awareness, provide training, and foster policy development and implementation, as well as knowledge sharing and policy dialogue. PAGE will assist around 30 countries globally including countries in transition from the pan-European region;

(g) ECE, in partnership with EEA and in cooperation with secretariats of MEAs, Eurostat, UNEP, the United Nations Statistics Division, WHO and the International Energy Agency, is building the capacities of countries in Eastern Europe, the Caucasus and Central Asia to regularly publish internationally agreed environmental indicators and indicator-based environmental assessments;

(h) UNEP and ILO jointly hosted a series of policy dialogues on youth employment and green economy with the participation of governments, the United Nations, trade unions, youth, business and other groups;

(i) UNEP also supported the subregions through collaboration with the Adriatic and Ionian Initiative and the Organization of the Black Sea Economic Cooperation to foster policy dialogue for green economy;

(j) WHO has developed a variety of training opportunities and initiatives in the areas of climate change, transport, chemicals air pollution and health impact assessment;

(k) The United Nations Educational, Scientific and Cultural Organization (UNESCO), through its Regional Bureau for Science and Culture in Europe, provides activities for countries of Eastern and South-Eastern Europe, the Black Sea region and the Caucasus to introduce biosphere reserves as model areas to design and test “green” systems of production and consumption at various levels and extents. These activities also foresee strengthening legal, institutional and human capacity to facilitate the transition to a green economy and applying it practice.

D. Activities showcasing training and development of skills

19. Various activities showcasing training and the development of skills relevant to sustainable development and transition to green economies target the countries of the pan-European region, such as:

(a) The ECE Strategy for Education for Sustainable Development. This process, implemented jointly with UNESCO, assists countries in elaborating and implementing the necessary education curricula in support of sustainable development and green economy;

(b) ILO works, in cooperation with other partners, on the development of green skills and supports the efforts of countries to improve the employability of workers, the productivity of enterprises and the inclusiveness of economic growth. This work shows how critical the development of skills is to unlock the employment potential of greener economies. It also shows how to do green restructuring, how to introduce new green occupations and how to green existing jobs;

(c) The joint UNEP/UNESCO YouthXchange Initiative has developed the *Green Skills and Lifestyles Guidebook*¹⁸ to better prepare young people for future decent and green jobs. UNEP has also organized a series of capacity-building workshops in the pan-European region on green economy, youth employment and green skills;

(d) UNITAR developed, in cooperation with UNEP, the interactive e-Learning Course: Introduction to a Green Economy — Concepts and Applications.¹⁹ The objective is to teach participants about different concepts and facets of the green economy, as well as global, national and sector-specific challenges and opportunities to advance low-carbon, resource-efficient and socially inclusive development. Additionally, participants are supported in developing basic skills for applying the green economy concept in a real world economic, policy and/or personal context.

II. Challenges and lessons learned

20. There are a number of lessons learned and related challenges that need to be addressed further in order to improve the effectiveness of efforts to transition to a green economy. A few of the more general lessons learned and relevant challenges for the whole pan-European region include:

(a) Bold approaches might be difficult to implement for many countries in the region during an economic downturn;

(b) Not enough good practices and knowledge are available and shared in the region on green economy (partially because the approach is still relatively new);

(c) An integrated approach to governance — allowing implementation of policies across sectors, institutions and stakeholders at all levels — is key to greening economies;

(d) Green economy assessments, including assessment of the social dimension and potential effects on employment, can be an initial low-risk step to identify immediate, relatively easy actions (low hanging fruit) that could start the just transition;

(e) The monitoring of progress is important in the transition to green economy; strengthening of data collection and compilation efforts, as well as development of a core set of green economy indicators, can be vital in this context;

(f) Enabling conditions put in place by Governments go hand in hand with increased private sector investments in greening economic sectors.

21. In times of economic crisis and growing unemployment, Governments are confronted with the need to urgently find ways to foster economic recovery and job creation. However, some short-term solutions, introduced due to time pressures, may not be in line with longer-term considerations of sustainable development. They may disregard environmental priorities and, in fact, worsen long-term prospects for development and growth.

22. Even if bold and ambitious policies could deliver the solutions needed — i.e., support to economic recovery, creation of jobs and increase of well-being while further decreasing environmental degradation and social inequalities — the knowledge gaps and

¹⁸ This brochure is available from <http://www.unep.org/resourceefficiency/Consumption/EducationLifestylesandYouth/YouthXchange/Publications/tabid/101311/Default.aspx>.

¹⁹ Available from <http://www.unitar.org/event/unitarunep-e-learning-course-introduction-green-economy-concepts-and-applications-2nd-edition>.

lack or limited number of shared proven successful cases on the application of new policies may prevent Governments from taking the risk to choose such policies.

23. There are only a few countries in the pan-European region that are considering setting specific national green economy goals and targets (e.g., Kazakhstan and Kyrgyzstan). Some countries, however, use specific thematic targets, such as greenhouse gas emission reduction targets or energy-efficiency and renewable energy targets, as ways to undertake a green economy transition.

24. The ECE Green Economy Toolbox (see para. 15 (e) above), which contains guides, guidelines, studies, methodologies and manuals, and an explanation on how to use them to enable a green economy transition, is currently a single-party platform. GGKP, as mentioned earlier, is also serving as a hub for creation and dissemination of knowledge on green economy and green growth. It is, however, only in its initial stages of development. The challenge of knowledge gaps and the lack or limited number of shared proven success cases needs therefore to be tackled further.

25. The demand for cutting-edge, peer-reviewed research, including macroeconomic modelling, investments and employment scenarios, needs to be met. In addition, data collection efforts should be strengthened to support sound country-specific research and modelling work. There is a need for guidance containing cases of application of the research solutions and tools helping the green economy transition, including on an integrated approach to governance.

26. Resources are necessary to tackle the challenge of creating or expanding the knowledge platform, setting up a network of centres of excellence or multiparty toolboxes. These are necessary to build on the various activities of international organizations in support of the exchange of good practice among countries and to foster multi-stakeholder dialogues and consultations for strengthening the transition to a green economy.

27. There are also lessons learned and challenges specifically relevant to pan-European countries with economies in transition. Among them are:

(a) International assistance to explain and assist in the implementation of available instruments for the transition to a green economy is essential for stimulating and ensuring policy reform, including assistance on the application of existing international MEAs relevant for the transition;

(b) Improved cooperation and coordination between line ministries with common objectives is a key to achieving transition results;

(c) Policymaking, regulations and incentives need to make small and medium enterprises (SMEs) green.

28. Despite progress achieved in establishing the institutional and legal basis for integrating economic, environmental and social objectives, some key policies and instruments, including those to implement MEAs, often remain underdeveloped or only declarative in countries with economies in transition. Also, intersectoral and interministerial cooperation and coordination can be rather weak. In addition, access to financial resources is limited and private sector investments are suppressed by underdeveloped markets and insufficient incentives. The current economic downturn exacerbating the unavailability of resources in those countries does not help policy reform efforts.

29. Another challenge is to make SMEs green in these countries. While they are the engine for development in every economy, the environmental footprint of SMEs, even if low individually, can become considerable when aggregated if regulations do not foster their green development and provide opportunities for the SMEs to evolve. Capacity-building, training and knowledge sharing in this field is therefore necessary.

30. International organizations, according to their mandates, should provide support to eliminate knowledge gaps and to strengthening good practice and knowledge exchange. They should, in particular for countries with economies in transition, pursue offering assistance to improve governance and to implement available instruments for the green economy transition.

31. At the same time, especially in times of crisis and scarce resources, every effort needs to be made to ensure that the provision of support to these countries' green economy transition by different organizations, donors and financial institutions, is complementary rather than on parallel tracks. Efforts are already being made by international organizations in this regard, and they are working with their member States to improve coordination and ensure coherence of their activities.

32. Nonetheless, due to the intersectoral and interdisciplinary nature of a green economy and the multitude of organizations with different geographical and thematic scopes, it may not be possible to avoid parallel tracks of work completely. This could, however, be considerably decreased and activities could be better adjusted and more focused if a regional platform for collaboration for the transition to green economy, with common priorities established through discussions with governments, could be put in place.

III. Further steps

33. In the context of sustainable development and poverty eradication, the green economy paradigm — one which would improve human well-being, facilitate the delivery of economic growth and job creation in the medium and long term and help decouple growth from environmental damage and social inequalities — should be put in place.

34. In line with the commitment undertaken by ministers at the Seventh “Environment for Europe” Conference in Astana, the pan-European region, with the support of international organizations, can and should lead the green economy transition.

35. As part of the initial steps to support pan-European countries' progress in this transition, further support or expansion of the work of GGKP, or of a similar complementary knowledge mechanism, could be considered in the pan-European region. In addition, a multiparty green economy toolbox could be created, building on ECE experience in developing a single party toolbox and also taking into account the decision of the eighteenth Senior Officials Meeting of the UNEP Environmental Management Group, calling upon the Issue Management Group on Green Economy to provide an overview of existing green economy resources and platforms, to catalogue their content in order to guide stakeholders on how and when to use which toolkit/knowledge product and to make that knowledge widely accessible by reaching out to policymakers, experts and practitioners.²⁰

36. At the same time, identification of priorities and guidance on a green economy transition, could support and accelerate the transition in the region. This would, however, require that modalities for establishing the priorities and guidance, including their regional scope and reasonable implementation periods, are agreed. The establishment of the priorities and guidance could follow the global discussion on the SDGs.

37. While there may be many and different priorities and guidance for the green economy transition in the pan-European region, certain areas may merit more attention and more urgent actions than others. Among them, pan-European countries may choose to focus on policies that would:

²⁰ See report of the meeting (EMG/SOM.18/06), action III.

- (a) Lead to enhancing employment creation and the resilience of existing jobs, which should be productive, decent and inclusive;
- (b) Ensure sustainable consumption and production through education for sustainable development, as well as through training and skills development for the requirements of the green economy markets;
- (c) Reinforce sustainable consumption and production schemes by further advancing efficient use of natural resources and energy, the sustainable use of renewables, applying the principle of “Reduce, Reuse and Recycle”, the abatement of pollution, the phasing out of hazardous chemicals, etc.;
- (d) Ensure significant reduction of environmental risks by proactive risk management;
- (e) Foster sustainable products and services: organic agricultural products, energy- and resource-efficient housing and transport, energy- and resource-efficient appliances, etc.;
- (f) Provide physical and social infrastructure for sustainable life styles;
- (g) Foster equality between generations, genders and countries;
- (h) Help further improve governance through an integrated approach and further strengthen capacity for implementation (relevant for countries with economies in transition);
- (i) Promote solutions that have a triple-win effect for health, social and environmental development.

IV. Questions for discussion

38. CEP, taking into account the information provided in this report, may wish to recommend a set of actions to the pan-European member States to promote and escalate the transition towards an inclusive, resource-efficient green economy.

39. CEP members may wish to consider the following questions for exploring value added actions that could assist in the transition to green economy in the pan-European region:

- (a) What are/could be priority areas of work and guidance for green economy in the pan-European region? Would they be useful in escalating the transition?;
- (b) What should be the modalities for establishing the priorities and guidance for green economy in the pan-European region?;
- (c) What should be the regional scope for the priorities and guidance and their reasonable implementation periods?;
- (d) What are the existing resources and capacities available in the pan-European region to advance needed actions towards an inclusive, resource-efficient green economy in the pan-European region?;
- (e) What are the legal and regulatory requirements, knowledge gaps, needs for skills’ upgrading, technology and research to advance the necessary actions towards an inclusive, resource-efficient green economy in the pan-European region?;
- (f) What type of effective partnerships would CEP suggest need to be set up in the region in order to discuss practical, value added actions necessary to escalate the transition to a green economy?

40. At the conclusion of the discussion, CEP may wish to invite UNEP and ECE, in collaboration with other intergovernmental organizations, and in consultation with various stakeholders, including ministries, business and civil society, to take the lead in studying options for priorities and guidance for the pan-European region for a green economy, taking into account the recommendations of CEP at the end of the meeting, and ask them to report back to CEP.
