

F. Finance and Economic Transformations

Sheila Aggarwal-Khan
Director, Industry and Economy Division
sheila.aggarwal-khan@un.org

A. Background: Finance and Economic Transformations

Objective

To transform the finance and economy-wide drivers of unsustainable consumption and production, so that growth of income and job is driven by policies and investments that aim to address the triple planetary crisis and socioeconomic inequalities.

Sector Focus

High Impacts Sectors and cross-sectoral upstream macroeconomic and finance sectors.

Work areas

Sustainable Economies enabling just transitions: *Shift economy-wide policies through systems thinking to reflect the full cost of human activities on the environment.*

Sustainable Finance: *Align public and private finance to policy priorities and sustainability objectives embedded in the 2030 Agenda and Paris Agreement.*

Accelerating SCP and Circularity: *Transform decision-making, choices and behaviour by government, businesses and individual consumers to enhance environmental sustainability.*

PoW 2025 Outcome(s)

Climate: 1A - *Decision makers at all levels adopt decarbonization, dematerialization, [detoxication?] and resilience pathways.*

Nature: 2A - *An economically and socially sustainable pathway for halting and reversing the loss of biodiversity and ecosystem integrity is established.*

Pollution: 3A - *Human health and environmental outcomes are optimized through enhanced capacity and leadership in the sound management of chemicals and waste.*

B. Results: Finance and Economic Transformations



Sustainable Economies enabling just transitions

Influencing: Uptake of evidence-based policy advocacy

The UN Environment Assembly adopted Resolution 5/9, promoting sustainable and resilient infrastructure using the International Good Practice Principles.

UNEP continued support through PAGE to 22 countries, including to Kazakhstan on Carbon Neutrality Strategy 2060, Argentina on Just Transition planning, and Thailand on Green Recovery from COVID-19.

UNEP, PREVENT Waste Alliance, OECD, WWF and EMF launched a global one-stop-shop for Extended Producer Responsibility (EPR) in September 2022.

Enabling: Generation and dissemination of knowledge and science

UNEP published the 2022 Sustainable Public Procurement Global Review and Factsheets on Sustainable Public Procurement in National Governments.

2023 Green Economy Progress Measurement Framework for assessing the impact of global crises on the transition to an Inclusive Green Economy with Cambridge Econometrics.

Direct Support: Technical advisory services, Institutional Strengthening and Capacity Development

Training on macroeconomic modeling delivered to RCO economists from 80 countries under PAGE.

Regional capacity building and stakeholder consultations in LAC, Asia and Africa on sustainable trade.

UNEP, with Oxford University, initiated support to Cambodia's Ministry of Economy and Finance to integrate sustainable budgeting and green finance into the country's recovery strategy.

B. Results: Finance and Economic Transformations

Sustainable Finance

Influencing: Uptake of evidence-based policy advocacy

The Net Zero Asset Owner Alliance has launched several position papers advocating for policies to align economic activities with net-zero greenhouse gas emissions by 2050, including a paper calling for policymakers to implement ambitious carbon pricing mechanisms (June 2022).

Enabling: Generation and dissemination of knowledge and science

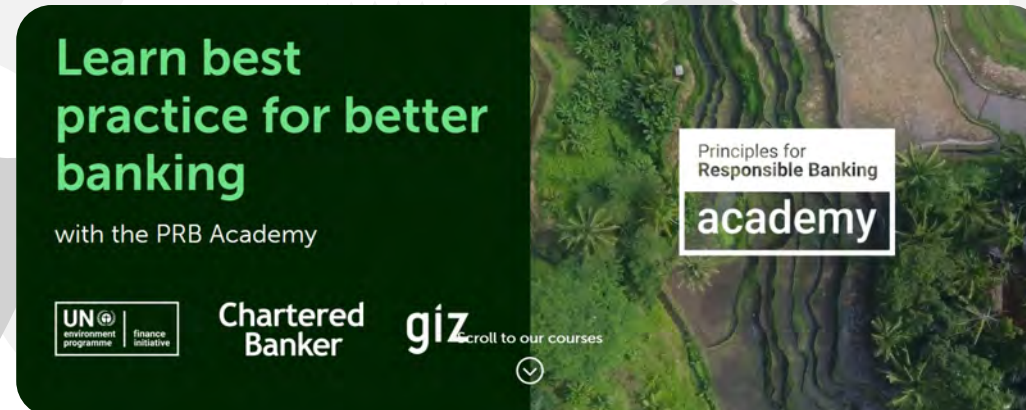
Principles for Responsible Banking and Principles for Sustainable Insurance informed the alignment of private finance with the Kunming-Montreal Global Biodiversity Framework and UN Paris Agreement by providing climate and nature knowledge resources.

The Net-Zero Banking Alliance progress Report published with the support of UNEP-FI.



Direct Support: Technical advisory services, Institutional Strengthening and Capacity Development

The launch of the PRB Academy to develop sustainability knowledge across the banking industry (October 2022).



B. Results: Finance and Economic Transformations

Accelerating SCP and Circularity

Influencing: Uptake of evidence-based policy advocacy

- The G7 Berlin Roadmap on Resource Efficiency and Circular Economy recalled the findings of UNEP's Global Resources Outlook 2019; call to foster and intensify the work of the G7 on resource efficiency and circular economy.
- The G20 Chair's Summary on the Joint Environment and Climate Ministers' Meeting (JECMM) of August 2022: rely on science-based inputs from UNEP and invited to continue research and analysis on material and natural resource use and their impacts.

Direct Support: Technical advisory services, Institutional Strengthening and Capacity Development

- Capacity development to 25 countries and over 250 stakeholders on SDG12.3 to reduce food waste.
- Cooperation and knowledge generation events on financial mechanisms for circular economy, through circular economy platforms in LAC and Africa.
- Capacity development to over 100 young people on green jobs.
- Training to over 1,000 people on science base knowledge on sustainable lifestyles.

Enabling: Generation and dissemination of knowledge and science

- The Global Strategy for Sustainable Consumption and Production 2023-2030 was published.
- A report on the Role of Youth in Sustainable Consumption and Production (SCP) was also published.



C. Opportunities and Risk: Finance and Economic Transformations

Opportunities

- With an unprecedented polycrisis, countries are asking for advice on policies, finance and investments that create wealth and jobs while making their economies more competitive and resilient.
- The programmatic approach enables UNEP to offer a package of support comprising institutional capacity building, analytics, and advice on policies and finance to transform high impacts sectors.
- G20 presidency is held by countries where UNEP has strong engagement, i.e., Brazil, India, Indonesia and South Africa.
- Opportunities to engage large scale investors and sovereign debt buyers to raise incentives for Member States to use tools like the SBA and attract more long-term capital to support national sustainable recovery goals/efforts.



Risks

- Continuing with "end of pipe treatments" and overlooking the root causes, the enabling environment and "rules of the game" that continue to favour status quo.
- Increasing inequalities, coupled with unprecedented power and market concentration, blocking any major fiscal reforms and threatening the social order and ecological foundations of economy.
- Greenwashing, especially in finance and high impact sector.
- Disconnect between MTS/PoW ambition vs. scale and timing that are attached to funding for delivery.

D. Lessons Learned: Finance and Economic Transformations

Tailor Engagement Strategies

Maintaining effective communication and collaboration with policymakers is a crucial element to develop projects and activities that resonate with the country's leadership and stakeholders.

Local Ownership

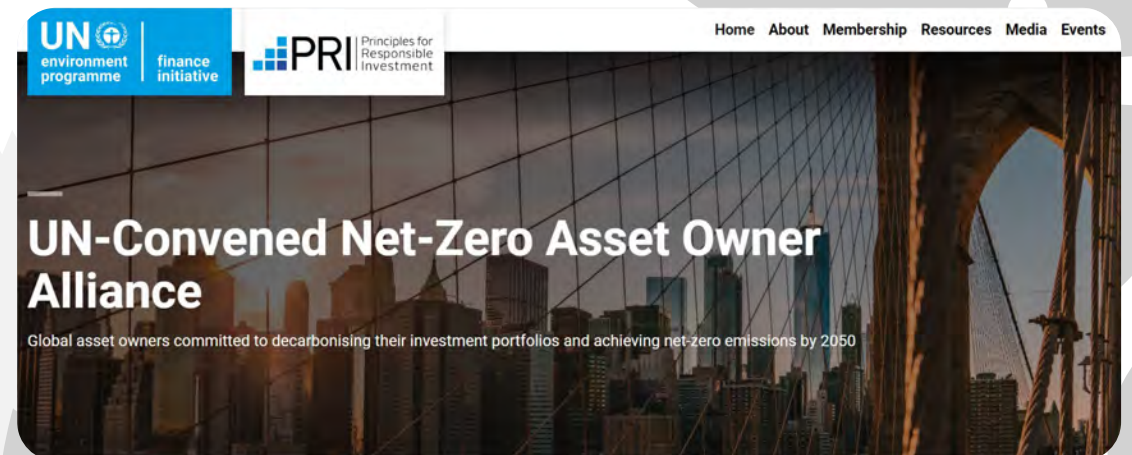
Collaboration with national governments and institutions help to build a sense of ownership and commitment, enhancing the sustainability of project's results.

Flexibility and Adaptability

Political and economic conditions change rapidly in a context of a multiple crisis. Projects need to be prepared to adapt activities and approaches in response to evolving circumstances, both nationally and globally.

Work effectively with UN Reforms and partners

Partnerships with a wide range of stakeholders, including UN Resident Coordinators (UNRCs), local government agencies, private sector actors, civil society organizations, and academia institutions help to build a sense of ownership and commitment enhancing the sustainability of interventions e.g., PAGE experience with the Green Team.



E. Looking Ahead: Finance and Economic Transformations

Leverage the programmatic delivery to collectively prioritize key enabling factors for a green and circular economy and for joint planning and delivery mechanisms to accelerate the transformation at global, regional and national level.

Strengthen partnerships with other UN agencies, development banks and think tanks.

Continue to focus on informing and influencing global public and policy debates including at G20, HLPF, COPs etc.

Find innovative ways to build on PAGE's engagement with 22 partner countries on FET and of other projects.

Mainstream FET across the UN system's planning and programming, including training the UN Economists in UNRC Offices.

Develop integrated solutions for inter-linked debt, development and triple planetary crises, as part of the GEF Net Zero Nature Positive project.

Develop joint strong communication and advocacy strategies to inspire a global public behavioral shift towards FET taking advantage of the established networks of multiple projects.



Thank you

Sheila Aggarwal-Khan
Director, Industry and Economy Division
sheila.aggarwal-khan@un.org

www.unep.org

G. Digital Transformation

Sally Radwan
Chief Digital Officer
golestan.radwan@un.org

A. Background: Digital Transformation

UNEP has a bold vision for digital transformation involving three core strategic objectives



1. Catalyse new data, analytics & insights on the health of the planet

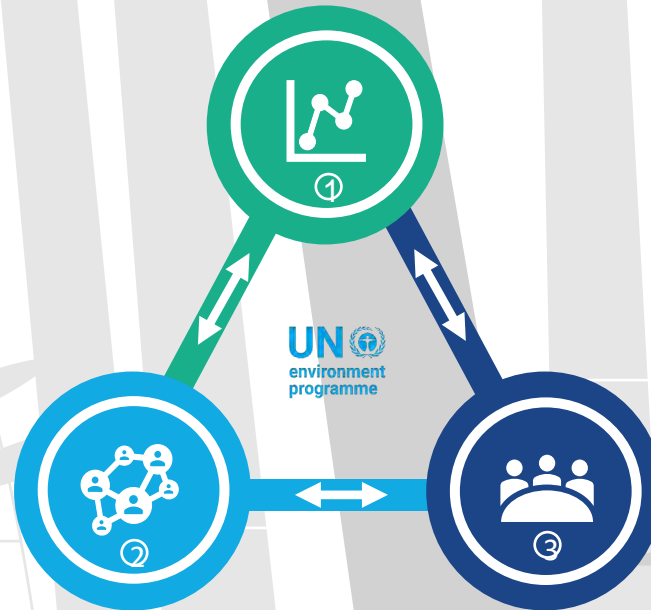
To monitor trends, commitments and solutions for the Triple Planetary Crisis, including new data governance frameworks.

2. Convene new multi-stakeholder digital sustainability partnerships

To drive sustainability outcomes through digital channels in three areas: markets, supply chains & consumer behaviors.

3. Strengthen national capacity on digital literacy and innovation

To help governments harness digital tools and innovations to achieve national SDG and MEA goals.



A. Background: Digital Transformation

UNEP's Digital Transformation programme works through three impact pathways

1. Direct

To directly deliver the digital tools, frameworks, products and services that we are uniquely placed to offer.

3. Influencing

Creating new digital sustainability norms and standards within different sectors through private sector coalitions and partnerships.

2. Enabling

To enable other UNEP sub-programmes and member states to harness data and digital technologies to speed and scale solutions to the triple planetary crisis through new standards, policies, best practices, capacity building and use cases.



B. Results: Digital Transformation

2022-2023 Results in the different impact pathways

Direct

12,000 participants

World Environment Situation Room

Proof of concept developed, with dashboards for 39 countries

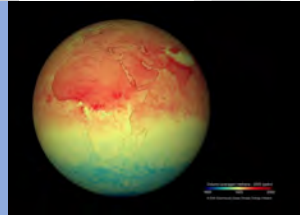


Convened 1,300 stakeholders and co-defined 9 digital sustainable priorities and impact initiatives



Enabling

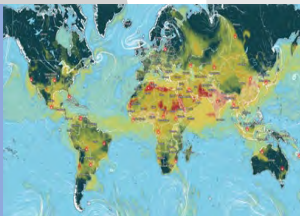
International Methane Emissions Observatory: daily measurement of methane emissions coupled with alerts



UN Biodiversity Lab: 400 best available data layers, 61 countries accessing data, support for national reporting



IQ Air Platform: Co-design of low-cost air sensors 25,000 network 50 million users



Influencing



Playing for the Planet: 40+ video game companies, 1.5 billion reach, green activations & decarbonization



E-Commerce: Co-developed Guidelines and 10 principles for Providing Product Sustainability Information in E-commerce



Global Digital Compact: Included information on digital sustainability within the SG's policy brief for the Global Digital Compact

C. Strategic Risk and Opportunities: Digital Transformation

Strategic Risks

- National strategies on digital transformation often silent on environmental risks and opportunities.
- UN faces difficulty moving as quickly as digital companies in the digital transformation space.
- Generative AI (large language models) have risks and opportunities for the environment that need further testing.
- Still limited access to quality data on the environmental impact of digital technologies (energy use, GHG emissions, e-waste).



Opportunities

- Major digital companies (e.g., cloud, e-commerce, video games, social media) keen to collaborate with UNEP on tech4good.
- Global Digital Compact is a key moment to call for sustainable digitalization and digitalization for sustainability.
- Coalition for Digital Environmental Sustainability (CODES) to shift from normative mode into delivery mode.
- Data for the Environment Alliance (DEAL) to focus on supporting UNEA 4/23 – Global Environment Data Strategy by 2025.

D. Lessons Learned and Changes Made: Digital Transformation

Lessons Learned

- First proof of concept for the World Environment Situation Room was not completely fit for purpose for UN Country Teams and Member states.
- In many cases, the best environmental data for a use case is difficult to discover, share and verify quality.
- Within national digital transformation strategies, the emphasis is on greening data centers – rather than enabling sustainability through digital public infrastructure.



Changes Made

- Technical Review of WESR backend being conducted to judge scalability.
- 2024 will focus on identification of additional use cases for WESR and focus on supporting UNCTs.
- UNEP to assess data governance frameworks that can enable discovery, interoperability, and quality control.
- Internal data and digital governance framework being established.
- Increased orientation by UNEP on digital public infrastructures to enable sustainability.

E. Looking Ahead: Digital Transformation

2024 emphasis will be on the implementation of UNEA Resolution 4/23 on the development of a Global Environmental Data Strategy by 2025.

UNEP will focus on the Environmental Data Impact Initiative of the CODES Action Plan for a Sustainable Planet in the Digital Age.

UNEP will showcase best practices in national strategies that address digital and environmental transformation.

Focus on the identification and validation of use cases for the World Environment Situation Room and needs for new data frameworks.

UNEP will continue to engage in the Global Digital Compact process, highlighting the need for digital sustainability.



Thank you

Sally Radwan
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golestan.radwan@un.org