

Finance and Economic Transformations

Global Risks Report 2023

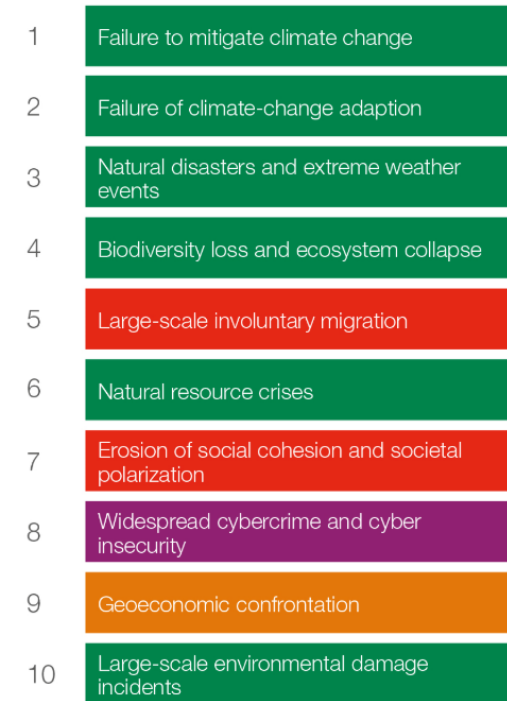
Top 10 Risks

“Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period”

2 years



10 years



Risk categories

■ Economic
 ■ Environmental
 ■ Geopolitical
 ■ Societal
 ■ Technological

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A. Background: Programme Direction

Programme Objective:

The long-term goal of the Finance and Economic Transformations Programme is to transform the finance and economy-wide drivers of unsustainable consumption and production to address the triple planetary crisis and support the attainment of the climate, nature, and pollution strategic objectives of the MTS 2022-2025.

Programme Outcomes:

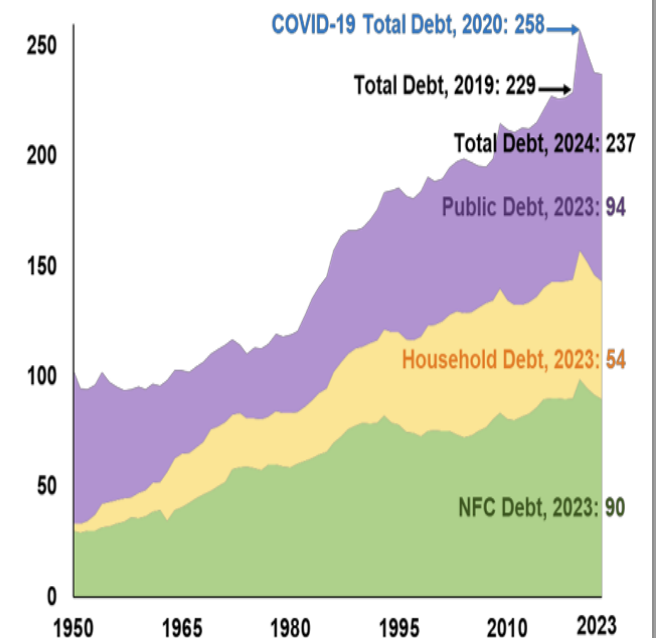
- Shift economy-wide policies through systems thinking to reflect the full cost of human activities on the environment.
- Align public and private finance to policy priorities and sustainability objectives embedded in the 2030 Agenda and Paris Agreement.
- Transform decision-making, choices and behaviour by government, businesses and individual consumers to enhance environmental sustainability.

Programme Outputs (key areas of work):

- Sustainable Economies enabling just transitions.
- Sustainable Finance.
- Accelerating SCP and Circularity.

2024 Global Debt Monitor

Figure 1. Global Public and Private Debt Evolution (Percent of GDP)



A. Background: Envisaged Impact and Strategic Coherence



Envisaged impact of programme:

- Enable policy, planning and regulatory shifts through macro-economic measurement, tools, instruments, including on fiscal and trade policy, and mainstreaming life cycle, value chain and circularity approaches.
- Catalyse and build the capacity of public and private stakeholders to enable a significant shift in sustainable finance and investment to support climate, nature, and pollution objectives.
- Accelerate the shift to SCP through positive demand and behavioural shifts by governments, businesses, and individuals.

Synergies with other programmes within MTS:

- The Programme coordinates finance and economy-wide interventions, complementing thematic subprogrammes (climate action, nature action, chemicals, and pollution action) and builds synergies with the activities in environmental governance, digital transformations, and science-policy subprogrammes.
- It synergistically works across UNEP divisions and regional offices, as well as with and through global and regional partnerships for higher impacts.



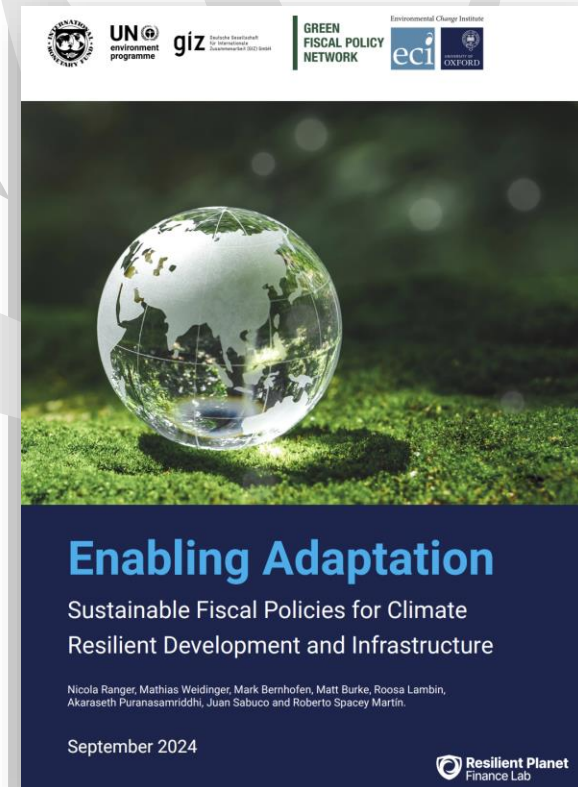
A. Background: Contribution to MTS and PoW

Contribution to MTS Outcomes (PoW 2025 Outcomes):

- **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.

Contribution to PoW Direct Outcomes:

- *Climate action: 1.2, 1.5, 1.8*
- *Nature action: 2.2, 2.6, 2.15*
- *Chemicals and pollution action: 3.12, 3.14*



B. Project Portfolio: Overview

Description of Project Portfolio:

- The programme provides policy advice, develops knowledge products, addresses capacity gaps and influences the global agenda, empowering countries to advance sustainable economies, support just transitions, promote sustainable finance, and accelerate SCP and Circularity.
- The programme has established a solid foundation for the adoption and integration of sustainability principles into both national and international economic policies.

Synergies to achieve programme objectives:

- The programme builds synergies and fosters collaboration across governments, multilateral entities, UN system-wide, industry and other non-state strategic partners to advance a fair, green and circular economic transformation.
- Through these efforts, the programme strengthens the integration of sustainability principles into economic policies, supporting just transitions and tackling the three environmental planetary crisis and socioeconomic inequalities.

Introducing the Sustainable Budgeting Approach

From the Smith School of Enterprise and the Environment, University of Oxford and the United Nations Environment Programme (UNEP).



B. Project Portfolio: Illustrative Examples

Public Finance:

UNEP's public finance workstream seeks to transform finance into a driver of sustainable development, ensuring that financial flows contribute positively to economic, environmental and social outcomes.

Strengthening Policies and Capacities for Green Jobs for Youth:

The project supports the implementation of the Green Jobs for Youth Pact in selected countries with a focus on strengthening the capacity and promoting dialogue among relevant stakeholders.



Partnership for Action on Green Economy (PAGE):

PAGE puts sustainability at the heart of economic policymaking for a shift in finance and investment towards a just, circular, and green economic transformation. It brings together five UN agencies; UNEP, UNDP, ILO, UNIDO, and UNITAR.

Enhancing capacity for sustainable infrastructure planning and finance:

The project builds countries' capacity to integrate sustainability and resilience into infrastructure planning and improve the enabling policy environment for sustainable infrastructure finance.

C. Results Achieved: Sustainable Economies and enabling just transitions

A. Responding to country requests

- Kazakhstan: Public Procurement Law aligned
- Brazil: Catalysed Brazil's leadership in bioeconomy transformation and informed the Ecological Transformation Plan.
- Costa Rica: Inspired the launch of the Public Procurement National Plan.

B. Filling the knowledge gaps

- Produced Decent Work in Nature-based Solutions 2024 report.
- Assessed impacts of electric vehicle adoption on Indonesia's Green Economy Index.

C. Filling the capacity gaps

- Produced Sustainability Report for SMEs in Argentina.
- Delivered Green Skills and Jobs Development Workshop in Kenya.



C. Results Achieved: Sustainable finance

A. Responding to country requests

- Delivered technical guidance to 93 ministries of finance.
- Launched Common Framework for Sustainable Finance Taxonomies for LAC countries.
- Guatemala: Informed fiscal reforms and advanced Sustainable Public Procurement.

B. Filling the knowledge gaps

- Developed Policy Briefs for ministries of finance.
- Published high-impact newsletters and briefs.

C. Filling the capacity gaps

- Catalysed dialogue on green fiscal policy in Guatemala.



C. Results Achieved: Accelerating SCP and Circularity

A. Responding to country requests

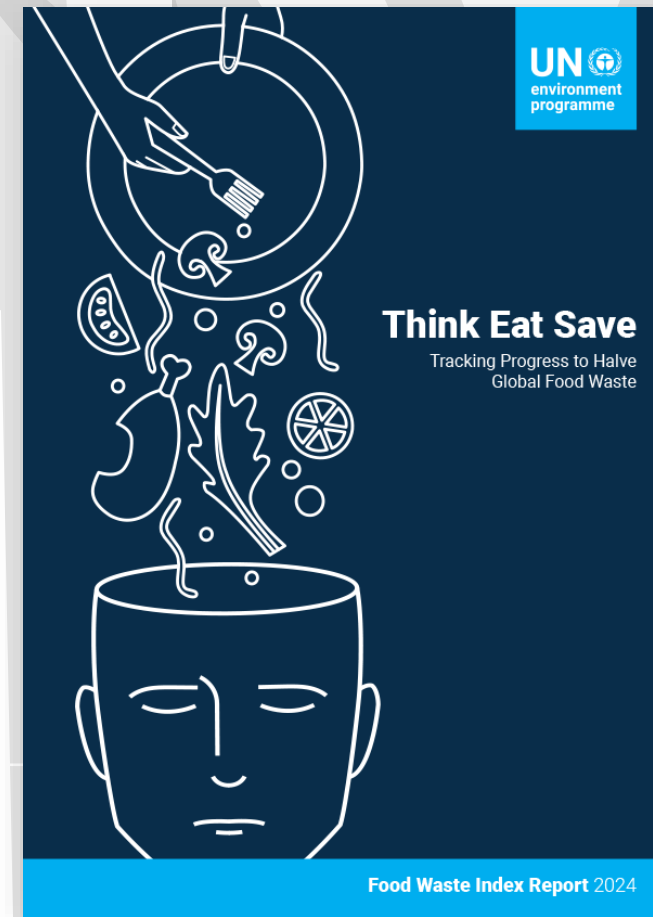
- Supported Brazil's Circular Economy National Strategy.
- Advanced Seychelles' Circular Economy Roadmap.

B. Filling the knowledge gaps

- Created a Circular Economy Knowledge Taxonomy.
- Launched Food Waste Index Report 2024.

C. Filling the capacity gaps

- Developed a regional network of institutions to advance CE in Africa.
- Helped establish Regional Circular Economy Coalition in Western Asia (RESCUE Initiative).



D. Lessons Learned and Changes Made

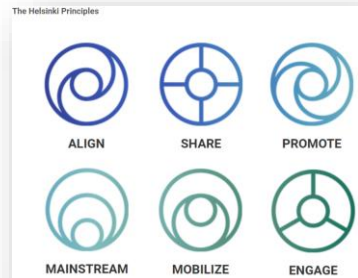
Lessons Learned

- **Effective Multi-Stakeholder Engagement:** Building partnerships with a wide range of stakeholders (policymakers, UNRCs, local governments, private sector, civil society, academia) while ensuring strong, ongoing communication and collaboration.
- **Building Institutional Capacity and Tailored Solutions:** Strengthening national institutions in analytics and policy development, while also creating customized pathways for sustainable economic growth and finance.
- **Flexibility and Adaptability:** be prepared to adapt activities and approaches in response to evolving circumstances, both nationally and globally.
- **Whole-of-Government Coordination:** Promoting collaboration across ministries to ensure effective policy implementation and coordination.

Changes Made

- Ongoing consultations with policymakers and relevant stakeholders to and ensure alignment with national priorities.
- Strengthen local institutions with targeted capacity-building programs while ensuring solutions are customized to the local context.
- Allow for regular reviews and adjustments to activities and approaches in response to changing national and global circumstances.
- Inter-ministerial collaboration for better coordination ensuring a unified approach to policymaking.

E. Shaping the global agenda



Two regional meetings of the Coalition of Finance Ministers for Climate Action: Africa and Asia-Pacific

Two ministerial meetings (12th and 13th) of Coalition of Finance Ministers plus a Climate Action Statement

WTO's 13th Ministerial Conference (MC13) and Fifth edition of the WTO Trade and Environment Week

Agricultural Subsidy Reform Campaign at COP16

Trade Day and Finance Day at COP16

LAC Circular Economy Festival

Bogotá Declaration 2024: Towards a circular, biodiverse, fair and inclusive economy in LAC

UNEP FI Global Round Table

One Planet Network Forum in Rio - session on Public and Private Financing for a Just Transition to SCP

F. Way Forward

Support Ministries of Finance, Economy, and Trade in developing and implementing NDCs, NBSAPs, Chemicals Management Plans, and Pollution Action Plans.

Stronger collaboration with Coalitions to mobilise public and private finance.

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

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.

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

Strengthen partnerships with other UN agencies, Development Banks and Think tanks.

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.

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.

Thank you

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