Policies on Trade, Finance and Technology to promote SCP and build a Green Economy

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Integrating Policies

Long-standing work on policies to support SCP – GE

- Domestic and international
- Developing country focus
- Trade, finance, technology & innovation, economic instruments, regulations

- Generally examined in isolated setting
- Focus on integration and package that enables investment (MP – GE)
Trade Policies

• Trade is a powerful tool for economic growth and diffusion of technology

• Liberalization on fair terms for developing countries, including trade facilitation and trade financing

• Agreement on reducing environmentally harmful subsidies
  – Fisheries ($15-35 billion)

• Removal of trade barriers to green goods and services (not setting up new ones)
  – Border measures
Trade Policies

• Trade policies now includes/overlaps with trade-related policies, particularly IPRs, standards

• Standards can be intentional barriers to trade or also unintentionally become barriers to trade especially for developing country producers
  – WTO treatment of production and process methods – but not for protectionist means

• IPRs (TRIPS): either flexibility and exceptions, or support for access on favourable terms

• Investment agreements (bilateral and multilateral): tool for green investment
Technology & Innovation Policies

• Access to new technologies for SCP
  – IPRs (Tools to understand barriers – OECD-EPO-UNEP)
  – Financing
  – Capacity building and soft technology transfer

• Development of appropriate technologies for developing countries
  – Collaborative arrangements (eg. South-South)
  – R&D support
Finance Policies

• Sustainable finance: Public and Private (UNEP Finance Initiative)

• Emphasis on improving the functioning of the sector to scale up sustainable finance and responsible investment (e.g. PRI)
  – Financial inclusion of 2 billion at bottom of pyramid

• Analysis of systemic risk – externalities in finance and externalities in regular markets

• New sources of green finance (e.g. green bonds) -> what is necessary to increase amount of financing available to developing countries
Challenges

• In areas of trade, technology and finance - there is a need for coordinated frameworks among developing countries

• Policy guidance tailored to specific & regions
  – GE Advisory Services
  – Further studies & collaboration
  – Capacity building (Example of Trade & Biodiversity Initiative)