

## UN Environment Management Group Nexus Dialogues

*Addressing COVID-19 for the Environment:*

*A 3-Part Virtual Nexus Dialogue Series*

**Defining Green Recovery (27 April 2021)**

**Financing Green Recovery (4 May 2021)**

**Regional Nexus Approaches to Building Back Better (15 June 2021)**

Virtual Series

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### Outcome Document

Inger Anderson, Executive Director of the United Nations Environment Programme (UNEP), has called the COVID-19 pandemic a warning from the planet. The three planetary crises – the climate crisis, the biodiversity and nature crisis, and the pollution and waste crisis – that threaten our collective future year ([UNEP](#)), has been compounded by devastating impacts on the economy, widening the inequalities within- and between- countries<sup>1</sup> and pushing over 100 million people below extreme poverty ([World Bank](#)).

However, stimulus packages and recovery responses to the COVID-19 crisis provide a massive opportunity to not simply reset the world economy, but to transform it. “COVID recovery and our planet’s repair can be two sides of the same coin”, UN Secretary General António Guterres urged in December 2020 ([UN](#)).

Given unprecedented amounts of public money injected into the economy – compared to 2008 ([UNCTAD](#)) – the decisions and policy steps taken now will affect the global economy and shape societies for decades. It is vital for countries to build back better, by accounting for nature and institutionalizing a sustainability agenda. A “green recovery” could cut 25% of 2030 emissions, in pursuit of the Paris Agreement ([UNEP](#)).

Against this background, the UN EMG, in collaboration with UNEP, UNEP-FI, UNESCAP, UNECE, UNECA, ECLAC, ESCWA, and RCNYO, organized a 3-part series of virtual Nexus Dialogues on **Addressing COVID-19 for the Environment**.

**Defining Green Recovery** framed the rest of the series through stronger operationalization, to effectively monitor, evaluate and verify the impact of recovery and stimulus measures on environmental outcomes. **Financing Green Recovery** focused on the important role of the public sector, and fiscal policy, that can support a stronger and greener economic recovery, whilst creating a collaborative and enabling environment for the private sector to mobilize resources to Build Back Better. **Regional Nexus Approaches to Building Back Better** presents case studies on “Regional Acceleration of Climate Action and Decarbonization” and exchanges surrounding nexus thinking and integrated policy-making tools.

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<sup>1</sup> ILO. (2021). *ILO Monitor: COVID-19 and the world of work. Seventh Edition*.

Key messages noted during the Nexus Dialogues, include:

## Defining Green Recovery

(27 April 2021)

Representatives from United Nations Environment Programme (**UNEP**), United Nations Framework Convention on Climate Change (**UNFCCC**), Partnership for Action on Green Economy (**PAGE**), International Labour Organization (**ILO**), United Nations Development Programme (**UNDP**), International Monetary Fund (**IMF**), and Yale University spoke about institutional and systemic challenges underlying the operationalization and trajectory of green recovery:

- On a macro level, COVID-19 has forced the global economy to a near-standstill, implying that the **UN system and policymakers have a once-in-a-generation opportunity to reorient the economy before restarting**. There is an opportunity to create 20 million additional jobs by 2030 by investing in **clean energy, and sustainable mobility** – plus an additional 3 million jobs if targeted VAT cuts accompany these investments.
- **Financial sectors can bolster efforts by aligning their lending towards achieving global net-zero emissions**, and earmarking climate finance to protect those most vulnerable to climate crises.
- Simultaneously, on a **micro level, families and individuals – particularly vulnerable actors in the informal economy and those without social safety nets – continue to require financial support** in order to survive the current economy's detrimental impacts.

Panelists identified solutions and initiatives, representing an actionable roadmap to Green Recovery:

- Any recovery that isn't green and inclusive is postponing a crisis. **PAGE Secretariat identified three building blocks to a Green Recovery** which address the root causes of social inequality:
  - Aligning national economic and development planning with the future we want;
  - Aligning thematic and sectoral planning at the national level with the 2030 Agenda and;
  - Investing in transformational projects.
- **PAGE is complementing the above building blocks, by focusing on two enabling conditions:** capacity building, and creating an environment to work with civil society and the private sector.
- United Nations 2030 Agenda is currently the best, and only global plan to model a green recovery after. **Five areas for Green Recovery spending are identified and prioritized<sup>2</sup>:** clean energy; natural capital; green buildings; transportation and connectivity; and research and development.
- Nearly 17 trillion USD has been spent on the COVID-19 fiscal response, yet only 350 billion USD has been dedicated towards Green Recovery. The **UN system has the opportunity to identify**

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<sup>2</sup>Cameron Hepburn, Brian O'Callaghan, Nicholas Stern, Joseph Stiglitz, Dimitri Zenghelis, Will COVID-19 fiscal recovery packages accelerate or retard progress on climate change?, Oxford Review of Economic Policy, Volume 36, Issue Supplement\_1, 2020, Pages S359–S381, <https://doi.org/10.1093/oxrep/graa015>

inefficiencies and where the implementation bottlenecks are. Similarly, the global development community should identify and highlight green spending “deficits” in COVID-19 responses.

- **Through the Global Recovery Observatory<sup>3</sup> and Green Budget Tagging, international agencies are tracking the “greenness” of COVID-19 fiscal response packages,** supporting green recovery progress tracking, leveraging accountability, and saving countries time/resources. Public data transparency empowers stakeholders to request countries to prioritize green fiscal recovery responses, while celebrating those exhibiting effort.

The following recommendations are suggested as actionable next steps for the international community:

- **Green Recovery policies should be structured around maintaining natural capital assets,** especially for stakeholders hardest hit by COVID-19. The UN and international community would benefit from consultations with enterprises and communities.
- **To support the Green Recovery of countries with less fiscal space or monetary sovereignty, supporting Governments are recommended to pursue:**
  - Debt service suspension; and
  - Encourage creative finance and capacity building assistance from the international community towards benefitting countries.

These interventions will prevent countries from exploiting natural wealth and resources as a fiscal buffer. A good example is the United States Infrastructure Plan and Recovery Spending, being pushed by US President Biden.

- **The UN and international community can support Green Recovery Strategies by:**
  - Providing data and analysis to help countries choose their Green Recovery pathways;
  - Connecting the dots between the UN and other actors, such as through Quadrennial Comprehensive Policy Review (“QCPR”) of UN system operational activities, the UN Resident Coordinator program, and Green Growth Knowledge Project, and;
  - Connecting countries to facilitate solution-sharing and confidence-building.
- **Other Debt-Oriented Interventions including: debt for nature swaps, debt for climate swaps, green and blue bonds, and payments for ecosystem services – may be capable of supporting Green Recovery.**

**The COVID-19 pandemic has demonstrated that the society and economy are capable of behavioral changes overnight.** Knowing this, individuals, the private sector, member states, and the international development community have a critical opportunity to reconsider our lifestyle practices and business operations, which include the reduction of GHG emissions.

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<sup>3</sup> The Global Recovery Observatory was developed by the Oxford Smith School of Enterprise and the Environment, the UN Environment Programme (UNEP) and UNDP, drawing inspiration from an accompanying report from the Oxford University Economic Recovery Project and UNEP. <https://data.undp.org/content/global-recovery-observatory/>

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*We would like to thank the following high-level and expert panellists and organizations for their valuable contributions to the Addressing COVID-19 for the Environment Nexus Dialogue Series.*

### **Defining Green Recovery (27 April 2021)**

Moderator: Mr. Kaveh Madani, Visiting Fellow, Yale University

- Mr. Steven Stone, Chief, Resources & Markets Branch (R&M), UNEP
- Mr. Daniele Violetti, Director, Finance, Technology and Capacity Building, UNFCCC
- Mr. Asad Naqvi, Head of Secretariat, PAGE Secretariat
- Mr. Kamal Gueye, Coordinator of Green Jobs Programme (GREEN), ILO
- Mr. Tim Scott, Senior Policy Advisor, Environment, Nature, Climate, Energy, UNDP
- Ms. Katja Funke, Public Financial Management Expert, IMF

***Special thanks to UN EMG and UNEP teams for organization and coordination:***

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- Mr. Ryan Maia, Intern, UNEP