

## 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)**

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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 ([UNEP](#)) have been compounded by devastating impacts on the economy, widening the inequalities within and between countries<sup>1</sup> and pushing over 100 million people into 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, with contributions by 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**.

The first dialogue on **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** presented 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*.

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

The Deputy-Director from the Regional Commissions New York Office (**RCNYO**), and Directors from each of the Regional Commissions – United Nations Economic Commission for Africa (**UNECA**), United Nations Economic Commission for Europe (**UNECE**), United Nations Economic and Social Commission for Western Asia (**ESCWA**), United Nations Economic Commission for Latin America and the Caribbean (**ECLAC**), and United Nations Economic and Social Commission for Asia and the Pacific (**ESCAP**) – discussed the key development nexus areas that each region is currently prioritizing in pursuit of Building Back Better:

- **UNECA** is focused on adopting a low-carbon development pathway, while addressing the SDGs (zero poverty/hunger), by **investing in key green sectors (Energy, Sustainable Transport, Food Security, and Nature-Based Solutions)** which have shown in South Africa, Kenya, Egypt, and the Democratic Republic of Congo<sup>2</sup> to create 250% more jobs and 420% added value compared to investment in similar fossil fuel sectors.
- **UNECE** is working on multiple regional priorities, including: **Transboundary water cooperation, Forestry** and the sustainable use of wood to mitigate climate change, **High-performance and energy-efficient buildings, Reducing GHG and short-lived climate pollutants** (e.g., black carbon), **methane emissions, and transport sector regulations** for cleaner vehicles<sup>3</sup>.
- **ESCWA** reported that West Asia has a scarcity of water, arable lands, energy, and some of the highest poverty rates (~29% of population<sup>4</sup>), with a high level of governance instability and political conflict, resulting in **poor resilience against anticipated regional shocks in various social, economic and natural systems. In addition to improving system-wide scientific foresight and early warning, ESCWA's region is a major hotspot for climate change.**
- **ECLAC's** regional structural weaknesses (i.e., being economically import-dependent) and its 4% annual growth rate were affected by the COVID-19 pandemic, causing a 10-year reversal on GDP per capita, and reversing poverty incidence by 14 years, making 20 million individuals poorer. **A focus on key green sectors (Renewable Energy, Sustainable Transport, Retrofitting Buildings, Upgrading Public Spaces, Sustainable Tourism, and Nature-Based Solutions)** can strengthen economic resilience, with a low environmental footprint and high-intensity wages.
- **ESCAP** witnessed a rebound-effect on environmental progress (waste material, PPE pollution), and of the 53 regional member states, only 19 have addressed poverty reduction and climate

<sup>2</sup> More information on Case Studies available here: <https://www.uneca.org/53rd-session-of-the-economic-commission-for-africa/reports-and-case-studies>

<sup>3</sup> Half of global emissions traced to inland transport and domestic aviation stems from the Pan-European region. Regulations for cleaner vehicles are required to reconcile the growing vehicle needs with the need to reduce emissions.

<sup>4</sup> <https://www.unescwa.org/publications/survey-economic-social-development-arab-region-2019-2020>

action simultaneously. Climate change must be tackled and **prioritized in six key sectors: Energy, Transport, Air Travel & Tourism, Land Use, Wastewater, and Disaster Risk Management**<sup>5</sup>.

Panelists identified strong initiatives, representing their Regional Commission's response addressing the delineated development priorities:

- **RCNYO's** COVID-19 pandemic response has emphasized the **transforming of extractive industries** (i.e., bottom-up approaches and sustainable practices), and **an integrated vision for food systems on a regional level**, contributing to the Food Systems Summit.
- **UNECA** is helping African member states **decide how to leverage limited resources to achieve the highest socioeconomic and climate change impact**, especially as 2030 projections average a climate policy cost of ~5% of GDP (up to 15% in the Sahel region). Other exemplary initiatives include the **African Union Green Stimulus Program** and the **Ethiopian Green Legacy Program**<sup>6</sup>.
- Alongside UNEP and UNESCO, **UNECE is co-chairing an Issue-based Coalition on Environment and Climate Change**<sup>7</sup> comprising **18 UN agencies**, responding to capacity-support requests from resident coordinators and country teams working in Europe and Central Asia to green the post-pandemic recovery.
- **ESCWA** continues to provide a podium, the **Arab Forum for Sustainable Development**, a multi-stakeholder mechanism to identify regional successes, experiences and emerging issues. Member states established the **Arab Centre for Climate Change Policies (ACCCP) in ESCWA to support mainstreaming climate action into national development plans and strategies**, including discussing debt-for-climate swaps and multi-level stakeholder consultations.
- **ECLAC has issued COVID-19 publications**<sup>8</sup> as a vehicle for reporting the pandemic's economic impacts on Latin American member states, and **to provide policy guidance** on funding quick-responses, addressing the digital divide, and enhancing citizen's social income protection.
- **ESCAP is currently analyzing satellite data**<sup>9</sup> to assess and address air pollution concerns made worse by rapid urbanization and the pandemic straining infrastructural capacity.

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<sup>5</sup> Currently, only New Zealand has used the COVID-19 pandemic as an opportunity to bring new policy action in all six key sectors: energy, transport, air travel & tourism, land use, wastewater, and disaster risk management.

<sup>6</sup> Adopted in January 2021, the African Union Green Stimulus Program outlines key areas identified by African leaders for stimulus investment, including a focus on the blue economy, climate resilience, energy, and nature-based solutions. For more information, please visit: <https://wedocs.unep.org/bitstream/handle/20.500.11822/34409/AGSP.pdf?sequence=3>. The Ethiopian Green Legacy Program creates rural employment by investing in tree planting. For more information, please visit: <https://archive.uneca.org/stories/eca-government-ethiopia-launch-decade-action-tree-planting-green-jobs-livelihoods-and-health>

<sup>7</sup> Issue-based Coalition on Environment and Climate Change, UNECE: <https://unece.org/issue-based-coalition-environment-and-climate-change>

<sup>8</sup> <https://www.cepal.org/en/publications/type/covid-19-reports>

<sup>9</sup> Introduction to Geostationary Environmental Monitoring Spectrometer and Pandora Asia Network (August 2020): [https://www.unescap.org/sites/default/files/21.%20NIER\\_Introduction%20to%20Geostationary%20Environmental%20Monitoring%20Spectrometer%20and%20Pandora%20Asia%20Network.pdf](https://www.unescap.org/sites/default/files/21.%20NIER_Introduction%20to%20Geostationary%20Environmental%20Monitoring%20Spectrometer%20and%20Pandora%20Asia%20Network.pdf)

A strong showing of regional initiatives has produced lessons learned and the following capacity gaps:

- **In the ECA region, there are few opportunities to raise local finance to fund African development priorities** due to a combination of two mutually-reinforcing factors: 1. The general population's low income; and 2. Africa's low economic growth and high fiscal deficits, as they pay 4x more in debt-servicing than raising revenues.
- **In the ESCAP region, only 19 of the 53 member states have introduced new policy which addresses both COVID-19 and climate change.** Limited action may be due to: lack of climate ambition, misunderstanding of climate importance, siloed governance structure, financial obstacles and lack of political will, and general reluctance due to unknown socioeconomic costs.
- **Similarly, in the ESCWA region, the political will** critically affects policy achievement rates even though most countries in the region have developed NDCs which address green recovery and circular economy.
- **In the ECLAC region, there is a need to strengthen dialogue with ministries responsible for finance and economy,** especially to emphasize that in the medium- and long-term, rescuing and improving public transportation systems can maintain employment levels, while lowering the regional carbon footprint to achieve the 2030 Agenda.

In addition to aligning capacities, the following recommendations are suggested to improve the enabling environment which supports integrated and nexus policy-making approaches, and as actionable next steps for the UN system and international community:

- The regulatory space is under-leveraged to benefit the UNECA region's SDG 7 (affordable and clean energy) achievement rates. **To attract private sector investment, it is recommended to preemptively set up regulatory frameworks benefitting public-private partnership structures,** with clarity around how energy is traded across regional borders, and with data transparency.
- **Opportunities for debt-restructuring, write-offs, and debt-swaps in the African region should be explored at COP26,** in line with the Paris Agreement, to facilitate the issuance of African green and blue bonds, as the region currently has <1% of the global sustainable bond market.
- **There is a need for coherence in the taxing/financial regulatory space, to enable an environment for cutting-edge R&D** in the ECLAC region, e.g., in innovative construction materials and, retrofitting internal combustion engines into electric vehicles. These opportunities would allow for green employment, but are currently hampered by complicated fiscal policies.
- In the ESCAP region, there is an opportunity to **build an inclusive circular economy focused on informal labour/workers engaged in waste management**<sup>10</sup>, simultaneously developing social inclusiveness and offsetting urban environmental costs incurred from waste management.

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Expert Group Meeting on Space-derived Data for Air Pollution Monitoring (August 2020):  
[https://www.unescap.org/sites/default/files/EGM%20Report\\_Space-derived%20Data%20for%20Air%20Pollution%20Monitoring\\_FINAL\\_20200909.pdf](https://www.unescap.org/sites/default/files/EGM%20Report_Space-derived%20Data%20for%20Air%20Pollution%20Monitoring_FINAL_20200909.pdf)

<sup>10</sup> In the ESCAP region, 70% of the work force belong to the informal economy and have no social protections.

- The regions would benefit from **opportunities presented in the food and water nexus**, e.g., in an ESCWA supported initiative where agriculture and water inter-ministerial platform is developed to ensure coordination and harmonization of regional strategies and plans between these two important sectors.
- It is anticipated that each of the regions/subregions can implement different localized approaches based on a **UN system-wide Common Approach to Build Back Better aligning with green and circular economy principles**. This Approach should provide:
  - A concrete definition of green vs. brown investments which is resilient over-time<sup>11</sup>;
  - Implementation opportunities at both regional and national levels;
  - Policy and technical guidance for accurate and transparent progress monitoring; and
  - A normative guidance framework to improve regional cooperation/knowledge-sharing, and is conducive to identifying global consensus on critical issues.

**The COVID-19 pandemic has unveiled economic structural weaknesses that each region has accumulated for a long time.** The 2030 Agenda is balanced by the three pillars<sup>12</sup>, in which maximizing the achievement of any one-dimension (e.g., maximizing the economic growth rate) risks failure for one or both of the other dimensions (e.g., economy's excessive GHG emissions creating health issues and Paris Agreement noncompliance). In order to achieve a **Nash Equilibrium**, each of the region's "economy sector mix" must be assessed and adjusted (through policy guidance) to ensure that growth rates converge to support the 2030 Agenda's economic, social, and environmental dimensions, and aligned with the science-policy interface. Therefore, one of the UN system's main challenges is to conceptualize *a point of policy convergence, a Nash Equilibrium, a Common Approach*.

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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.*

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

Moderator: Ms. Yera Ortiz De Urbina, Deputy Director, RCNYO

- Mr. Jean-Paul Adam, Director, Technology, Climate Change & Natural Resource Management Division, ECA
- Ms. Reem Nejdawi, Chief of Food and Environment Policies, Climate Change and Natural Resources Sustainability Cluster, ESCWA
- Mr. Joseluis Samaniego Leyva, Chief, Sustainable Development and Human Settlements Division, ECLAC
- Mr. Marco Keiner, Director, Environment Division, UNECE

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<sup>11</sup> The current operational definition on Green Economy/Investments considers gas and utilities to be climate-friendly, relative to their fuel and oil counterparts. However, when hydrogen and renewable energy become increasingly mainstreamed, the operational definition will become outdated. There is a need for a modular, time-resilient definition for what is "Green."

<sup>12</sup> Transforming our world: the 2030 Agenda for Sustainable Development: <https://sdgs.un.org/2030agenda>

- Mr. Curt Garrigan, Section Chief, Sustainable Urban Development, Environment & Development Division, UNESCAP

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

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