



# GREEN economy and Trade

## Green Economy and Trade Opportunities (GE-TOP)

UNEP Economics and Trade Branch

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### Context

UNEP's Green Economy and Trade Opportunities Project (GE-TOP) is a response to the Rio+20 outcome document *The Future We Want*, which recognizes the concept of a green economy as a vehicle for sustainable development and poverty eradication. The outcome document also affirms that trade should be an engine for sustained economic growth and development. GE-TOP identifies and analyzes trade opportunities that can contribute to the transition to a green economy at the global and national level. GE-TOP emphasizes the potential of sustainable trade and informs the discussion at the nexus of trade and green economy, which, until Rio+20, had focused primarily on challenges, rather than opportunities.

### Objective

The objective of GE-TOP is to identify, assess and harness trade opportunities arising from the transition to a green economy with a specific focus on developing countries and emerging market economies. The project researches the need for policy reform to maximize gains from such sustainable trade opportunities and builds on existing analysis in the area of green economy and trade carried out in the context of UNEP's Green Economy Initiative.

### Green Economy and Trade

UNEP defines a Green Economy as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. Greening global trade is a vital step to achieving the transition to this green economy, while in turn the green economy transition opens up rich new opportunities for international trade.

With GE-TOP, UNEP aims to enhance the synergies between green economy and trade opportunities by:

- Informing the international and national debates through cutting-edge research;
- Providing policy advice and recommendations to countries that wish to use trade as an engine for a green economy transition.

### Approach

The GE-TOP project is divided into two phases. The first phase, which is already concluded, focused on a global assessment of interlinkages between international trade and the green economy. GE-TOP developed a global framework that demonstrates the mutually beneficial relationship between trade and green economy. This phase culminated in the launch of the report *Green Economy and Trade – Trends, Challenges and Opportunities* in May 2013.

GE-TOP is currently in its second phase running until March 2015 focusing on national level assessments. In this phase, findings from the global report are applied and tested at the country level. GE-TOP projects in pilot countries identify and assess sustainable trade opportunities in green economy key sectors. For each opportunity, the project will develop national strategies to harness the sustainable trade potential.

### Phase 1: Global Assessments

The GE-TOP report published in May 2013 has set out a framework for defining synergies between a green economy and sustainable trade. It identified main trends, drivers and requirements for trade in six key sectors most relevant to a green economy: Agriculture,



Fisheries, Forests, Manufacturing, Renewable Energy and Tourism. The report assessed opportunities to create or improve trade flows in terms of both revenue and sustainability, including:

- Increasing economic competitiveness by increasing resource efficiency in production processes;
- Increasing exports of certified products;
- Increasing trade in sustainably-produced products destined for new markets;
- Increasing trade in environmental goods and services;
- Facilitating innovation through design of environmentally friendly and sustainable products;
- Improving access to and benefits from sustainable global value chains.

## Phase 2: National Implementation

UNEP is currently implementing three pilot GE-TOP projects at country level based on the global framework and findings of the GE-TOP report:

In **Ghana**, GE-TOP aims to harness the favorable conditions for regional trade in solar energy and to change the thinking on fossil fuel-based power trade in West Africa.

In **Peru**, GE-TOP aims to foster sustainability certification and value added product development in the BioTrade sector and to address national and international barriers for Peruvian BioTrade exports, in order to enhance global market access.

In **Viet Nam**, GE-TOP aims to promote the uptake of and compliance with internationally recognized aquaculture standards in order to enhance market access and increase trade in sustainable aquaculture products.

The three pilot projects are now in a final stage of assessing sustainable trade opportunities in the respective sectors. Using these assessments, each

project will develop policy recommendations for future action by stakeholders both of the public and the private sector. As a subsequent step, these recommendations will be translated into a strategy proposal including concrete actions, actors and potential funding sources to harness the sustainable trade potential in respective countries.

In addition to these three pilot countries, UNEP is now selecting two additional partner countries for the implementation of national GE-TOP projects. The new projects will follow the same process of implementation and will be informed by the processes and experiences deriving from the three pilot countries.

## Stakeholder Process & Partners

To implement GE-TOP, UNEP engages with a wide range of international and non-governmental organizations, businesses, research platforms, and UN partners.

At the global level, government officials, private sector representatives and other stakeholders discussed the findings of the report during four international workshops. Subsequently, more than 200 experts from a broad range of organizations including the International Centre for Trade and Sustainable Development (ICTSD), the International Trade Centre (ITC) and the World Trade Organisation (WTO) have reviewed the report.

National GE-TOP projects are carried out in close collaboration with national governments and other relevant national and international stakeholders. National project partners include local NGOs such as the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) in Peru; national research institutes such as The Energy Center (TEC) in Ghana; and government agencies such as the Ministry of Industry and Trade (MOIT), as well as international actors such as the Sustainable Trade Initiative (IDH).

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### For further information, contact:

#### Anja von Moltke

Head, Trade, Policy and Planning Unit  
Economics and Trade Branch  
Division of Technology, Industry and Economics  
United Nations Environment Programme

Email: [anja.moltke@unep.org](mailto:anja.moltke@unep.org)  
Tel: +41 22 917 8137

