

Templateⁱ for submitting voluntary commitments to the Batumi Initiative on Green Economy (Nicosia call)

To be filled in by submitting country/organization

1. Country or organization:

Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation, and Technology (BMK)

2. Title of the action (referencing in parenthesis the number of the related focus area(s)ⁱⁱ that the initiative will contribute to):

- 1: Improve the measurement and valuation of natural capital;
- 2: Promote the internalization of negative externalities and the sustainable use of natural capital;
- 4: Shift consumer behaviours towards sustainable consumption patterns;
- 5: Develop clean physical capital for sustainable production patterns;
- 9: Promote public participation and education for sustainable development.

3. Description of the action:

How can private capital be successfully channeled towards green projects so we secure a sustainable future? How can this help us achieve our Paris Climate Agreement goals? The Austrian Green Finance Agenda aims to channel private financial flows into climate-neutral and sustainable economic activities, to better manage sustainability risks and is intended to send a strong signal to the market and make an active contribution to a climate-resilient development at the national level.

4. Timeframe/milestones for the action, as appropriate:

Financial institutions, together with public authorities, representatives of the real economy and the scientific sector started to meet regularly from 2019 to develop the Austrian Green Finance Agenda. The implementation has started 2020, it sets specific actions as well as implements initiatives with a long-term horizon.

5. Type of actionⁱⁱⁱ:

- (b) economy and fiscal instruments; and
- (c) information, education-based, capacity-building and voluntary instruments.

6. Economic sectors^{iv}:

- (a) economy-wide;

7. Reference instruments and sources, as appropriate:

Green Financial Literacy:
<https://www.bmk.gv.at/green-finance/bildung.html>

Green Project Pipeline:
<https://www.bmk.gv.at/green-finance/finanzen/projektfinanzierung.html>

Green Finance Alliance:
<https://www.bmk.gv.at/en/topics/climate-environment/climate-protection/sustainable-finance/alliance.html>

Climate Related Risk Management:
[bmk.gv.at/green-finance/finanzen/klimavertraeglichkeit.html](https://www.fma.gv.at/en/fma/fma-guides/)
<https://www.fma.gv.at/en/fma/fma-guides/>

Sovereign Green Bond:
<https://www.bmk.gv.at/green-finance/finanzen/green-bond.html>

8. Expected co-benefits and impact of the outcome:

The financial sector plays a key role in the transition to a climate-friendly economy and society. Article 2.1c of the Paris Agreement formulates the commitment to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development. The implementation of a Green Finance Agenda makes it easier to adopt early and invest in the future and thus avoid high follow-up costs, stranded

investments and high risk exposure. This assists in stabilising the Austrian economy and the financial market. It also creates long-term and sustainable growth.

9. SDGs target(s) that the action may contribute to implement:

- 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- 12: Ensure sustainable consumption and production
- 13: Take urgent action to combat climate change and its impacts

10. Implementation of Environmental Performance Review (EPR) Recommendations, as appropriate:

The implementation will be guided by the state of scientific knowledge and progress in mobilising private capital for sustainable projects. It therefore requires regular and systematic monitoring of success. A monitoring and evaluation concept will be developed as basis for a systematic review of progress.

11. Objectively verifiable indicators, as appropriate:

Indicators are being developed to enable efficient monitoring of success.

12. Partners:

Ministry of Finance (BMF)

13. Contact points:

BMK, Department VI/3 – Green Finance and Sustainable Economy

Additional information on the Nicosia focus of the action:

- **Is the action related to the Nicosia environmental theme I: “Greening the economy in the pan-European region: working towards sustainable infrastructure”? (YES / NO)**
 - *If yes, please indicate below to which “International Good Practice Principles for Sustainable Infrastructure^v” does the action contribute:*
 1. Strategic planning;
 2. Responsive, resilient, and flexible service provision;
 7. Enhancing economic benefits;
 8. Fiscal sustainability and innovative financing;
 9. Transparent, inclusive, and participatory decision-making;
 10. Evidence-based decision-making.

- **Is the action related to the Nicosia environmental theme II: “Applying principles of circular economy to sustainable tourism”? (YES / NO)**

NO

ⁱ Based on the “Pan-European Strategic Framework for Greening the Economy” (ECE/BATUMI.CONF/2016/6, appendix).
Webpage: <https://unece.org/documents-and-materials>

ⁱⁱ Nine integrated focus areas were identified in the Strategic Framework are:

- 1: Improve the measurement and valuation of natural capital;
- 2: Promote the internalization of negative externalities and the sustainable use of natural capital;
- 3: Enhance ecosystems and ecosystem services as part of ecological infrastructure;
- 4: Shift consumer behaviours towards sustainable consumption patterns;
- 5: Develop clean physical capital for sustainable production patterns;
- 6: Promote green and fair trade;
- 7: Increase green and decent jobs, while developing the necessary human capital;
- 8: Improve access to services, healthy living and well-being;
- 9: Promote public participation and education for sustainable development.

ⁱⁱⁱ In accordance with the Strategic Framework, the following three types of actions are suggested:

- (a) legal, regulatory and policy instruments;
- (b) economy and fiscal instruments; and
- (c) information, education-based, capacity-building and voluntary instruments.

Countries and organizations should refer to any of these three types, as appropriate and relevant.

^{iv} In accordance with the Strategic Framework, the following three clusters of sectors are suggested:

- (a) economy-wide;
- (b) cities; and
- (c) sectors, including: agriculture, forestry and fishing; energy; mining; manufacturing; transport; water; waste; tourism; and housing, buildings and construction.

^v The “International Good Practice Principles for Sustainable Infrastructure” (as reflected in a subsequent UNEA Resolution UNEP/EA.5/Res.9) set out ten guiding principles that policymakers can follow to help integrate sustainability into infrastructure planning and delivery:

1. Strategic planning;
2. Responsive, resilient, and flexible service provision;
3. Comprehensive lifecycle assessment of sustainability;
4. Avoiding environmental impacts and investing in nature;
5. Resource efficiency and circularity;
6. Equity, inclusiveness, and empowerment;
7. Enhancing economic benefits;
8. Fiscal sustainability and innovative financing;
9. Transparent, inclusive, and participatory decision-making;
10. Evidence-based decision-making.

Web link: <https://www.unep.org/resources/publication/international-good-practice-principles-sustainable-infrastructure>