Finance and Economic Transformations

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Global Risks Report 2023

WORLD ECONOMIC FORUM

Top 10 Risks

"Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period"

	2 years		10 years
1	Cost of living crisis	1	Failure to mitigate climate change
2	Natural disasters and extreme weather events	2	Failure of climate-change adaption
3	Geoeconomic confrontation	3	Natural disasters and extreme weather events
4	Failure to mitigate climate change	4	Biodiversity loss and ecosystem collapse
5	Erosion of social cohesion and societal polarization	5	Large-scale involuntary migration
6	Large-scale environmental damage incidents	6	Natural resource crises
7	Failure of climate-change adaption	7	Erosion of social cohesion and societal polarization
8	Widespread cybercrime and cyber insecurity	8	Widespread cybercrime and cyber insecurity
9	Natural resource crises	9	Geoeconomic confrontation
10	Large-scale involuntary migration	10	Large-scale environmental damage incidents

Risk categories
Economic Environmental Geopolitical Societal Technological

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A. Background: Programme Direction

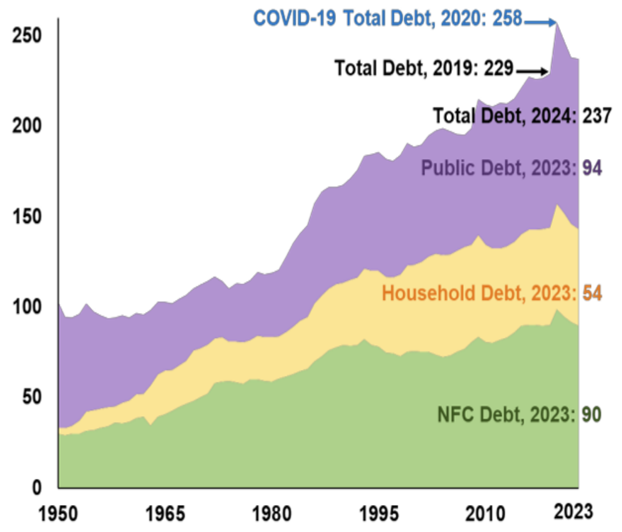
Programme Objective
- Transform the finance and economy-wide drivers

Programme Outcomes
- Shift economy-wide policies.
- Align public and private finance.
- Transform choices and behaviours.

Programme Outputs
- Sustainable Economies.
- Sustainable Finance.
- SCP and Circularity.

2024 Global Debt Monitor

Figure 1. Global Public and Private Debt Evolution *(Percent of GDP)*



A. Background: Envisaged Impact and Strategic Coherence

Envisaged impacts

- Policy, planning and regulatory shifts
- Capacity of public and private stakeholders
- Shift to SCP.

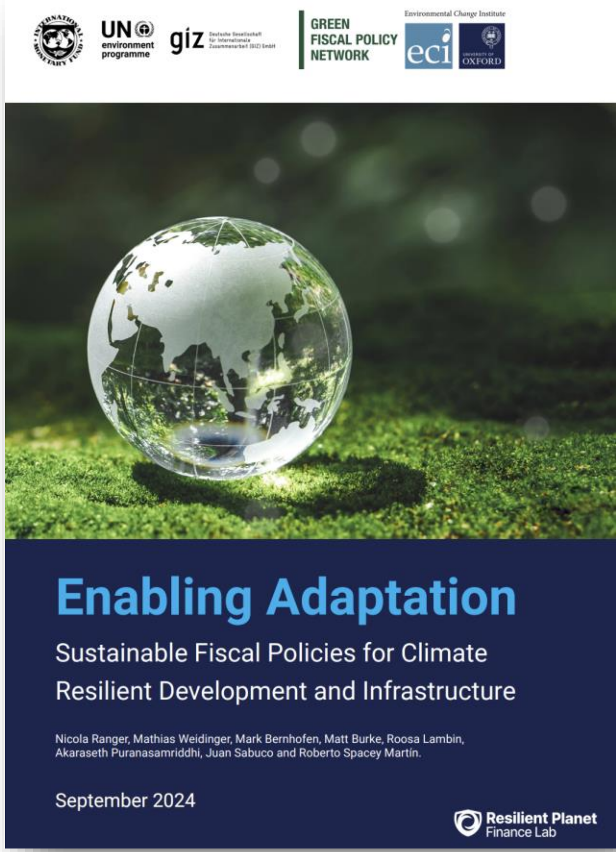
Synergies with

- Climate, Nature, and Pollution actions
- Governance, Digital Transformations, and Science-Policy sub-programmes.

A. Background: Contribution to MTS and PoW

Contribution to MTS Outcomes

- **Climate: 1A** - Mitigation and Resilience
- **Nature: 2A** - Ecosystem integrity supporting economies and social objectives
- **Pollution: 3A-** Human health and environment benefits from better chemical and waste management.



Contribution to PoW Direct Outcomes

- *Climate action: 1.2, 1.5, 1.8*
- *Nature action: 2.2, 2.6, 2.15*
- *Chemicals and pollution action: 3.12, 3.14*

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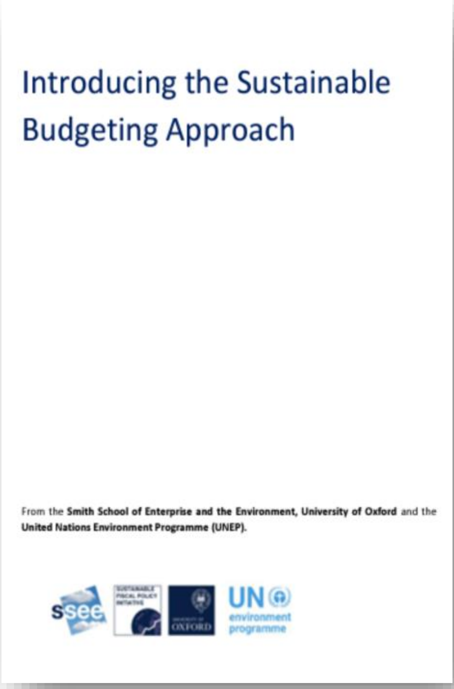
B. Project Portfolio: Overview


Introducing the Sustainable Budgeting Approach

From the Smith School of Enterprise and the Environment, University of Oxford and the United Nations Environment Programme (UNEP).

Project Portfolios

- Filling Policy and financing gaps,
- Filling knowledge gaps,
- Filling capacity gaps, and
- Informing global agenda.

Foster Collaboration Across

- Ministries and governments,
- UN system, Finance industry, Coalitions etc.
- Upstream policies e.g. just transitions, employment creation, economic completeness.

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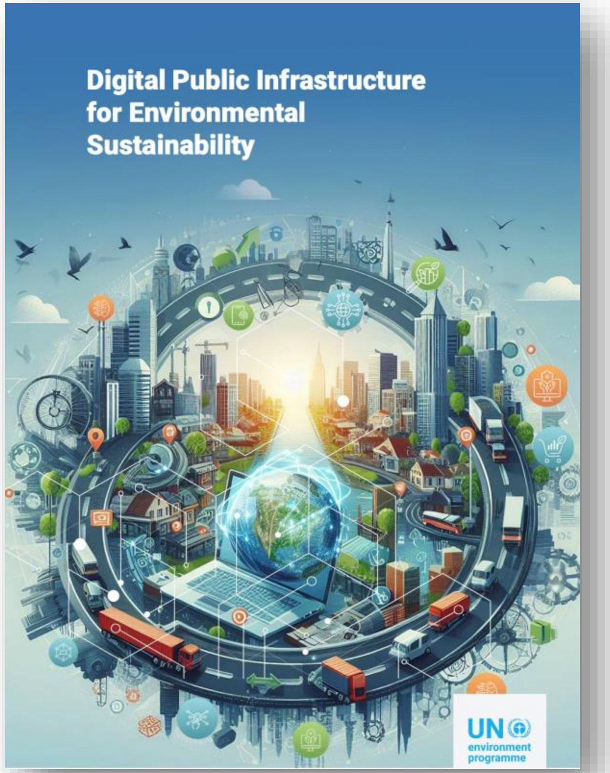
B. Project Portfolio: Illustrative Examples

Finance

- Net Zero Nature Positive Accelerator
- Sustainable Public Finance Observatory
- Net Zero Export Credit Alliance

Economy

- Supporting Coalition of Finance Ministers - jointly by UNEP, UNDP, ILO, UNIDO, and UNITAR.
- Ghana, Kenya, Pakistan, Tunisia – trade in textiles



Jobs and Just Transition

- South Africa: Presidential Climate Commission – Just energy Transition.
- Green Jobs Planning and capacity for implementation.

Infra Investments

- Digital Public Infrastructure
- El Salvador - Integrating sustainability and resilience into infrastructure planning.

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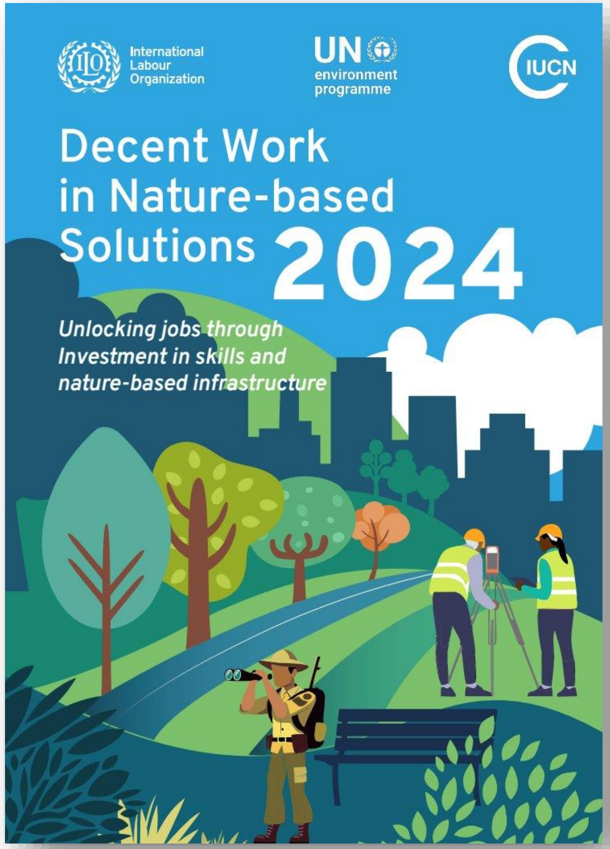
C. Results Achieved: Sustainable Economies and enabling just transitions

A. Responding to Country Needs

- Kazakhstan: Public Procurement Law.
- Brazil: Macromodelling of the Ecological Transformation Plan.
- Costa Rica, Brazil, Panama - Sustainable finance taxonomies.



B. Filling the Knowledge Gaps

- Decent Work in Nature-based Solutions 2024 report.
- Indonesia - Forecasting impacts of electric vehicle adoption on Green Economy Index.

C. Filling the Capacity Gaps

- Sessions for Ministries of Finance at CFMCA.
- Training of UNRCO Economists.
- Argentina - Sustainability Report for SMEs.
- Kenya - Green Skills and Jobs Development.

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C. Results Achieved: Sustainable Finance

A. Responding to Country Needs
- Indonesia: BAPPENAS led low carbon and circular economy.
- Guatemala: Green fiscal policy & Sustainable Budgeting.
- LAC: Common Framework for Sustainable Finance Taxonomies.

B. Filling the Knowledge Gaps
- SBA and Public Finance Texonomy
- Finance for Nature Positive - Building a Working Model
- Net-Zero Export Credit Agencies Alliance (NZECA) Target-Setting Protocol

C. Filling the Capacity Gaps
- Macroeconomic modelling and Sustainable Budgeting to 93 ministries of finance.
- Banking on Sustainability: From Principles to Practice

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C. Results Achieved: Accelerating SCP and Circularity

A. Responding to Country Needs

- Seychelles - Circular Economy Roadmap.
- Brazil - Circular Economy National Strategy.

B. Filling the Knowledge Gaps

- The Finance Statement on Plastic Pollution.
- Navigating Pollution: A Blueprint for the Banking Sector.
- Created a Circular Economy Knowledge Taxonomy.
- Launched Food Waste Index Report 2024.

C. Filling the Capacity Gaps

- Rwanda – Green Economy Learning Programme
- Circular Economy as an Enabler for Responsible Banking
- Regional network of institutions to advance CE in Africa.
- Regional Circular Economy Coalition in Western Asia (RESCUE Initiative).

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D. Informing the global agenda

BUILDING BRIDGES
Aligning finance with sustainability

- Global Ministerial meetings of Coalition of Finance Ministers
- WTO's 13th Ministerial Conference and 5th WTO Trade and Environment Week
- UNEP FI Global Round Table

- Africa and Asia meetings of the Coalition of Finance Ministers for Climate Action
- Agricultural Subsidy Repurposing campaign launched at COP16 of CBD

D. Informing the global agenda

BUILDING BRIDGES
Aligning finance with sustainability

Trade Day and Finance Day at COP16 of CBD

Bogotá Declaration 2024: Towards a circular, biodiverse, fair and inclusive economy in LAC

LAC Circular Economy Award

One Planet Network Forum in Rio - session on Public and Private Financing for a Just Transition to SCP

E. Lessons Learned and Changes Made

Lessons Learned

- **Effectiveness of Multi-Stakeholder Engagement**: policymakers, UNRCs, local governments, private sector, civil society, academia).
- **Building Tailored Solutions and Institutional Capacity:**
- **Flexibility and Adaptability:** Evolving circumstances, both nationally and globally.
- **Whole-of-Government Coordination**: Collaboration across ministries.

Changes Made

- Ongoing and stronger **collaboration between public and private finance** work and their networks.
- Strengthen **capacity of local institutions**.
- Regular **reviews and adjustments of technical assistance** in response to changing national and global circumstances.
- Inter-ministerial collaboration through **joint support by many UN agencies**.

F. Way Forward

Integrated solution to debt, development and triple planetary crises by

1. PAGE's engagement with 22 countries on economic planning, jobs, poverty reduction,
2. Tailoring mutually reinforcing solution for polycrisis, e.g. NZNP project, and
3. Strengthening partnerships with other UN agencies, Development Banks and Think Tanks.

Aligning finance with national climate, Biodiversity and Pollution plans by

1. Enabling ministries of Finance, Economy, Trade, and Environment.
2. Strengthening collaboration with public and private finance coalitions, e.g. UNEP-FI’s network
3. UNEP MTS 2026-2029.

F. Way Forward

Further Catalyze UN Reforms for Finance and Economic Transformation by

1. Enabling UNRC offices to mainstream FET across the UN system's programming,

2. Training the UN economists in UNRC Offices.

Inform Global Agenda and Inspire Global Action by

1. Including at FFD, G20, HLPF, and COPs, among others.

2. Joint communication and advocacy strategies, e.g by 10YFP, for global public behavioral shift towards.

Thank you

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