

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



## Better Trade 4 the SDGs

# “Green export opportunities” and how we identify them

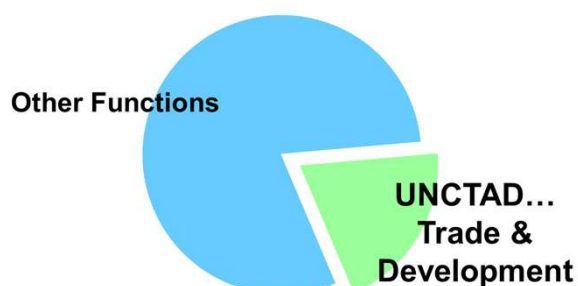
UNDESA/UNITAR HLPF SDG Learning Event  
13 July, 2018

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Trade, Environment and  
Development Branch  
UNCTAD

## UNCTAD

United Nations Conference on Trade and Development

### UN Functions...



**An important UNCTAD objective:  
Help interested developing countries to  
seize new green product export opportunities**

**but what is a “green” product ?**

**There is no internationally agreed  
definition/list of green products**

- Since the Doha Round started in 2002, WTO negotiators are unable to agree on a definition/list of environmental goods & services
- Neither Rio+20 nor 2030 Development Agenda provide such a definition/list

### However, consumers and the market have been defining green goods for years

Product	Production	Consumption	Disposal	Offset
Env. & Renewable Energy Technologies	✗	✓		
Organic Food & Bev.	✓	+		
Sustainably harvested timber and fish	✓			
Natural Cosmetics	✓	+		
BioTrade Products	✓			
Biodegradable bags			✓	
Ecotourism	✓	✓	✓	
Airline Travel	✗	✗		✓

### And many brown products have become greener...

Brown Product	Greener Variant
Lead Batteries	Rechargeable Lithium Ion Batteries
Chlorine Bleached Paper	Chlorine Free Paper
Mercury CFL Lightbulbs	LED Lightbulbs
CRT Televisions	LCD Televisions
Lead/Oil Paints	Acrylic water-based Paints
Posted Letters	Email
Plastic Shopping Bags	Biodegradable Shopping Bags
Freon Air Conditioners / Fridge	HFC Air Conditioner / Fridge
Gas/Diesel Vehicles	Electric Vehicles (conditional)
Cameras, Calculators, Scanners, etc.	Mobile Apps
Oil Heaters	Geothermal Heaters
Diesel/Coal generated Electricity	Solar & Wind generated Electricity

## Context: 'Real Market' Green Market Timeline

The global market for green products is very diverse, and although it remains relatively small, accounting for 15 to 20 per cent of the traditional market for any given product, it is **growing rapidly and significantly faster than world trade.**

In developing countries, most green products are produced in rural areas, so job growth benefits **small producers and smallholders in poor rural communities.**



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### Many Challenges face Green Exporter...

- *however, tariff peaks exist, and tariff escalation affects processed products*
- Non-Tariff Measures (NTMs) affecting food exports are increasing
- Need for mutual recognition and equivalence of national standards
- Need for training, awareness raising
- Need for supportive national policies and institutions

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## Many Challenges face Green Exporter...

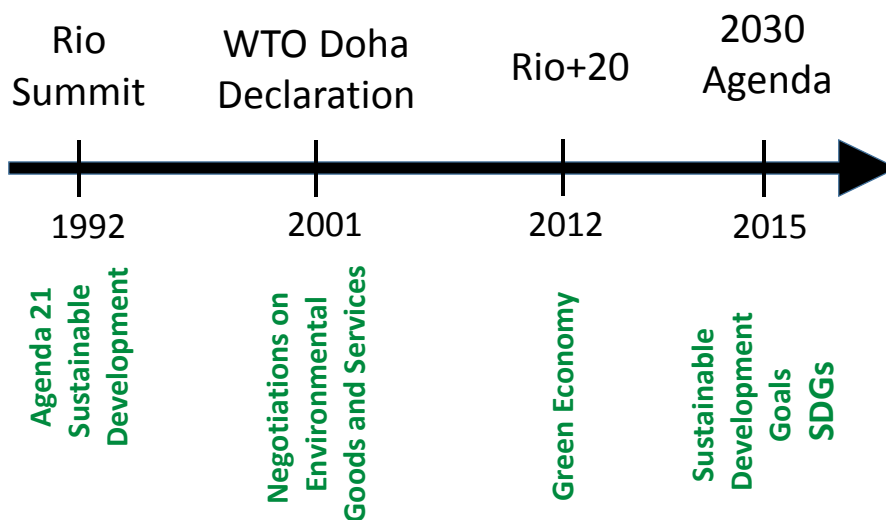
- Need for investment, infrastructure
- Certification (VSS) is can be a long and expensive process...

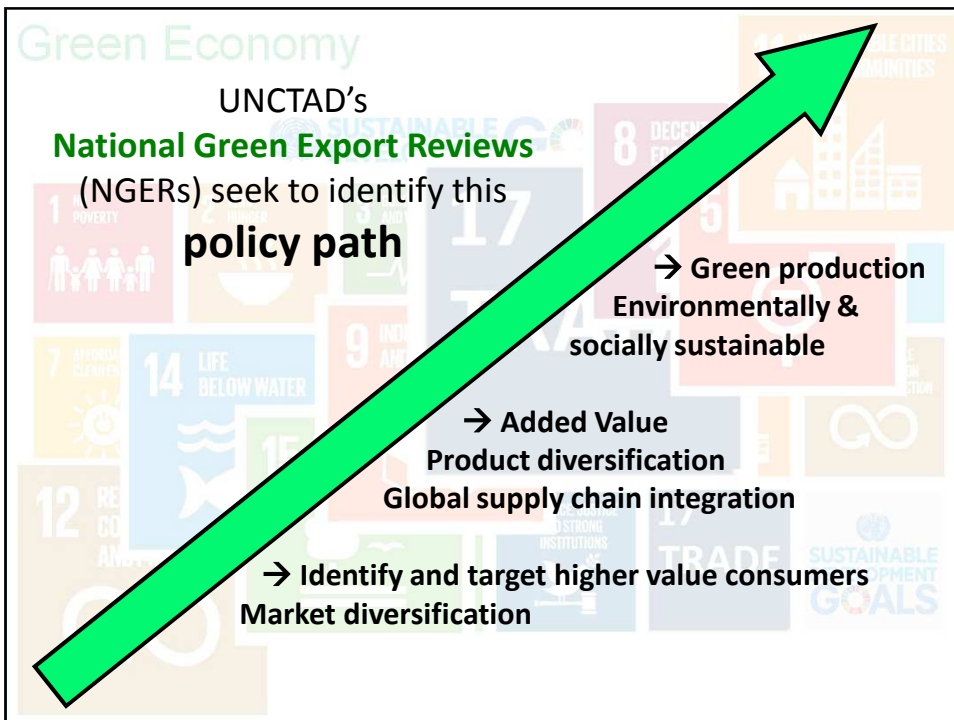


- Substantial exports may deplete biodiversity

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## Context: 'UN' Green Economy Timeline





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## NGERs at UNCTAD ...

- Our response to Rio+20, the SDGs and growth in green markets
- Support public and private stakeholders to build capacity in production and export of green products
- Involve a set of country-owned activities
- Generate consensus on an action plan defining the way forward

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## First step: Identify competitive green exports...

We use *product space methodology*\* to find a country (A) competitive exports relative to other countries in the world (W)

...based on Revealed Comparative Advantage or RCA:

Method is based on national trade performance  
We need trade data

$$\frac{X_{Ai}}{\sum_j X_{Wj}}$$

\* see: <http://atlas.cid.harvard.edu/>

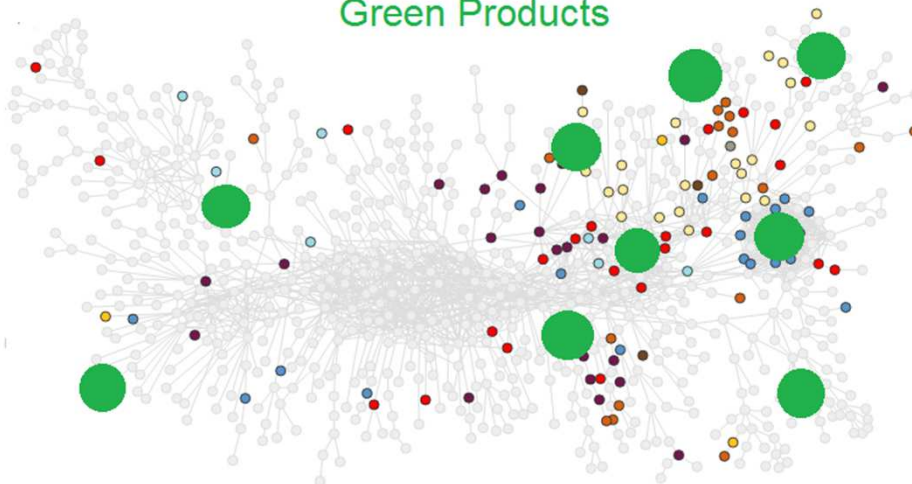
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**Terra 2015**

**Green Products**

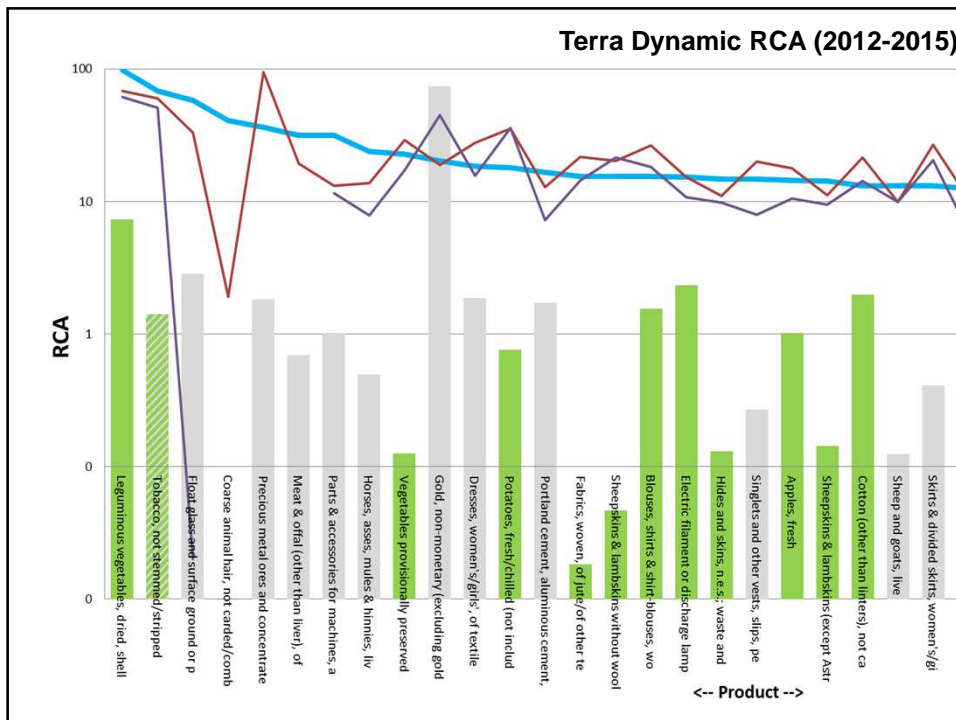
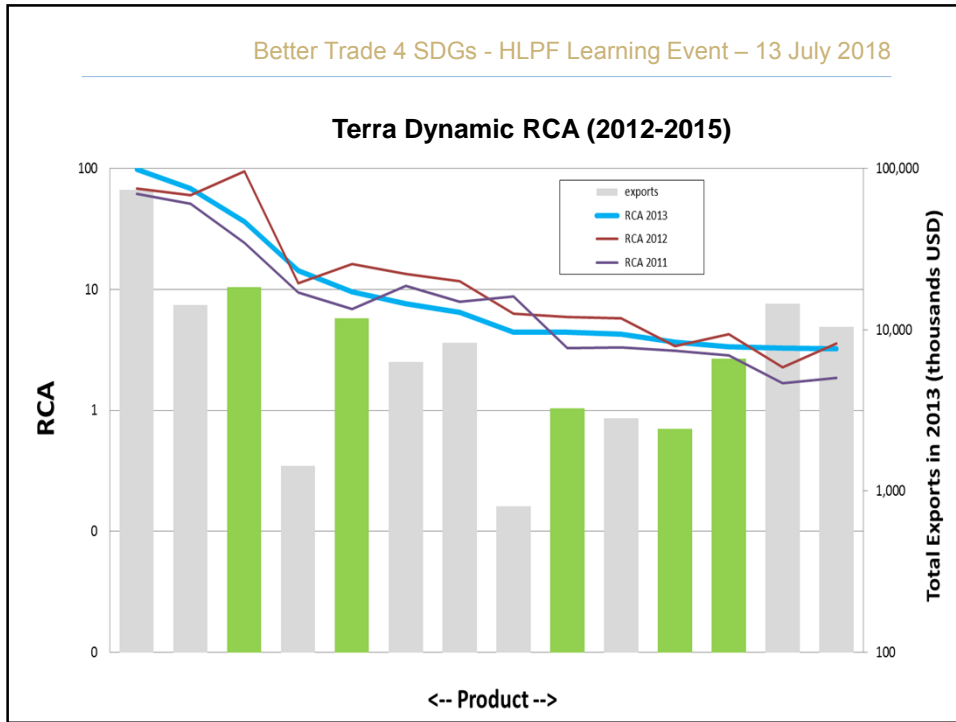


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**When we do this we can “preliminarily” identify  
several potentially  
promising green goods for export  
for any country...**

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**But this analysis alone does not help  
... you need a process to get results**

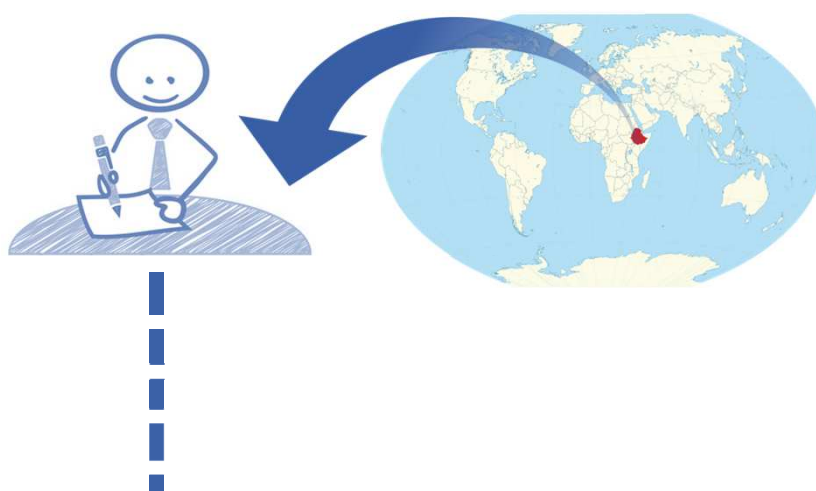
**UNCTAD NGERs**

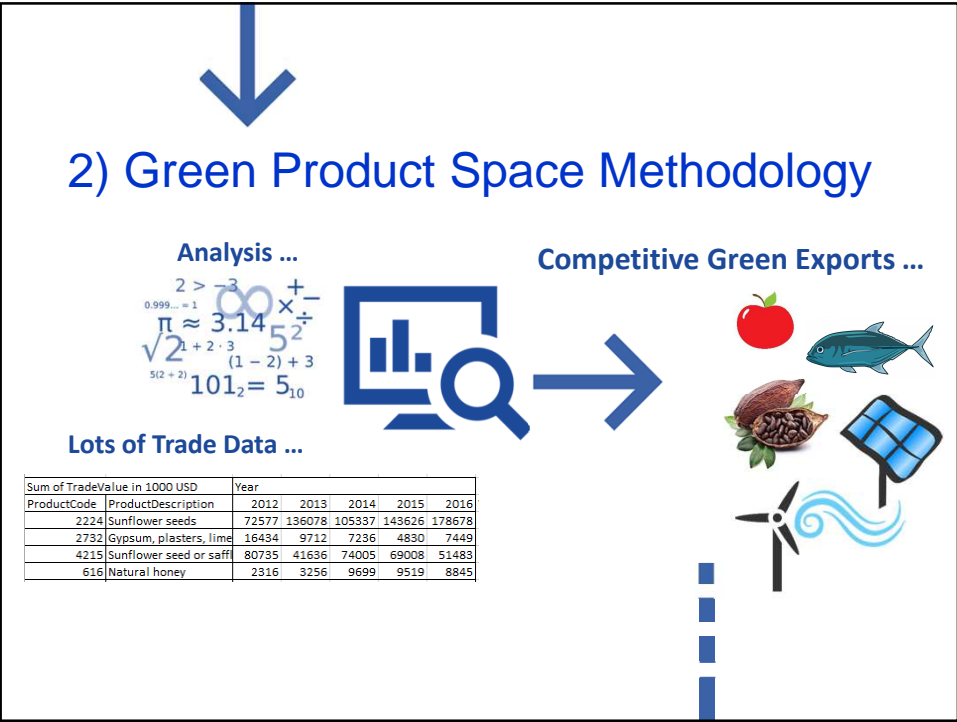
**... Greening national economies  
one sector at a time**

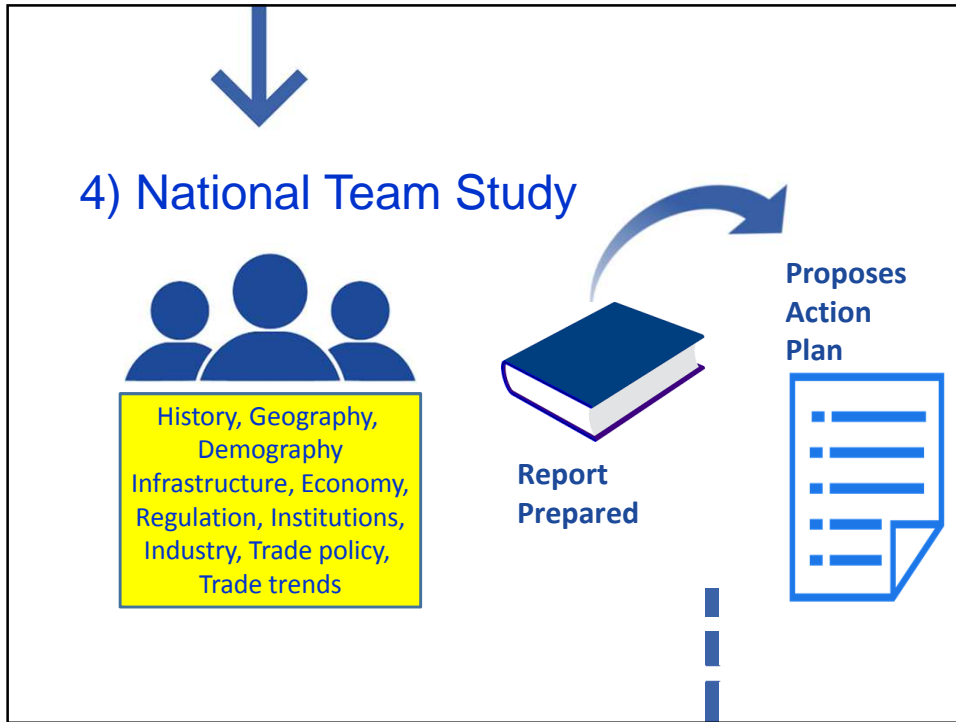
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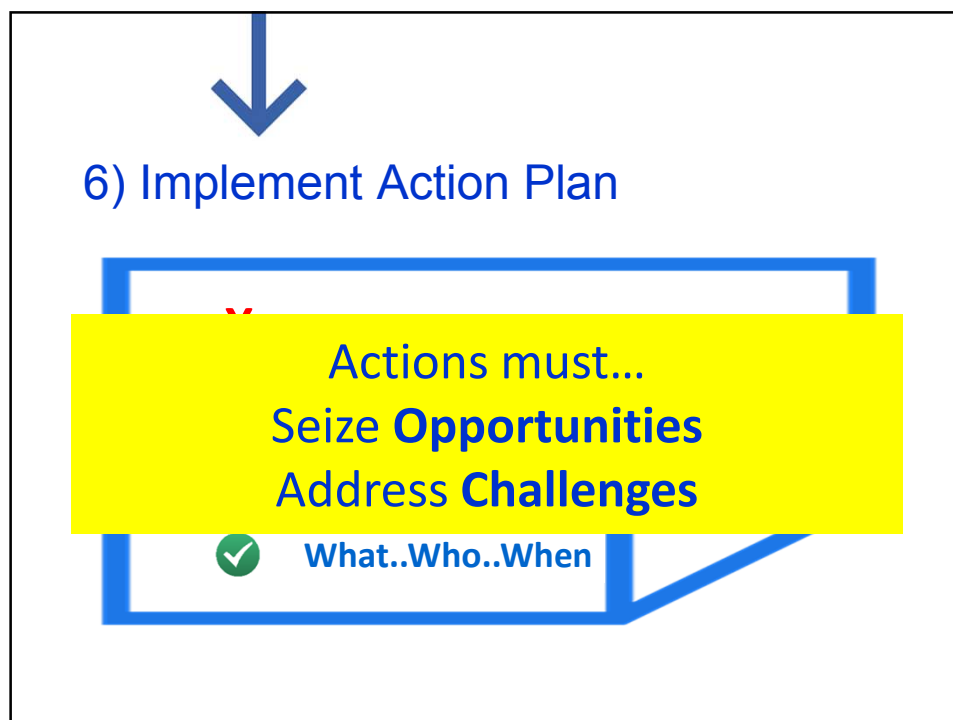


## 1) Country Request



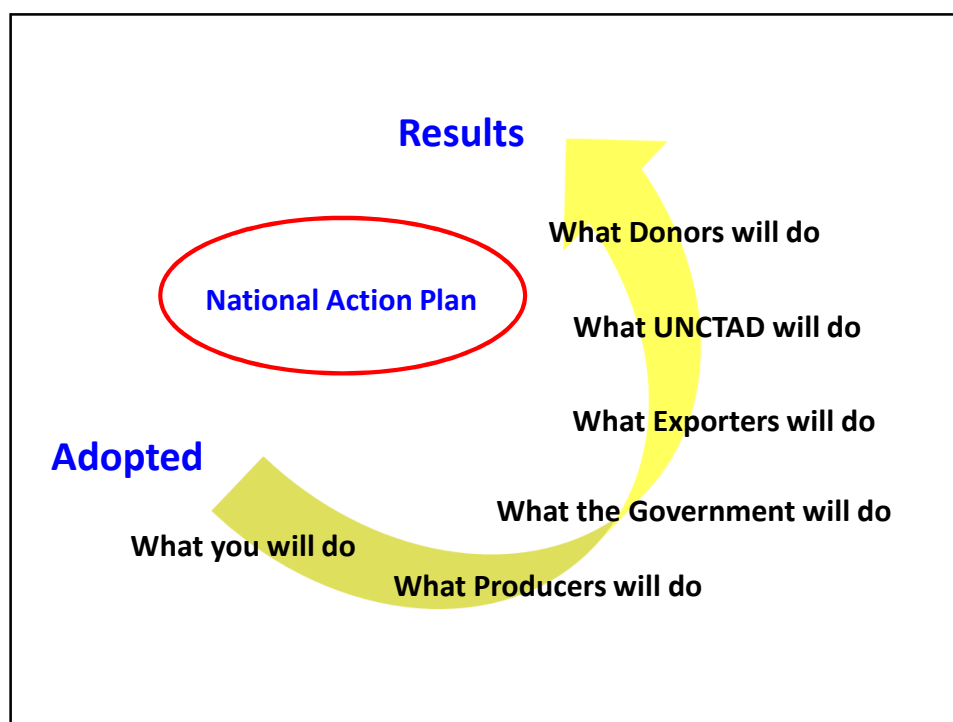






### A real national action plan ...

Item	Action	Year I				Year II				Year III				Responsible Agencies (Lead Agency *) (Funding entity **)
		I	II	III	IV	I	II	III	IV	I	II	III	IV	
1	Implement awareness raising campaign for public													National Organic Agriculture Association* Chamber of Commerce**
2	Farmer training program													National Farmers' Union* Ministry of Agriculture**
3	Reform policies and regulations to attract foreign and domestic investment in organic agriculture													Ministry of Trade* Ministry of Agriculture
4	Increase access to micro-finance in rural areas													Ministry of Finance* Grameen Bank
4	Certification activities for new production sites													Producers*** National Organic Certification Board
5	Participate in international trade fairs													National Organic Agriculture Association*** National Farmers' Union



## Goal of NGER Project ...

If the action plan is implemented, we can achieve the goal of **boosting production and export capacity** for selected green products

**Which products have been our focus in UNCTAD NGER projects ?**

**To date, we have focused on a variety of green products...**



**...in a wide range of countries...**



