From Fossil Fuels to a Sustainable Future: A Roadmap to a Green Economy for Azerbaijan

Government officials, together with UN agencies, discussed policy decisions for Azerbaijan to shift to a green economy based on a new report released today.

Baku, 15 November: High-level officials from the Azerbaijani government and the United Nations speaking at a Green Economy Roundtable today outlined how the country could move towards a more sustainable, low-carbon economy.

The Roundtable was held as part of Green Week, which was organized jointly by the Government of Azerbaijan, the International Dialogue for Environmental Action (IDEA), and the United Nations Environment Programme (UNEP).

Participants discussed the next steps for building a sustainable economy, based on the recommendations of a new Green Economy Scoping Study, jointly prepared by UNEP and Azerbaijani national experts.

"Completion of the green economy scoping study is not the end of the journey but only the beginning of the long way toward the transition to the green economy", said Ms. Leyla Aliyeva, founder of the International Dialogue for Environmental Action (IDEA).

The report outlines how Azerbaijan has a window of opportunity to use its fossil fuel revenues as a funding source to transition to a sustainable future. According to the report’s findings, the country’s oil revenues could be used to invest in more employment-driven and resource-efficient industries.

For example:

- The report calls for Azerbaijan to increase its energy efficiency and renewable energy capacity; provide subsidies and incentives to reform energy production; and step up its efforts to facilitate the transition away from fossil fuels.

- Agriculture is a major driver in the labour market, employing around 38 per cent of the population and 48 per cent of the rural population. To green this sector, the report finds that the country needs to promote stronger supply chains; enhance its public-private partnerships with agri-business; and create stricter regulations regarding agriculture inputs and outputs.
Public transport is another area where the country needs to increase its investment, according to the report. While transport forms a critical part of the country’s economy, it is also a major emitter of greenhouse gases. Green transportation can present significant opportunities in terms of employment, enhanced economic activity and improved natural environments, which go beyond the cost savings to society. Hence, the report recommends that the government enhance its regulatory oversight and promote investment in clean vehicle technology. Improved transportation is important for linking rural communities, which in turn could contribute to poverty reduction and improved livelihoods.

The report emphasizes that all of these initiatives must be backed by the right enabling conditions to encourage smarter decision-making on the part of consumers and the private sector alike, for instance through Sustainable Consumption and Production practices.

Some of the recommendations in the report include adopting public procurement policies across all sectors, which foster the implementation of green technologies, as well as strong regulatory systems, which help ensure increased environmental controls and provide market confidence.

In addition to using domestic funding to make the transition to a green economy, the report suggests that Azerbaijan could use its experience in accessing international funding to leverage support for key green economy projects.

"All the preconditions for transition to a green economy are in place and the next task is to put the ingredients together to translate the potential into concrete policies and actions" said Mr. Jan Dusik, Acting Director of UNEP’s Regional Office for Europe.

At the Green Economy Roundtable, Mr. Mahir Aliyev, UNEP Regional Coordinator, made a presentation on the way Azerbaijan could embark on a greener development path, outlining the policy, economic and institutional instruments to green the three sectors identified in the report. The Roundtable served as a bridge, translating UNEP’s report into a set of concrete policy decisions, which will create enabling conditions for Azerbaijan to shift to a green economy.

"The scoping study lays the foundation for our future work on a green economy. We will gather the thoughts and views expressed today at the roundtable to prepare a policy note to the Government," said Farhad Mamedov, Head of the Centre for Strategic Studies under the President of the Republic of Azerbaijan.

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