

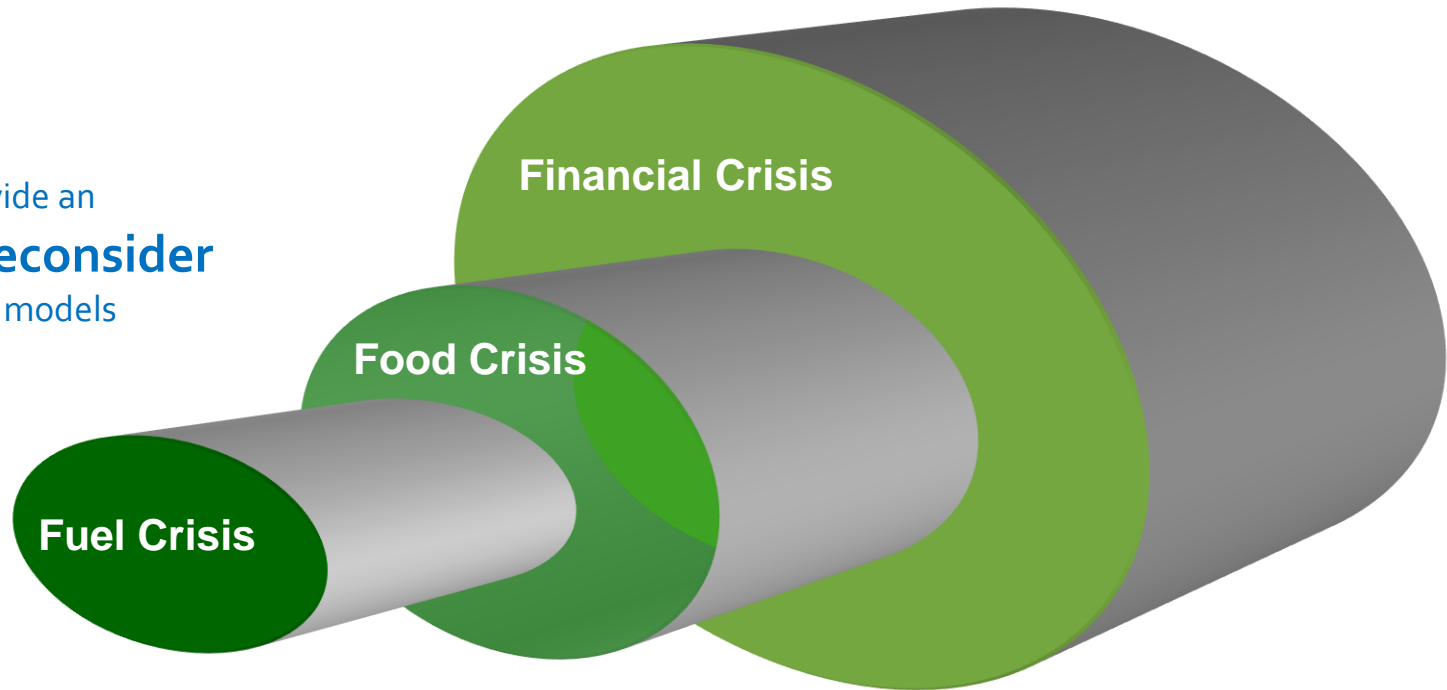


1. Green Economy

Origins and Context

Shifting to Green Economy

Global crises provide an
Opportunity to reconsider
Traditional growth models



Global momentum for transition to a green economy

- **G20** reaffirmed commitment to “move toward greener, more sustainable growth”
- **UN CSD 2012 (Rio+20):**
“green economy in the context of sustainable development and poverty eradication”

Green Economy Initiative (UNEP)

Greening the economy links to



Engine of Growth



Employment



Solution to Poverty

What is a Green Economy?



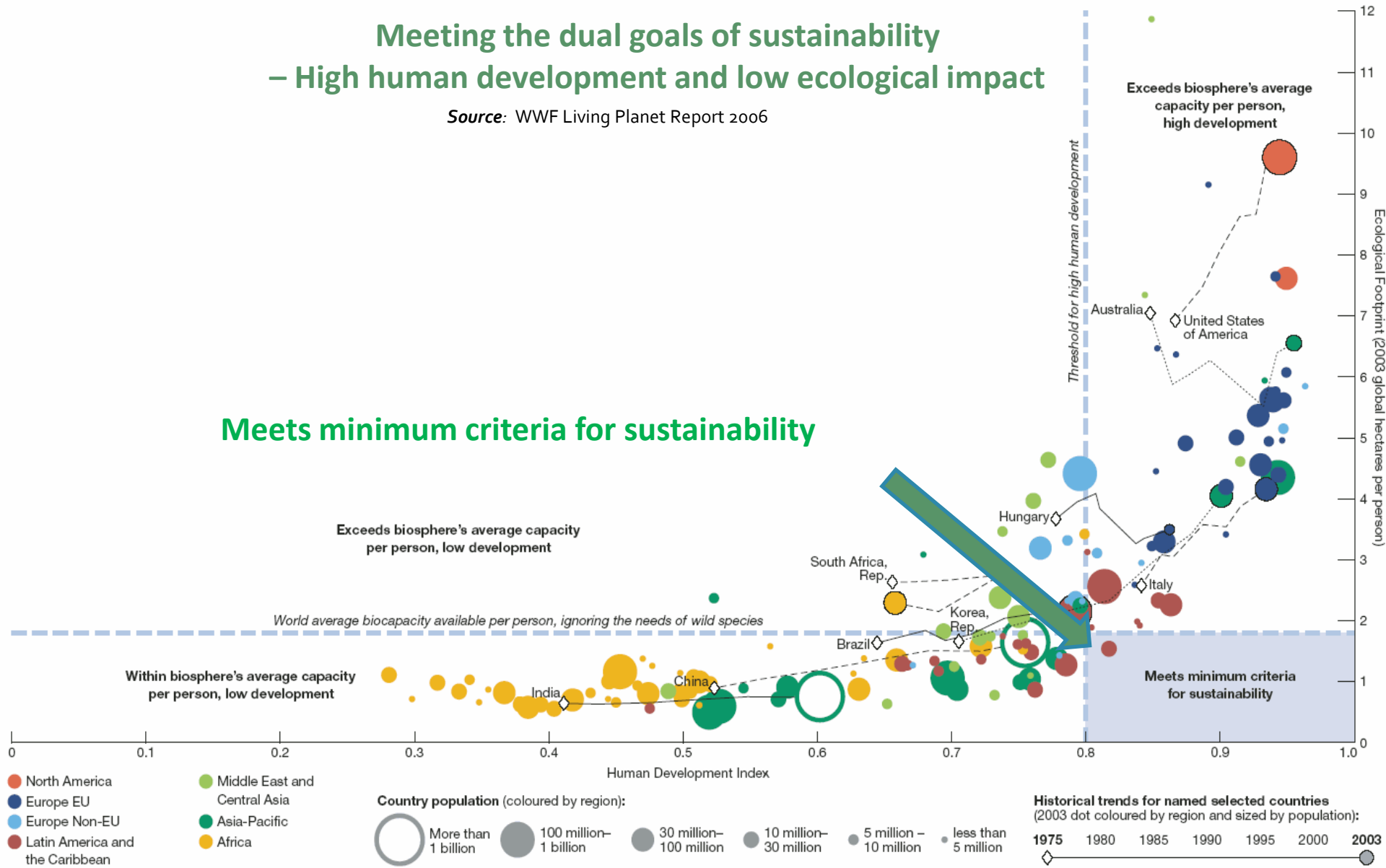
“**A Green Economy** can be defined as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.”

Green Economy: The Need for Change

Meeting the dual goals of sustainability
– High human development and low ecological impact

Source: WWF Living Planet Report 2006

Meets minimum criteria for sustainability



2. Green Economy

An Overview of the GER

Green Economy: Approach and Focus

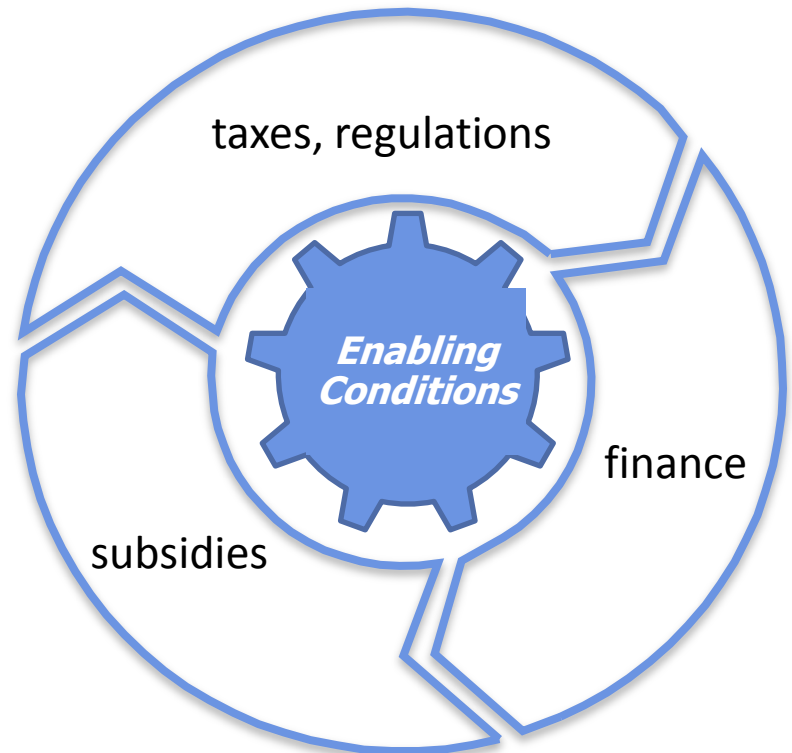
APPROACH

- Selecting and driving transformation in key sectors - critical or highly material for greening the global economy



FOCUS

- On enabling conditions (finance, subsidies, taxes, regulations, and related reforms that achieve GE objective)



Subsidies -Fisheries



Example: Fisheries sector

**Types of subsidies – leave \$ 8 bio ‘good’ subsidies:
MPA’s, fleet retrials, skills training, livelihood devpt**



Type of subsidies	Impact	Example	Amount (US dollars in 2003)
Good	Enhance the conservation of fish stocks over time	Funding fisheries management/ Using government spending to operate marine protected areas	\$ 7.9 bn
Bad	Lead to overcapacity and excessive catches	Fuel subsidies	\$ 16.2 bn
Ugly	Can either conserve a fish-stock or deplete it further	Buyback (or decommissioning) to fishing vessel to reduce a fleet size	\$ 3 bn

Source: Sumeila et al (2006)

3. Green Economy Report **Initial Findings**



Towards a **GREEN** economy

Pathways to Sustainable Development
and Poverty Eradication

A Synthesis for Policy Makers



**Modeling
Enabling Conditions
Agriculture
Building
Cities
Energy
Finance
Forest
Manufacturing
Tourism
Transport
Waste
Water**

UNEP Green Economy Report



- Investing 2% of global GDP into ten key sectors for a transition towards a low-carbon, resource-efficient economy.

Key findings

- Investing in **natural capital, resource and energy efficiency** can lead to:
 - Higher rates of GDP growth over time and enhanced wealth
 - Reduced poverty
 - Decent employment



A green economy can create employment

- **Agriculture:** Over the next decade, global employment could increase by as much as 4%.
- **Forests:** Forest conservation and reforestation could boost formal employment in this sector by 20% by 2050.
- **Transport:** Improved energy efficiency across all transport modes combined with modal shift would increase employment by about 10% above business-as-usual.
- **Energy:** employment that is 20% higher than business as usual by 2050, while delivering robust economic growth and reduced emissions.



A green economy can reduce poverty

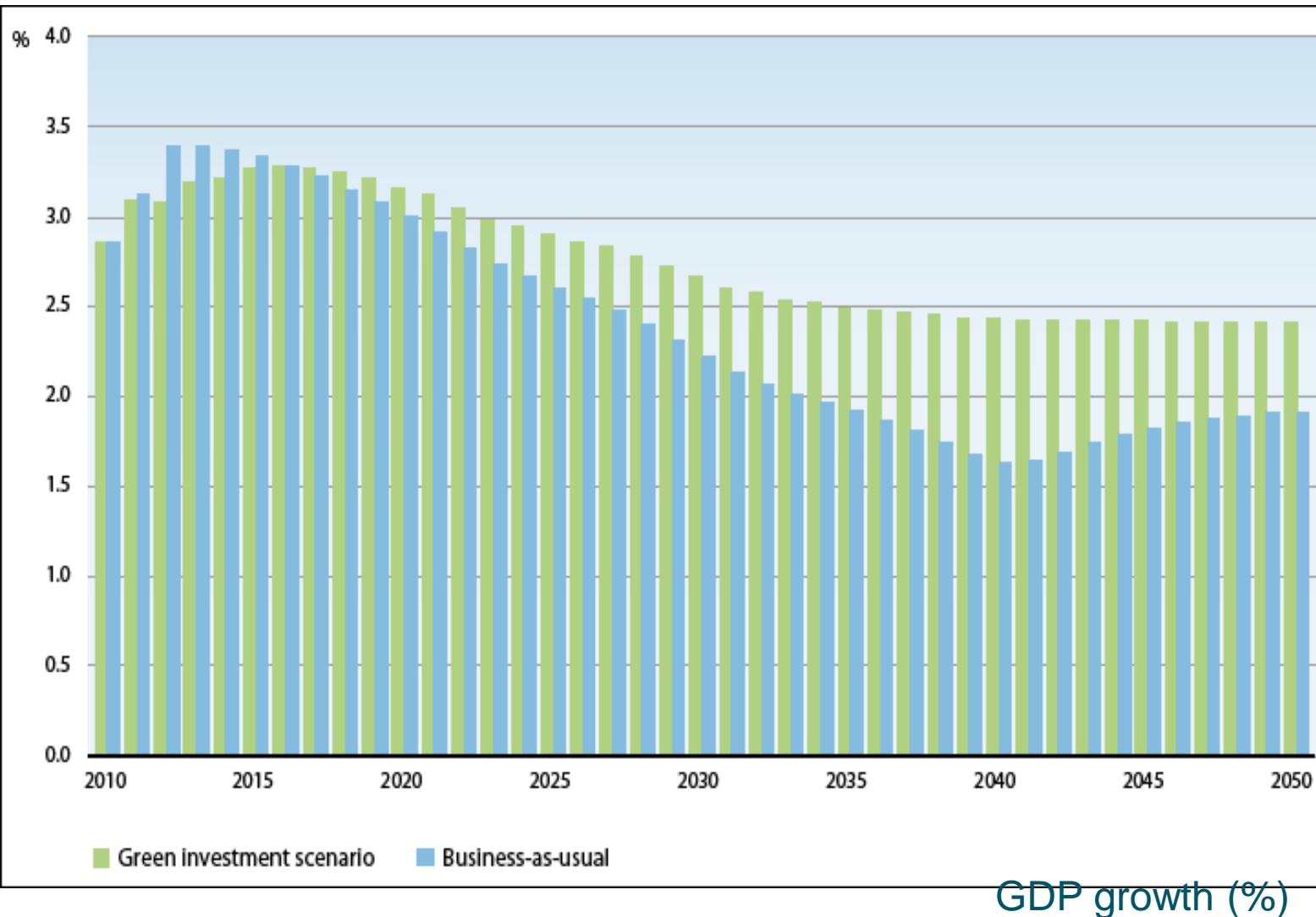


- Inextricable link between poverty alleviation and wise management of natural resources and ecosystems.
- Ecosystem services and other non-marketed natural goods account for **47 to 89% of the so-called 'GDP of the Poor'**
- Hence need to invest in natural capital as a source of growth and well-being

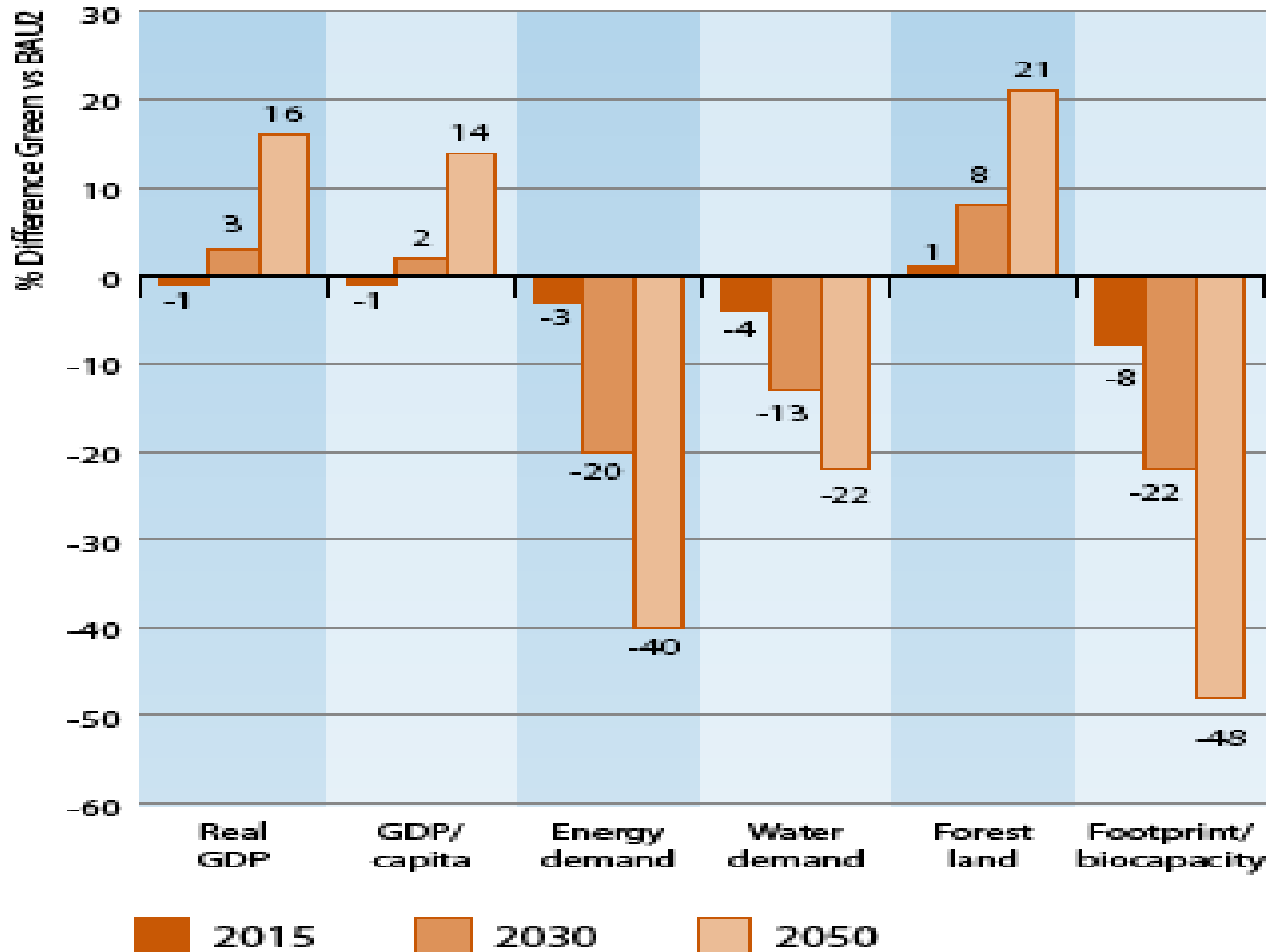
Natural-resource dependent sectors and ESS (2005)	Brazil	Indonesia	India
Original share of GDP (%): agriculture, forestry, fisheries	6%	11%	17%
Adjusted share of GDP (%): including non market/ESS	17%	15%	20%
Share of ESS/non market goods of total income of the poor (%)	90%	75%	47%



Key finding: A green economy stimulates growth, exceeding BAU over time...



...while reducing ecological scarcities and environmental risks



Enabling conditions and international cooperation

Policy and regulatory frameworks

- Development of strategies
- Laws and standards
- International policy architecture

Prioritize green investments

- Government policies and infrastructure can encourage private sector to invest in environmentally sustainable ventures

Sustainable Public Procurement

- Create and stimulate markets for green goods and services

Pricing Instruments

- Incentivize green investments and correct negative externalities

Capacity Building & international cooperation

- Skills for green jobs
- Capacity for policy reforms
- Entrepreneurship and business development

4. Green Economy

□ *Success Stories and initiatives*

Success stories



- **Buildings in Germany:**
 - Investment in building sector Stimulus package estimated to create **25,000 jobs** per each 1 billion invested in manufacturing and construction for retrofitting buildings. The government estimated 350,000 jobs to be created by 2050 (UNEP 2009a).
- **Public transport/cycling in EU & Switzerland:**
 - In 13 cities in EU, every €1 invested in public transport provided €2 to €2.5 in benefits. The whole economy benefited from an **added value of €4.6 for every €1 spent on public transport** sp
 - In Switzerland, the economy as a whole benefited from an added value of €4.6 for every €1 spent on public transport.
 - in Austria, the Government programmes to encourage cycling has contributed €900 million to the economy and 1 8,000 jobs



Success stories



- Clean Energy in Ontario Canada:
 - Feed in tariff for renewable energy – 4.2 billion CAD annually, for 20 years (2010-2030) - financed through 1.5% of electricity bill. Generated 16 billion CAD private sector investment, created 20,000 new jobs so far (further 30,000 jobs by the end of 2011).
 - The removal of coal plants by 2014 will reduce CO2 emissions in Ontario's electricity system from 33 to 7 million tons of CO2 per year (79% reduction). Health care cost saving of 3 billion per year.
- Many other examples:
 - Sustainable Urban city (Stockholm), Energy Efficient Building (Croatia), Forest Diversity Programme (Finland) please see http://www.unep.org/PDF/PressReleases/ece_astana_conf_2011_inf_25_e.pdf



Green economy in development strategies and planning



Countries are actively promoting a transition to a green economy:

- **Barbados'** National Strategic Plan 2006-2025 includes “Building a Green Economy: Strengthening the Physical Infrastructure and Preserving the Environment” as one of six strategic goals.
- **South Africa** hosted a Green Economy Summit in 2010 and launched a process to develop a national Green Economy Plan.
- In **Brazil**, the State of Sao Paulo adopted a green economy plan with a range of targets and indicators.
- **Kenya's** Vision 2030 aims at transforming Kenya into “a newly industrialising, middle income country providing a high quality of life to all its citizens in a clean and secure environment”.
- **China's** 12th Five-Year Plan for National Economic and Social Development (2011-2015) seeks to promote “inclusive growth,” which means ensuring the benefits of economic growth are distributed to a greater proportion of Chinese citizens.



Thank you!

