

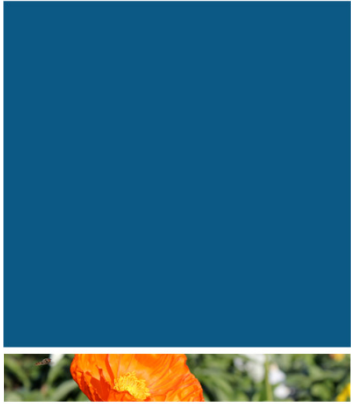
Working towards a Balanced and Inclusive **GREEN ECONOMY**

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An improved, interagency understanding of the GE

Improved (i) human wellbeing, (ii) social equity, reduced (iii) env risks and (iv) ecological scarcities

*Framework
and
approach...*

Societal Infrastructure	Financial Infrastructure
Ecological infrastructure	Physical infrastructure

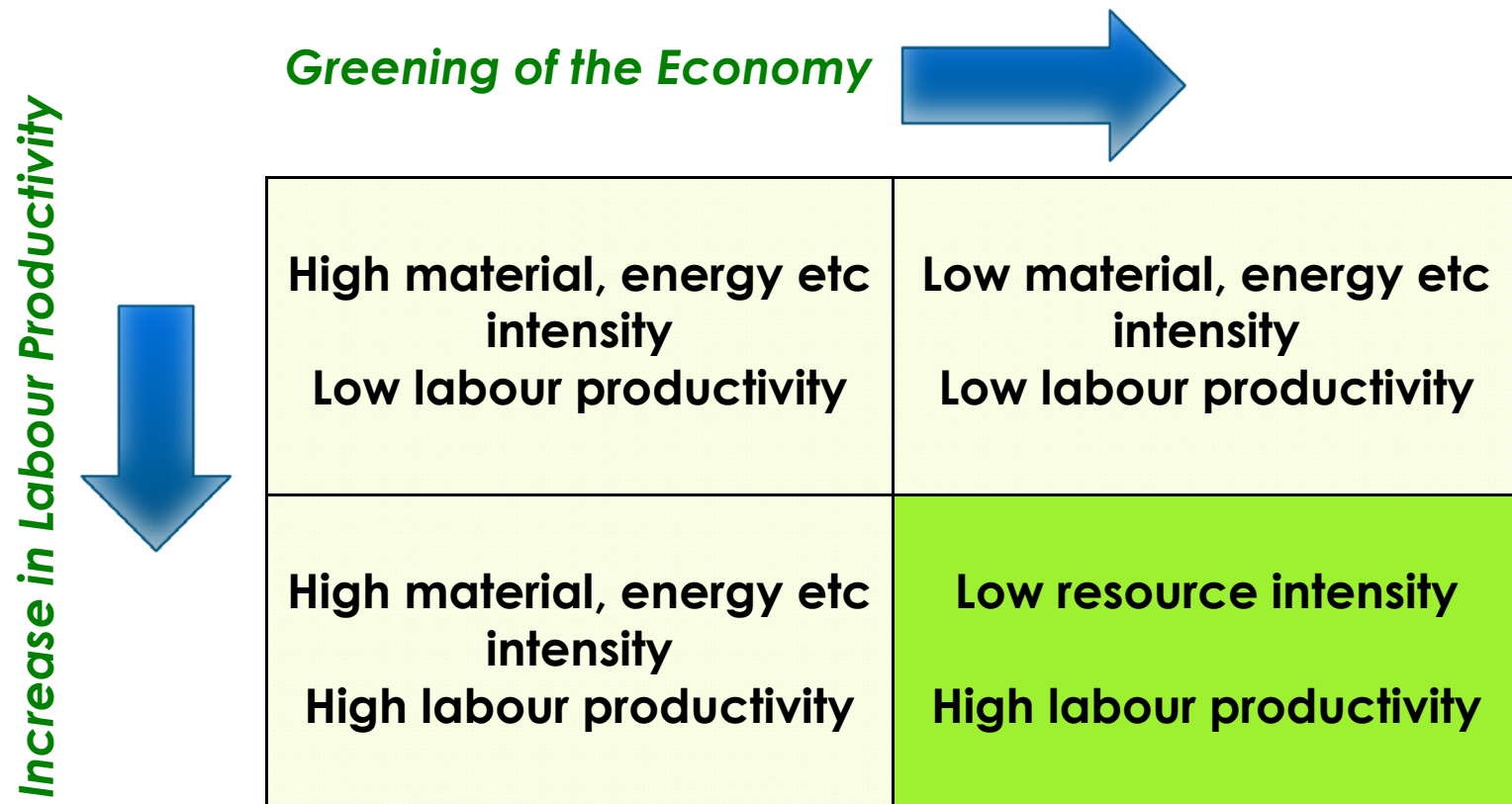
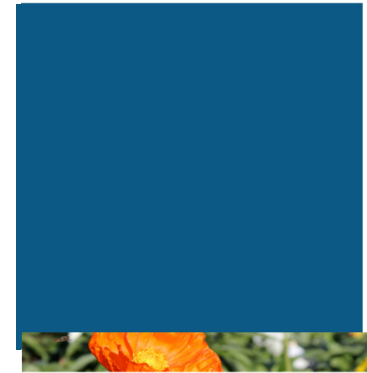
Physical infrastructure:



- **Emerging / developing countries will build the bulk of their infrastructure in the next 2 decades (assets – lifetime > 30 years)**
- **Africa: infrastructure spending needs – 15% of region's GDP... nearly 70% still unconnected to electricity**
- **Telecoms success: 73% of global population has access, compared to around 3% early 1990s**
- **Funding gap... yet green stimulus, especially rail**

Physical infrastructure:

- *Dynamic growth strategies*
- *Competitive advantage*



Ecological infrastructure:



- **Ecosystem services – deliver essential services worth US\$ 21-72 trillion per year**
- **Role in climate resilience:** ecosystems-based adaptation
- **Role in food chain:** Fisheries - half of wild marine fisheries fully exploited, further quarter already over-exploited. At risk: \$ 80-100 billion income from the sector and 27 million jobs
- **Marine and other Protected Areas: Financing gap – up to US\$ 45 billion over next 30 years**

Societal infrastructure:



- **What works best in reducing poverty?** Incl low carbon, sustainable agriculture, off-grid green energy sources, creating green jobs, decentralized / community approaches
- **Social Capital - Health:** Urban air pollution and traffic injuries kill 2.5 million people annually, mostly in low and middle income countries
- **Social Capital - Culture:** Mali – culture sector accounts for almost 6% of employment and 2.4% of GDP in 2006 (cf World Heritage Sites)

Societal infrastructure:



- **Human Capital - Labour: 190 million unemployed, as well as the working poor....** globally at least 25% of those who work are underemployed
- **Human Capital - Education:** each year of additional schooling could increase individual earnings by 10%
- Green jobs potential, but requires transition... decent work, social dialogue, training, education
- Germany : ecological tax reform taxing GHG emissions while reducing labour costs > 250,000 new jobs since 2000

Financial infrastructure:

Private finance



- **Rising public debts (debt/GDP ratio) – requires greater share of capital from private sector**
- Mainstream investment: UN-backed PRI – over 900 investment institutions from 49 countries, representing AUM of over US\$ 30 trillion / 20% of global capital
- Equator Principles – over 70 signatories (private bank project financing)
- Sustainable Stock Exchanges Initiative of UNGC, UNCTAD, UNEP FI, PRI

Financial infrastructure:

(Inter)national public finance



- **World Bank** – Green Growth Knowledge Platform with UNEP, OECD and GGGI (Seoul)
- Engaging Finance Ministries to build wealth accounting data (incl natural capital) into national accounts
- **Targets**, eg ADB annual target at least US\$ 2 billion in clean energy investment by 2013, IDB – 25% of all lending geared towards climate, renewable energy and environmental sustainability by 2015
- **Sources of revenue:** eg subsidy and tax reform for full cost pricing, social protection for poorer households

Standards, public and self-regulatory, scaling technological innovation



For example:

- **Food standards (FAO et.al.)**
- **Health standards (WHO)**
- **Labour standards (ILO)**
- **Management standards (ISO)**
- **Aviation and shipping standards (ICAO, IMO)**

... backed up by relevant international principles and norms, from UN conventions (eg MEAs)

... informing labelling, incl national eco-labelling schemes such as recently launched in Brazil, China, India, South Africa, Indonesia, Thailand, Tunisia

... boosting trade, to scale up markets for environmental goods & services (EGSs) - US\$ 688 billion by 2010

Indicators

Measurement to manage & track progress



- **GE indicators on (i) green transformation of key economic sectors, (ii) decoupling and (iii) progress & well-being**
- **UN System of Environmental-Economic Accounting (SEEA)**
- **Wealth Accounting by WB**
- **Human Development Index**
- **UNCSD Indicators for SD (50 core of 96 total)**

Conclusions



- **GE as innovative pathway to SD** – focus on mainstreaming, improved implementation (“enablers & results”)
- **GE as people-centered** - requiring investment in human and social capital
- **GE requiring re-orientation of public policies and their enforcement** - incl subsidy and tax reform, improved tracking of and access to information
- **GE infrastructure investment as opportunity** - longer term, dynamic growth strategies, competitive advantage

