



The Green Economy and International Environmental Governance

Presented by
John Scanlon

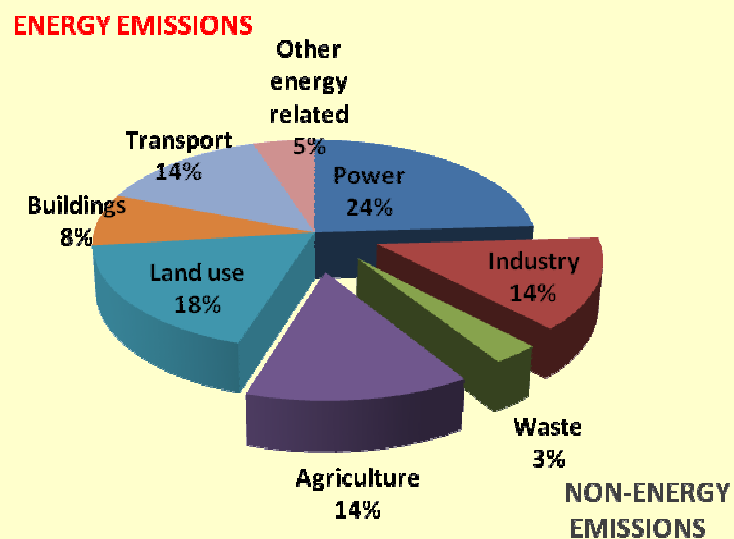
Principal Adviser to the Executive Director
United Nations Environment Programme



On a business as usual path...

By 2030...

- Global energy demand up by 45%
- Oil price up to USD 180 per barrel (IEA)
- GHG emissions up 45%
- Global average temperature trajectory +6 °C
- Economic losses equivalent to 5-10% of global GDP as compared to the 3% of GDP loss from the current financial crisis;
- Poor countries will suffer costs in excess of 10% of their GDP (Stern)



Source: Prepared by Stern Review, from data from World Resources Institute Climate Analysis Indicators Tool (CAIT) on-line database version 3,0



The global context

Multiple crises:

- **Financial** - 18 to 51 million unemployed over 2007 levels & the number of extremely poor has increased by at least 100 million people worldwide;
- **Fuel** - rising prices cost developing economies USD 400 bn in higher energy bills in 2007;
- **Food** - rising prices cost developing countries USD 324 bn in 2007;
- **Ecosystem** – EUR 50 bn worth of biodiversity is being lost each year; and
- **Climate** - current global GHG emissions at 42 Gt per annum - 5 times higher than the threshold.



The global context

Emerging opportunities:

- Opportunities from **stimulus packages** to jump start a transition towards a green economy: out of the USD 3.1 trillion stimulus packages, USD 512 (16%) bn have been identified as green stimulus.
- Opportunity from the **global collective rethinking** of the development and business models of the last century – an overwhelming acceptance of the need to move towards a green economy.
- Support for **transition to a green economy** from UNGA, World Leaders, G8, G20, UNEP, CSD, OECD, CEB, EMG etc.



What is a **Green** Economy?

- Increase in **green investment**
- Increase in quantity & quality of jobs in **green sectors**
- Increase in share of **green sectors** in GDP
- Decrease in Energy/resource use per unit of production
- Decrease in CO2 and pollution level/GDP
- Decrease in wasteful consumption



What is a **Green economy?**

An intelligent invisible hand...

Domestic policy initiatives:

- Perverse subsidies
- Incentives & taxes
- Land use and urban policy
- Integrated management of freshwater
- Environmental legislation
- Monitoring and accountability

International policy architecture:

- International trade
- International aid
- Global carbon market
- Global markets for ecosystems services
- Development and transfer of technology
- International coordination of the Global Green New Deal



Some **Green economy** concepts

- **A low carbon economy**: part of a GE measured by the carbon level of economic activities
- **Green growth**: GDP growth subject to green conditions as well as focusing on green sectors as new growth engines - growth in a GE is green growth
- **Green jobs**: jobs in green sectors, also known as green collar jobs
- **Circular economy**: an economy in which the waste from one production/consumption process is circulated as a new input into the same or a different process – one of the approaches to a GE
- **Ecological economy**: an economy subject to ecological principles (eg biodiversity & carry capacity) as well as utilizing ecological functions to contribute to both the economy and ecosystems (eg organic farming) – one of the approaches to a GE



UNEP Green Economy Initiative (GEI)



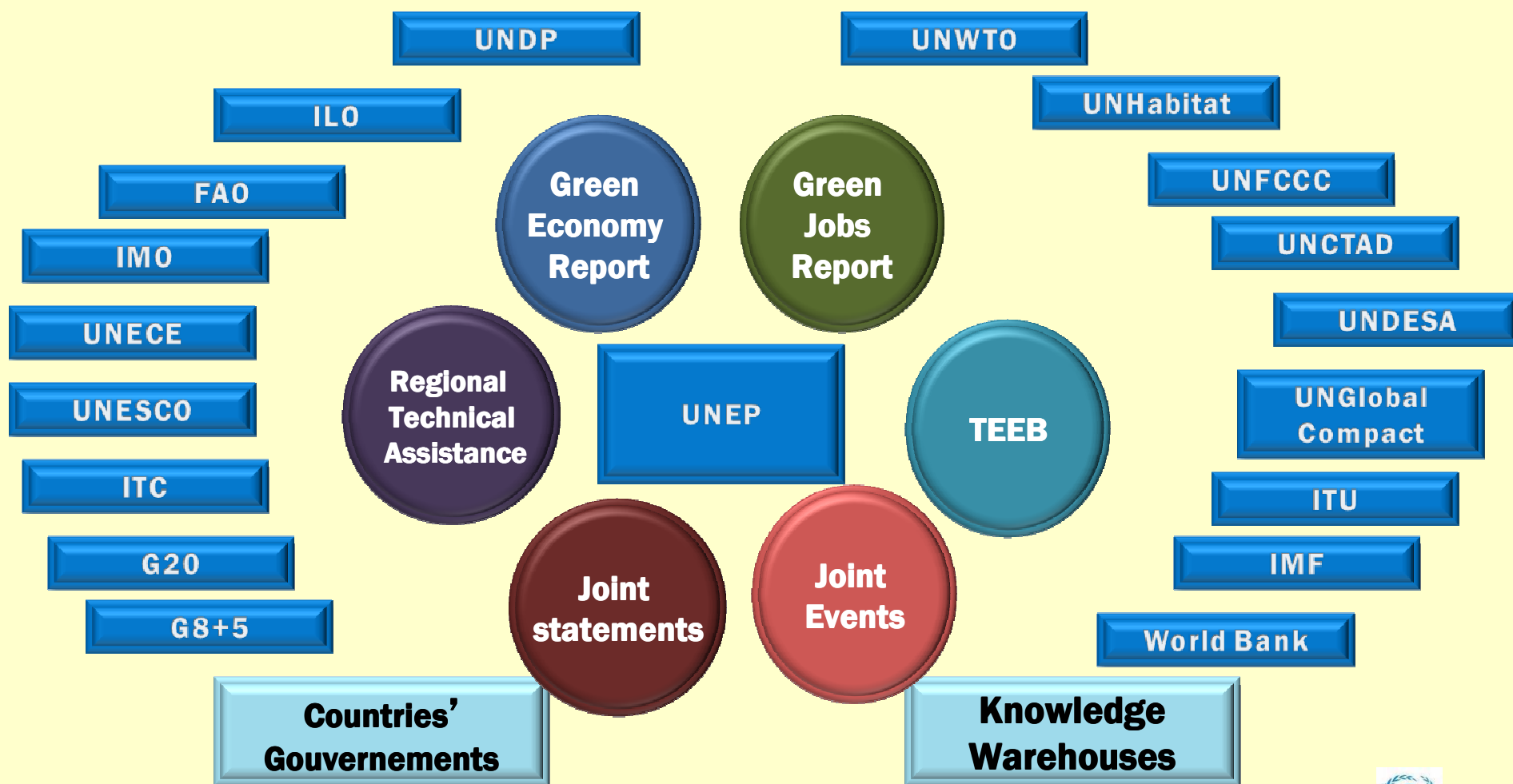


What is the **UNEP**-led **GEI**?

- Launched in October 2008, a package of products/services – in collaboration with a wide range of partners - to motivate and enable governments to invest in green economies for the benefit of people, especially the poor and vulnerable, the economy, and the environment.
- UNEP GC/GMEF Ministerial Consultations in February, 2009 – *“Creating a green economy goes hand-in-hand with sustainable development and the achievement of the Millennium Development Goals”*.
- Financially supported by the Governments of Norway, Switzerland, the United Kingdom, and the United Nations Foundation.



Green Economy Initiative components





What are the key messages from the **GEI**?

- Place green investment at the core of the stimulus packages
- Include green investment in regular government budget
- Create public-private green investment funding mechanisms
- Provide domestic enabling conditions (fiscal/pricing policy, standards, education & training)
- Provide global enabling conditions (trade, IPRs, ODA, technology transfer, environmental agreements)



What is good about the **GEI**?

- It focuses on the positive links between being “green” and economic growth/decent job creation/poverty reduction
- It promotes green sectors as new growth engines and enables developing countries to leapfrog into modern economies
- It has the potential to address multiple challenges facing the humankind



Evidence of **green** economies

- 2.3 million jobs in renewable energy now to grow to 20 million by 2030
- USD 253 bn market for water supply, sanitation, & water efficiency now to grow to USD 658 bn by 2020
- EU & US: green buildings to create 2-3.5 million jobs
- Organic agriculture provides more than 30% more jobs/hectare
- China: 10 million jobs in recycling; and renewable energy output at USD 17 bn/year employing 1 million



A global Green Economy Report

An in-depth analysis and guidance on macroeconomic contribution from investing in 10 green sectors:

- Renewables
- Industries
- Transport
- Buildings
- Cities
- Waste
- Forests
- Fisheries
- Agriculture
- Tourism

Supported by innovative financing mechanisms as well as policy reforms:

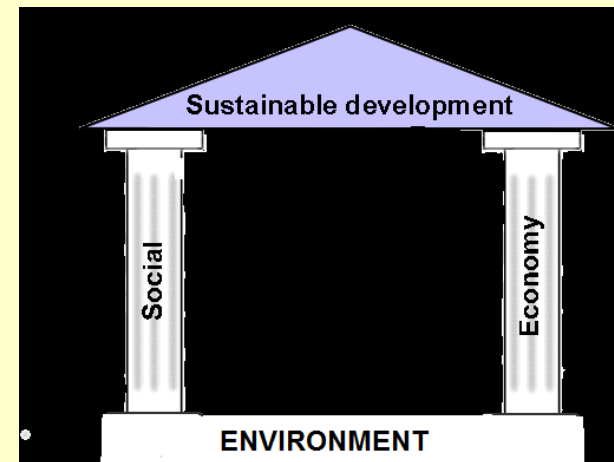
- Taxes
- IPRs
- Subsidies
- Pricing
- Trade
- Market access
- Green technologies
- Standards
- R&D
- Training
- Education



IEG and the Green Economy

How can IEG support countries' transition towards a green economy?

- Well-functioning markets depend on well functioning institutions
- The economy working **for** sustainable development



- Environment as the foundation of sustainable development



IEG Reform and the **Green Economy**

UNEP GC decision 25/4: The *Belgrade Process*

- Form follows function approach
- IEG reform in the context of environmental sustainability and sustainable development
- Consideration of incremental changes alongside broader institutional reform
- Recognised need for political buy-in and leadership

Discussed six key objectives of an IEG system:

- 1) Creating a strong, credible and coherent science base
- 2) Developing a global authoritative and responsive voice for environmental sustainability
- 3) Achieving coherence within the UN system
- 4) Securing sufficient, predictable and coherent funding
- 5) Ensuring a responsive and cohesive approach to meeting country needs
- 6) **Facilitating the transition towards a global green economy**



11th Special Session of the UNEP GC/GMEF – Bali 2010

'International Environmental Governance and sustainable development':

- Inputs from the Consultative Group of Ministers or their high-level representatives on IEG reform.
- Outcomes from the first meetings of the Extraordinary COPs of the Basel, Rotterdam and Stockholm Conventions (ExCOP) and the lessons learned for the biodiversity related conventions.
- Reports on the JIU report on environmental governance in the UN system.

'The green economy':

- Recent green economy developments within the UNGA, G8, G20, OECD, CSD, and UNEP through its Green Economy Initiative.
- How the concept of the green economy has been implemented at the country level.

'Biodiversity and Ecosystems':

- The 2010 International Year of Biodiversity - the economic, governance and science challenges to be met.
- The Economics of Ecosystems and Biodiversity (TEEB) progress report.
- Progress made in implementing the decision on the policy/science interface – IPBES.



25th Regular Session of UNEP GC/GMEF

Nairobi, 2009 – President's Summary

“The status quo is not acceptable...We need to use the next three years before a possible Rio+20 to define a new paradigm for collective action and to ask questions about the desired future and ways of achieving the principles and objectives of IEG”

Thank you



UNEP WEBSITES and PUBLICATIONS

- GEI : www.unep.org/greeneconomy
- Environmental Governance :
<http://www.unep.org/environmental-governance/Introduction/tabid/341/language/en-US/Default.aspx>
- Green Jobs Report, September 2008
http://www.unep.org/labour_environment/PDFs/Greenjobs/UNEP-Green-Jobs-Report.pdf
- Global Green New Deal Report, December 2008
http://www.unep.org/greeneconomy/docs/GGND_Final%20Report.pdf
- UNEP Policy Brief on the GGND, March 2009
http://www.unep.org/pdf/A_Global_Green_New_Deal_Policy_Brief.pdf