



# Green Economy Initiative





# The global context

## Multiple crises:

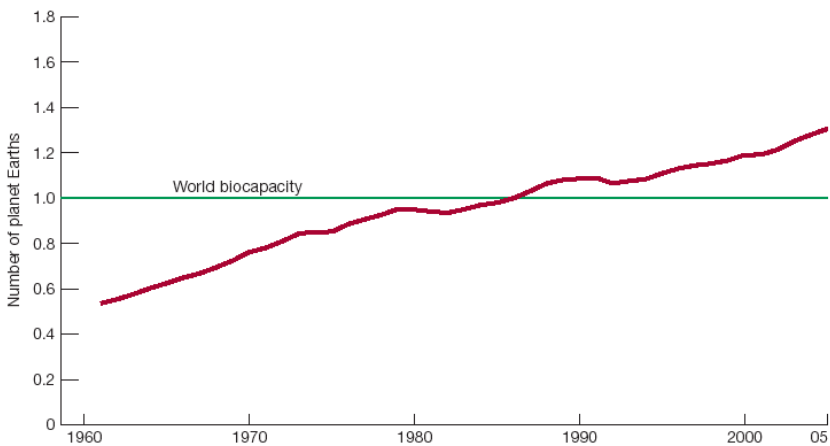
- **Financial** - 18 to 51 million unemployed over 2007 levels & the number of extremely poor has increased by at least 100 million people worldwide;
- **Fuel** - rising prices cost developing economies USD 400 bn in higher energy bills in 2007;
- **Food** - rising prices cost developing countries USD 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.



# A green economy is not...

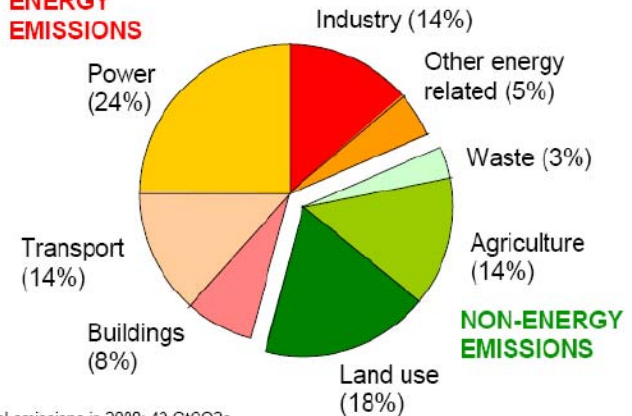
... one which consumes capital or risks human survival

Fig. 2: HUMANITY'S ECOLOGICAL FOOTPRINT, 1961-2005



Ecological footprint already exceeds Earth's regenerative capacity (c) WWF, Living Planet Report 2008

## ENERGY EMISSIONS



Total emissions in 2000: 42 GtCO<sub>2</sub>e.

Energy emissions are mostly CO<sub>2</sub> (some non-CO<sub>2</sub> in industry and other energy related). Non-energy emissions are CO<sub>2</sub> (land use) and non-CO<sub>2</sub> (agriculture and waste).

Source: Prepared by Stern Review, from data drawn from World Resources Institute Climate Analysis Indicators Tool (CAIT) on-line database version 3.0.

Global GHG emissions at 42 GtCO<sub>2</sub>e pa are 5 times higher than Earth can absorb



# A green economy is not business as usual

By 2030 and beyond...

- Global energy **demand up** by 45%
- Oil **price up** to USD 180 per barrel
- GHG **emissions up** 45%
- Global average **temperature up** 6°C in the next century
- Sustained **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



# What is a Green Economy?

UNEP's working definition: a *“green economy”* is a ***system of economic activities*** related to the *production, distribution and consumption of goods and services that result in improved human well-being over the long term, while not exposing future generations to significant environmental risks or ecological scarcities*



# What is a **Green** Economy?

## Increasing

- Increase in green investment
- Quantity & quality of jobs in green sectors
- Share of green sectors in GDP

## Decreasing

- Energy/resource use per unit of production
- CO2 and pollution level/GDP
- Wasteful consumption



# UNEP Green Economy Initiative (GEI)

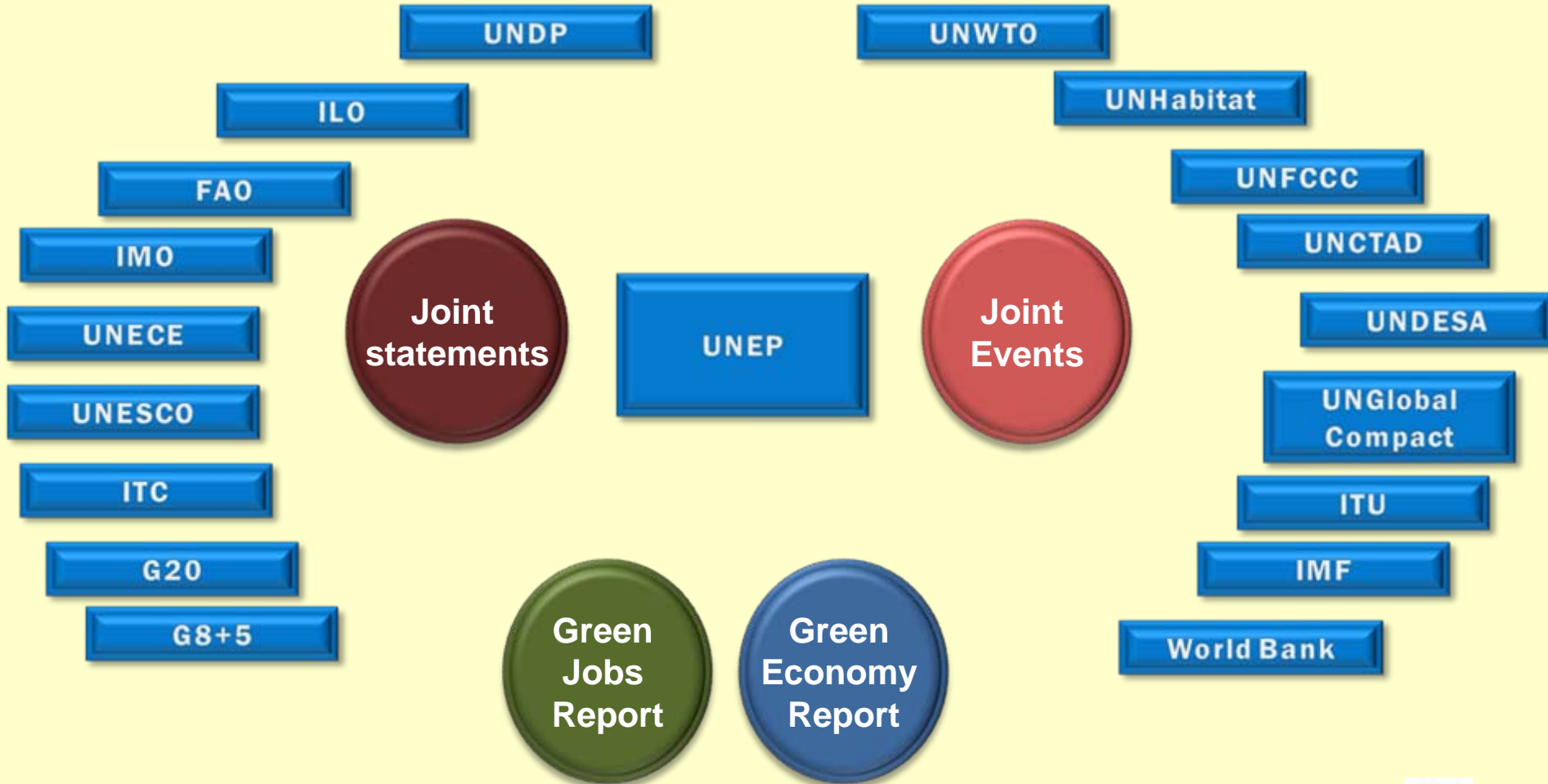
- Launched in October 2008 – in collaboration with a wide range of partners – to motivate and enable governments to invest in green economies
- Focused on the *process* of transitioning to a green economy – acknowledges that countries will take many different paths in achieving this objective
- Three components of the GEI: producing research products, providing advisory services to UNEP Member States, and promoting partnerships







# Green Economy Partnerships





# A Global Green New Deal

## Objectives:

- Contribute to reviving world economy, saving & creating jobs, and protecting vulnerable groups
- Reduce carbon dependency and ecosystem degradation, putting economies on a path to clean and stable development - 1% of GDP in green sectors over two years
- Sustainable and inclusive growth, achievement of the MDGs and end extreme poverty by 2015



# A Global Green New Deal

## 3 Elements:

- Sectorally targeted fiscal stimulus
- Domestic policy reforms
- International policy architecture and coordination

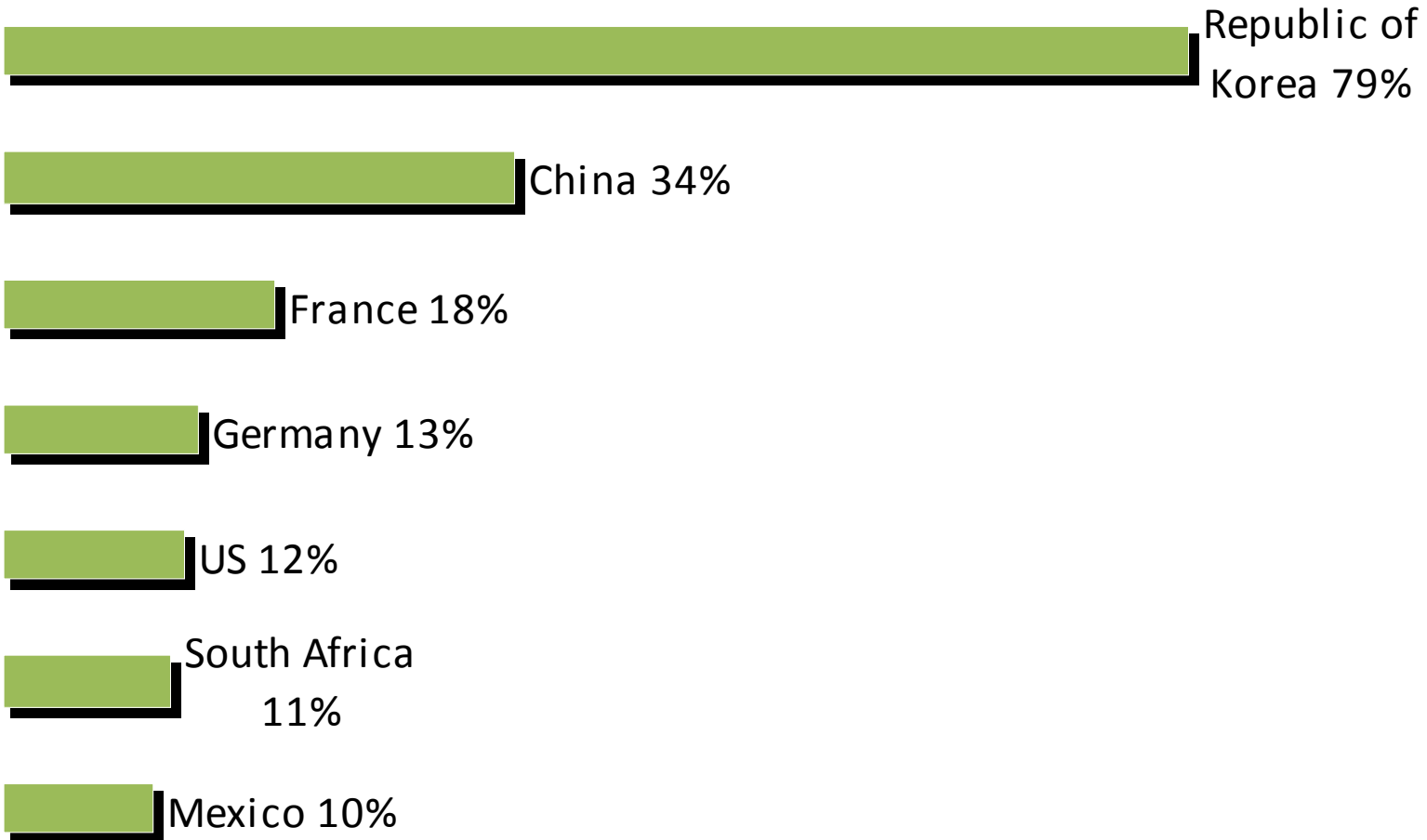


## GGND – Fiscal Stimulus

### Target stimulus towards:

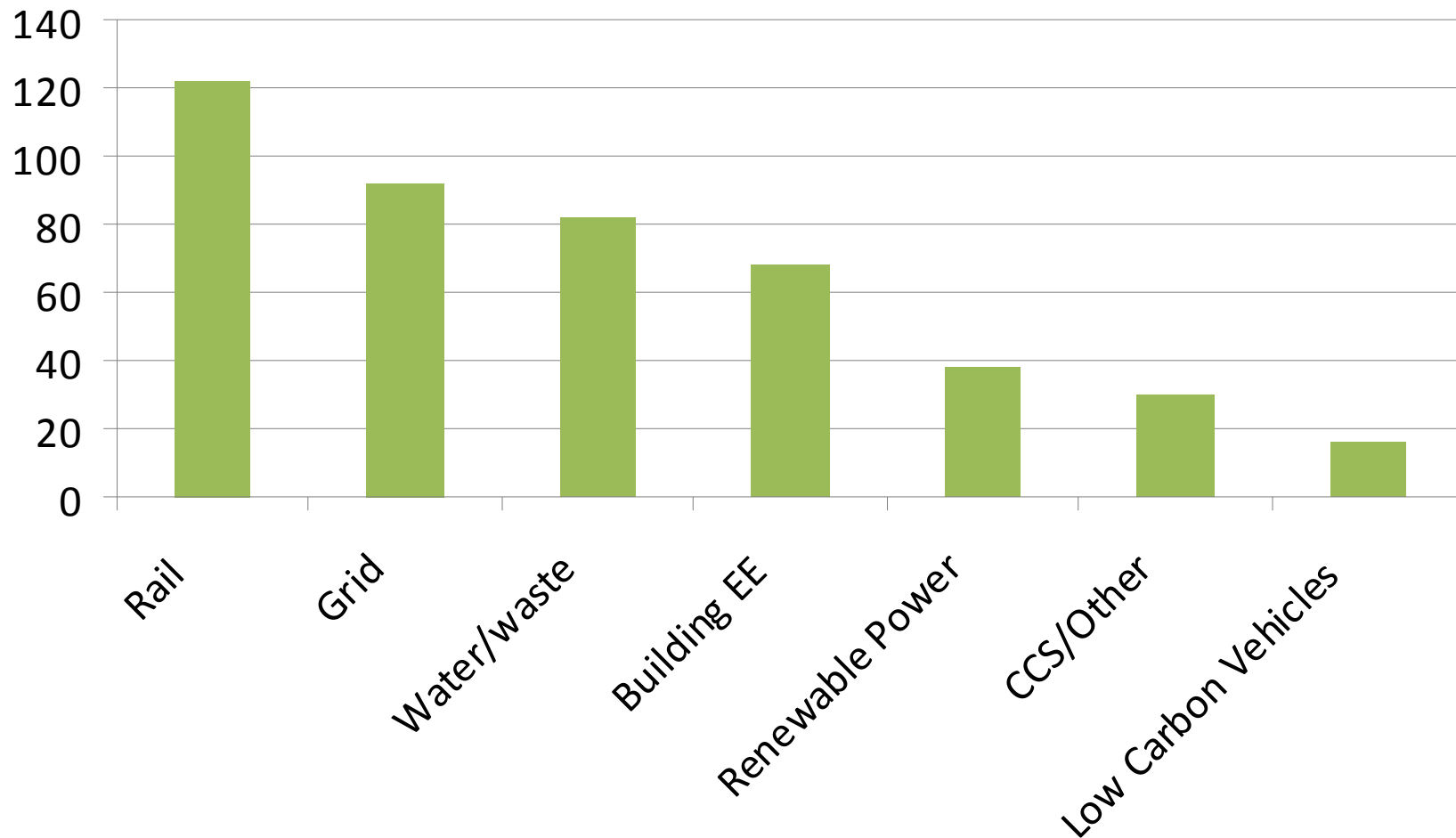
- Energy Efficient Buildings
- Transport – efficient and less-polluting transport modes and infrastructure, public transport, greener vehicles
- Energy – clean energy, “smart” grids, renewables
- Agriculture and Freshwater – sustainable agriculture, reduced water losses

## Green Stimulus Ranking as % of Total Stimulus as of August 2009



Source: HSBC Global Research

## G20 Green Stimulus Spending Per Sector (US\$ Billion)



Source: HSBC Global Research, UNEP



## GGND Policy Reforms - Domestic

- Reform perverse subsidies
- Use incentives & taxes to encourage environmentally responsible behaviour
- Rationalise land use and urban policy
- Adopt Integrated Water Resources Management
- Enforce environmental legislation
- Ensure monitoring and accountability related to the implementation of the stimulus packages.



# GGND Policy Reforms - International

- International Trade – multilateral and bilateral trade regimes conducive to the flow of environmental goods and services,
- International Aid – support the national shift towards a green economy;
- Global Carbon Market
- Global Markets for Ecosystem Services – e.g REDD, GDM
- Development and Transfer of Environmentally Friendly Technologies
- International Coordination in implementing green stimulus packages Use incentives & taxes to encourage environmentally responsible behaviour





# Green Economy Report

An in-depth analysis and guidance on economic contribution from **investing** in 11 green sectors:

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

Supported by innovative financing mechanisms as well as **policy** reforms:

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



## ... a macro economic study

- Analysis of macro-level policies and public and private investment into green sectors, including tourism
- Make a case for reshaping and refocusing policies, investments and spending to reconfigure businesses and infrastructure that can yield improved flows of income – higher and sustainable – from produced capital, natural capital and intangible capital
- As measured by:
  - Growth of national income
  - Creation of employment/livelihoods
  - Poverty reduction
  - Stock of natural capital.



# 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
- China: 10 million jobs in recycling and renewable energy output at USD 17 bn/year employing 1 million



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

- Include **green investment** in regular government budget and growth strategies
- 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)



# GEI Publications

[www.unep.org/greeneconomy](http://www.unep.org/greeneconomy)

- Green Jobs Report, September 2008
- Global Green New Deal: Policy Brief, March 2009
- Rethinking the Economic Recovery: A Global Green New Deal, April 2009
- Global Green New Deal: An Update for the G20 Pittsburgh Summit, September 2009