

# Green economy –international perspectives

**DESAFIOS PARA UM  
AMAZONAS SUSTENTÁVEL**

**27 October 2011, Manaus**

**Steve Bass, IIED**





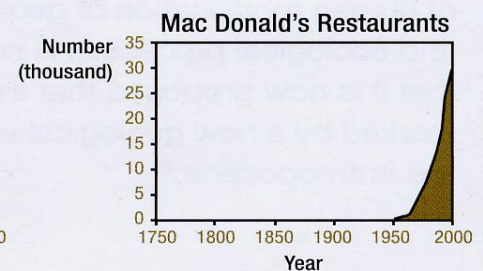
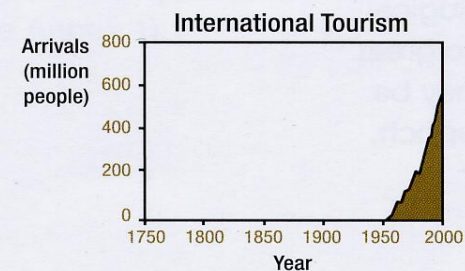
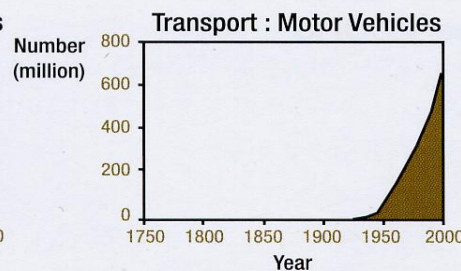
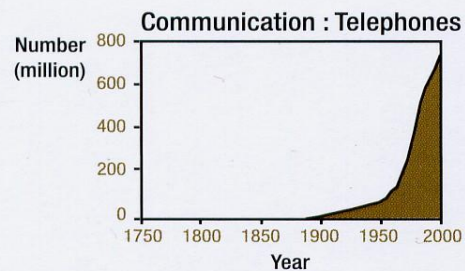
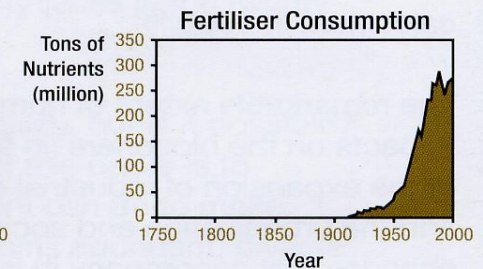
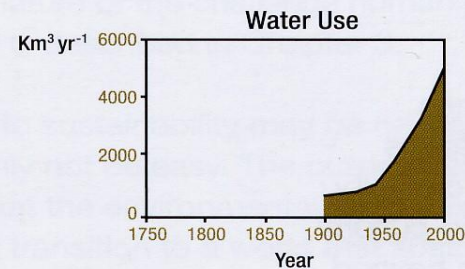
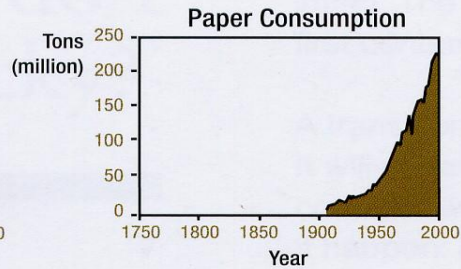
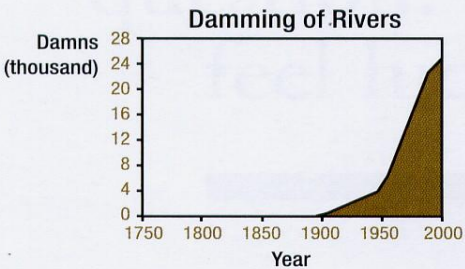
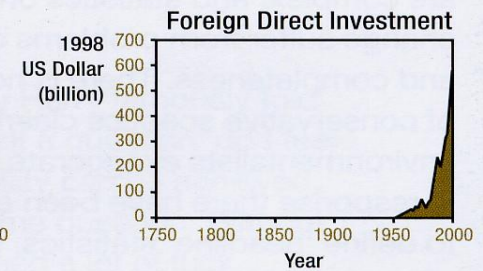
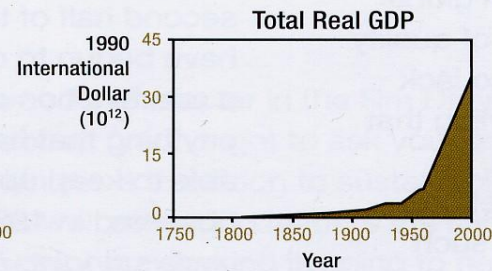
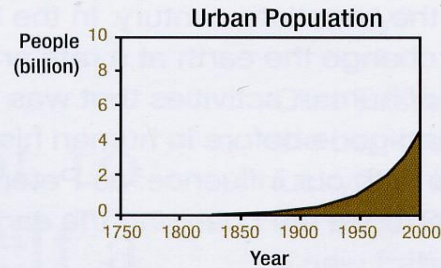
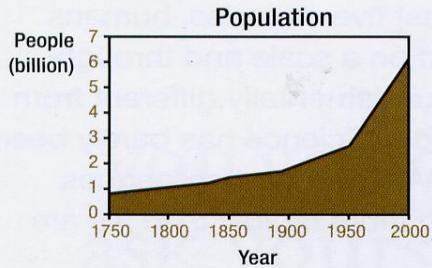
***Green Economy Coalition*** aims to explore GE

- Identifying good practice
- Helping dialogues in developing countries (Brazil, India, Caribbean, Mali, Botswana, Kazakhstan...)

A. What is the challenge?



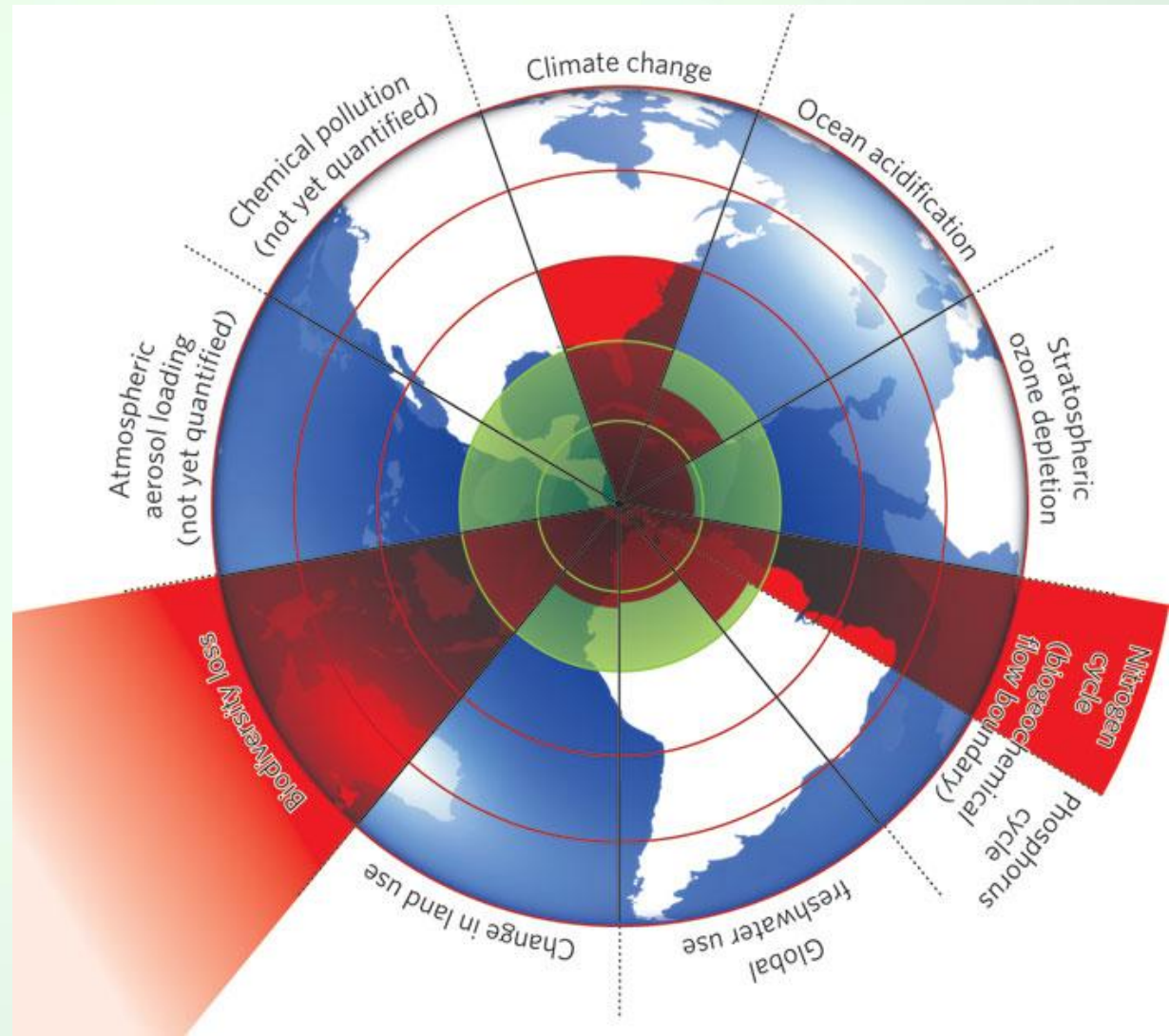
# Global economic activity x22 in 100 years



Source: Steffen et al. (see note 20)

# Global ecological limits being exceeded

- **60% of all ecosystems are degraded**  
(Millennium Ecosystem Assessment 2005)





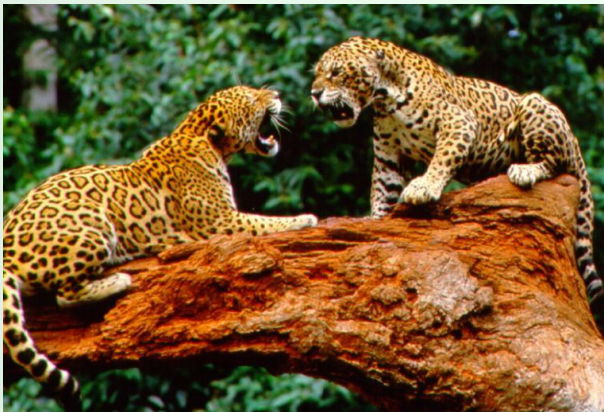
## Poor people often do not benefit

- Few jobs from recent economic growth
- 8 of top 10 high-growth countries are now lower in Human Devt Index
- Poor groups excluded from economy and envt



# New economic model is needed

- **New economies** must reward management of the **new scarcities** – ecosystem services



- **New economies** must **include people** who have been marginalised – poor, indigenous, women...

## B. What is a green economy?



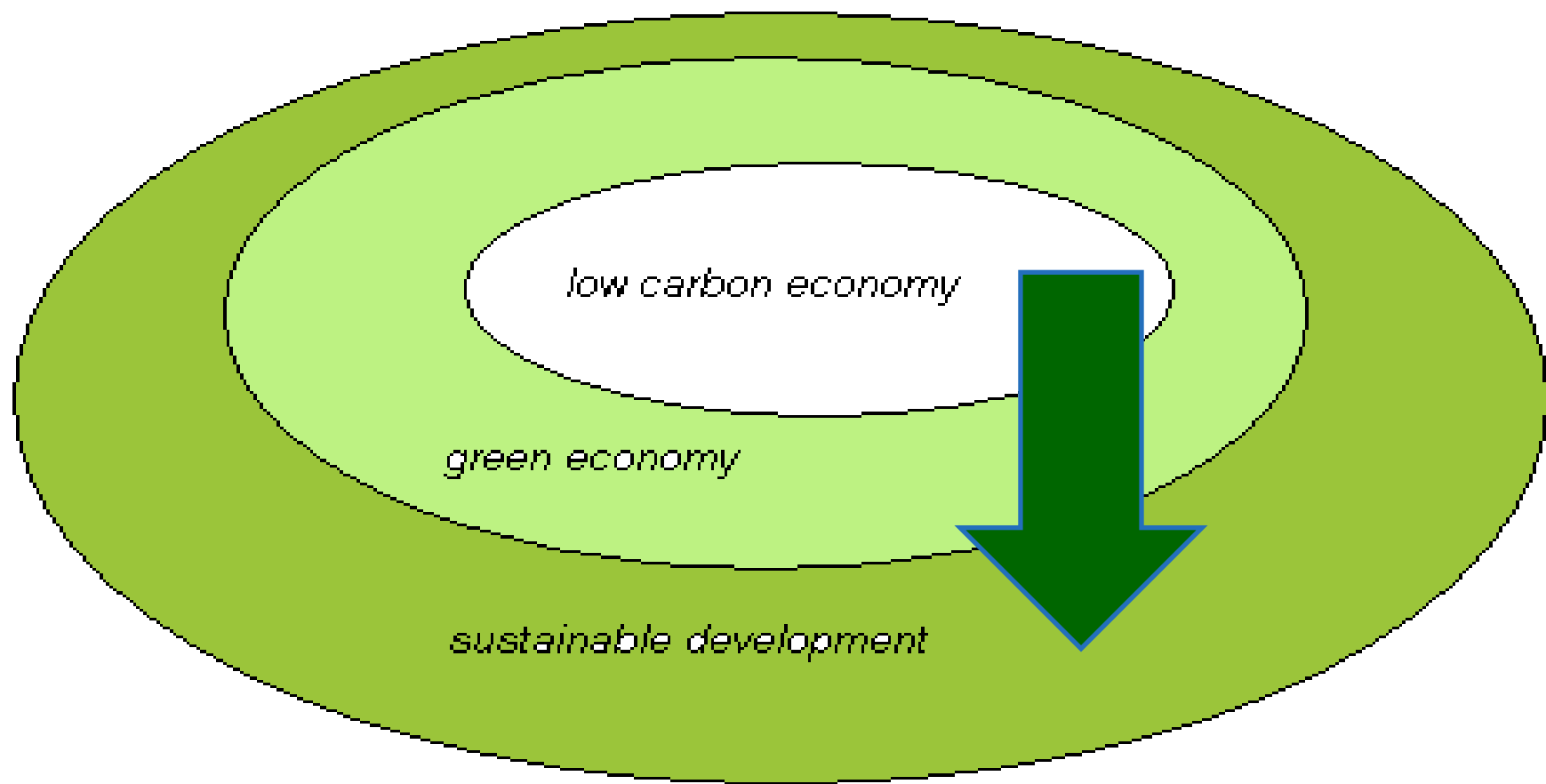
# A green economy...

Provides a better **quality of life** through:

- **best use** for society of natural resources
- within **ecological limits**
- **inclusive** and fair engagement
- creating **resilience**, not only growth

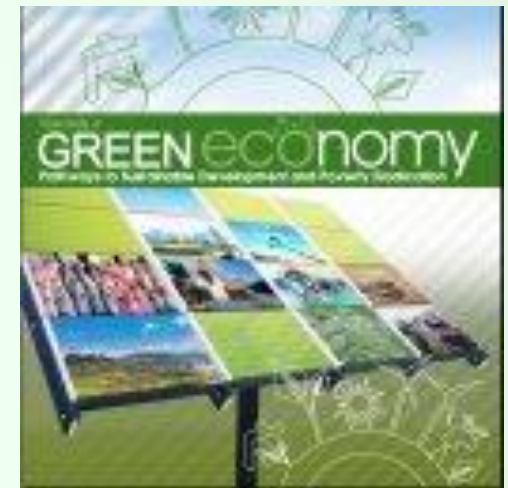
(Green Economy Coalition 2011)

# A green economy: gets the economics right for sustainable development



# Global economics of green economy are promising...

- 2% global GDP invested in green economy 2011-2050 could:
  - **Generate 5-20% growth** than current economy while...
  - **Producing more jobs**
  - **Avoiding some climate change and env damage**
- = \$1.3Trillion/yr; 10% investment; 2x fuel subsidies





# C. Who is working on green economy ?

## Recent green economy initiatives...

Most are 'Northern' or intergovernmental:

- **UNEP** – GE report (sectors) > 15 national plans
- **ILO** – green and decent jobs
- **G20** – 2008 stimulus packages (15% 'green')
- **OECD** – green growth strategy (policy framework)
- **New economic measures** – Happiness Index, Sarkozy 'post-GDP', wellbeing
- National GE plans – **Korea, Denmark, Ethiopia, Japan, Maldives, Guyana...**

## The search for GE: 3 main drivers

1. **Regulation:** to tackle env/social growth problems; many policies since Rio 92; but econ policy ignores!
  2. **Finance interests:** profitable hi-tech green investments; G20 2008 stimulus
  3. **Public values:** changing economic goal/targets from GDP to wellbeing; academic work since 1960s; now public debate on 'the economy is not working'
- ***No single driver is adequate; all 3 are needed***



## India, Carib, Mali, Botswana **GE dialogs concluded**

1. **Sustainable development is still the aim – GE to support**
2. **Ecosystem regeneration is now critical – GE to invest**
3. **Jobs and inclusion are key – GE to empower poor**
4. **Avoid ‘exporting problems’ – GE in one place must not have negative impact on another place**
5. **Culture is a source of economic resilience – shapes peoples’ dreams, cooperation, enterprise**
6. ***But GE could be a bad idea – if it led to conditionality, inequities, jobless growth, or poverty traps***



# D. How to move towards green economy?

# Good practice 1: Catalog green initiatives



- Green economy test:**
- ✓ Productive?
  - ✓ Inclusive, cuts poverty?
  - ✓ Creates value from env?
  - ✓ Within ecol limits?
  - ✓ Cost-effective?



## Glimpses of a green economy

[www.greeneconomycoalition.org](http://www.greeneconomycoalition.org)

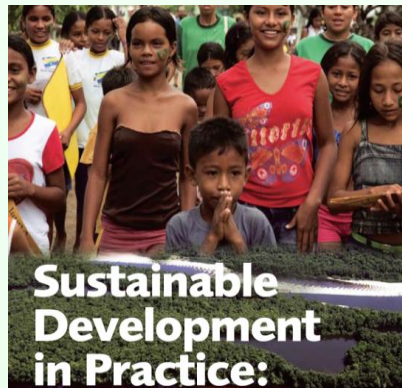




# Good practices 2. International exchange; and 3. Payments for environment services



Costa Rica



**Sustainable Development in Practice:  
Lessons Learned from Amazonas**

Virgilio M Viana



## Good practice 4: Attract quality corporations & investors with **GE at heart of business model**

e.g. Unilever Sustainable Living Plan has ambitious aims: by 2020

- **Help 1 billion people improve health/well-being**
- **Source 100% of agricultural input sustainably**
- **Buy from 500,000 small farmers**
- **Cut total env impacts 50%**

*(NB this is not necessarily an IIED endorsement!)*





## Good practice 5: Support green social enterprises that have large-scale benefits

**Example:**  
**Dev. Alternatives, India**



**1,000,000 green jobs**

**Building 50,000 green houses**

**1,300,000 have land rights**

**1,250,000 schoolchildren** run  
**48,000 env initiatives**

**National** natural resource  
inventory/policy improved





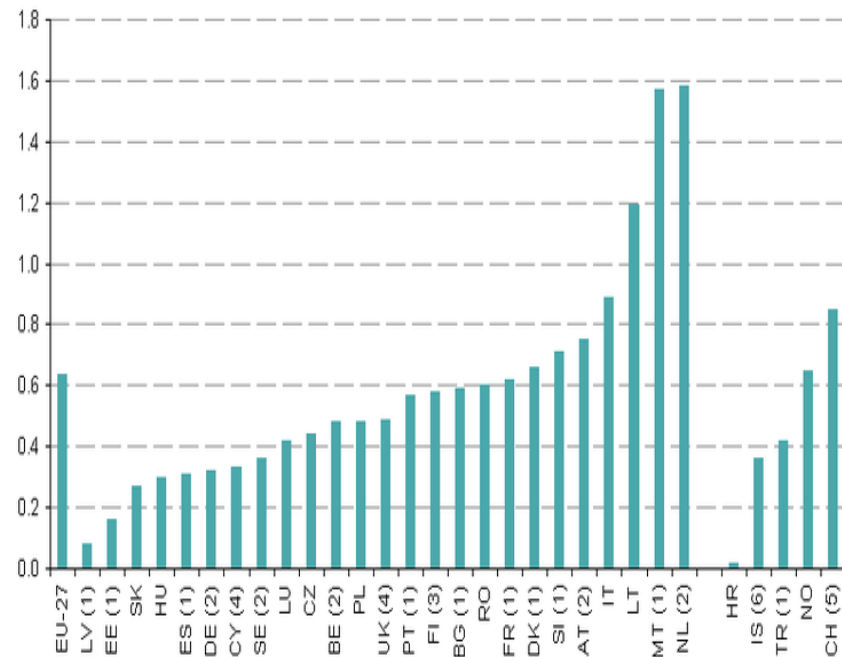
## Challenge! Include informal economy

- Significant: >50% of global employment; 41% of income in developing countries (18% in OECD)
- Growing: +200 Million during 2009 recession
- Can be flexible, innovative and resource-efficient
- Challenge: enable decent, safe work – and rights



## Good practice 6: Govt environmental expenditure review

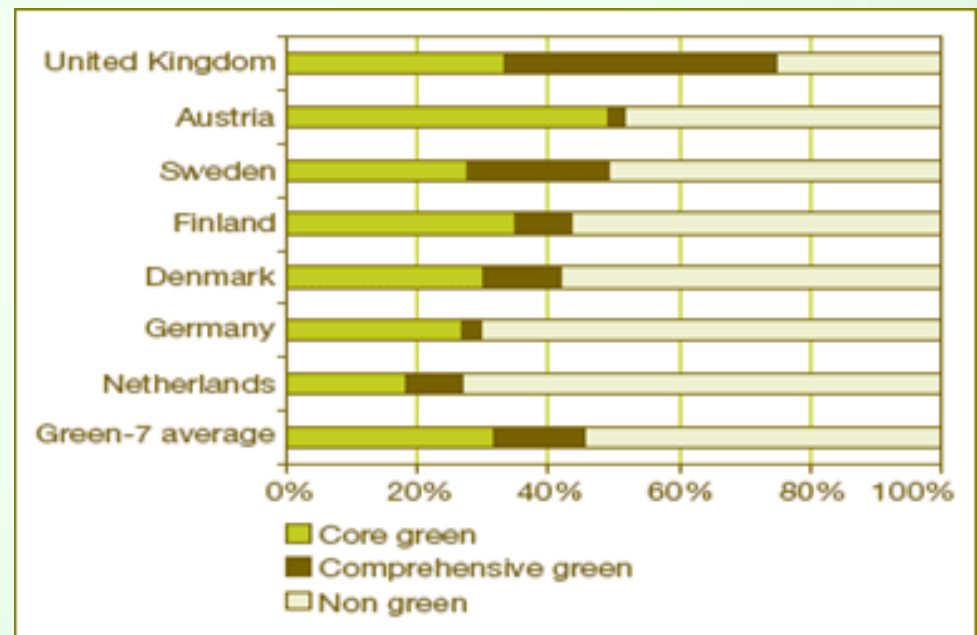
- **What \$** does each ministry spend on env. activities?
- What % env expenditure is capital **investment**?
- How **sensitive** are investments to environment risks?
- What env **revenue potentials** are being missed?



- ✓ Global average 0.5% GDP
- ✓ **Tanzania** review led to env budget increase by 500%

## Good practice 7: Green public procurement

- Govt purchases = 17% global GDP
- Govt green procurement can lead markets!



# The world's green economy

- **Goal: revive *and reshape* the entire world economy...**
  - rebalancing natural, human and financial capital – not just finance!
  - protecting vulnerable people and ecosystems – not just the banks!
- **Leadership: *many possibilities for Brazil* as a 'powerhouse' for (1) ecosystem services and (2) major investments**
  - Making REDD+ effective, inclusive, and profitable
  - Global PES deal: match Brazil govt payment for forest ecosystem services with international funds?
  - 'Coalitions of willing': removing barriers to trade in env services, green financial practice, government procurement
  - Brazil economic and 'aid' links to Africa: a GE framework?



