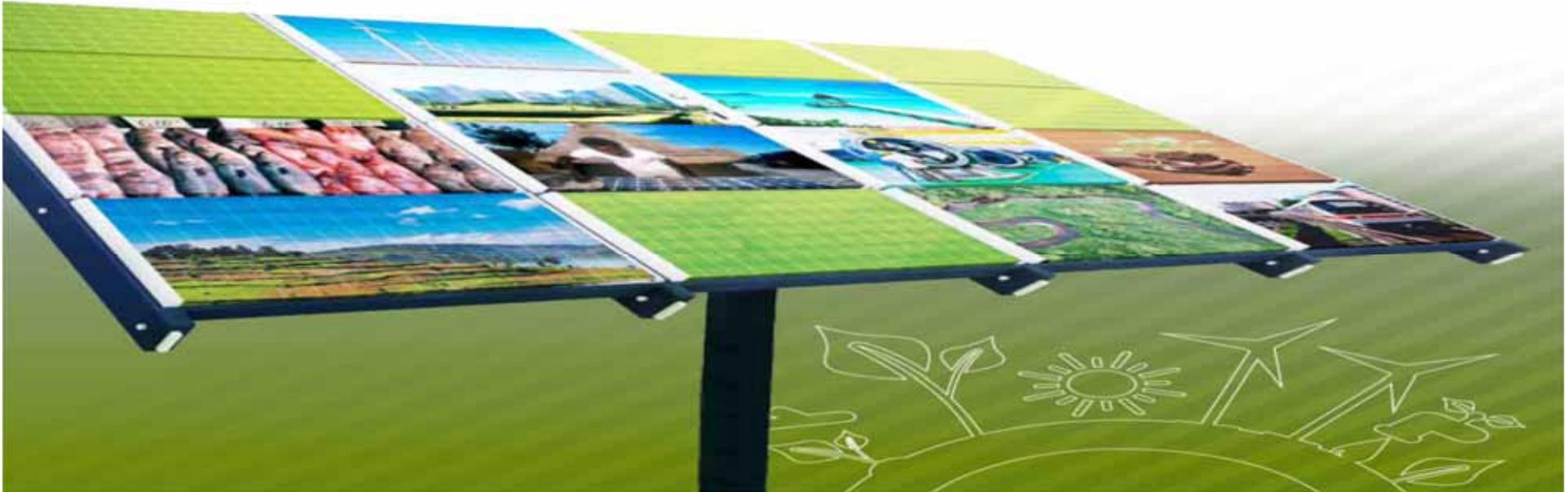




Towards a **GREEN** economy



Global Green Economy Initiative and Global Green Economy Indicators

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UNEP Regional Office for Europe

Measuring & Communicating the Contribution of the Forest Sector in a Green Economy

European Forest Week

11 December 2013

Outline

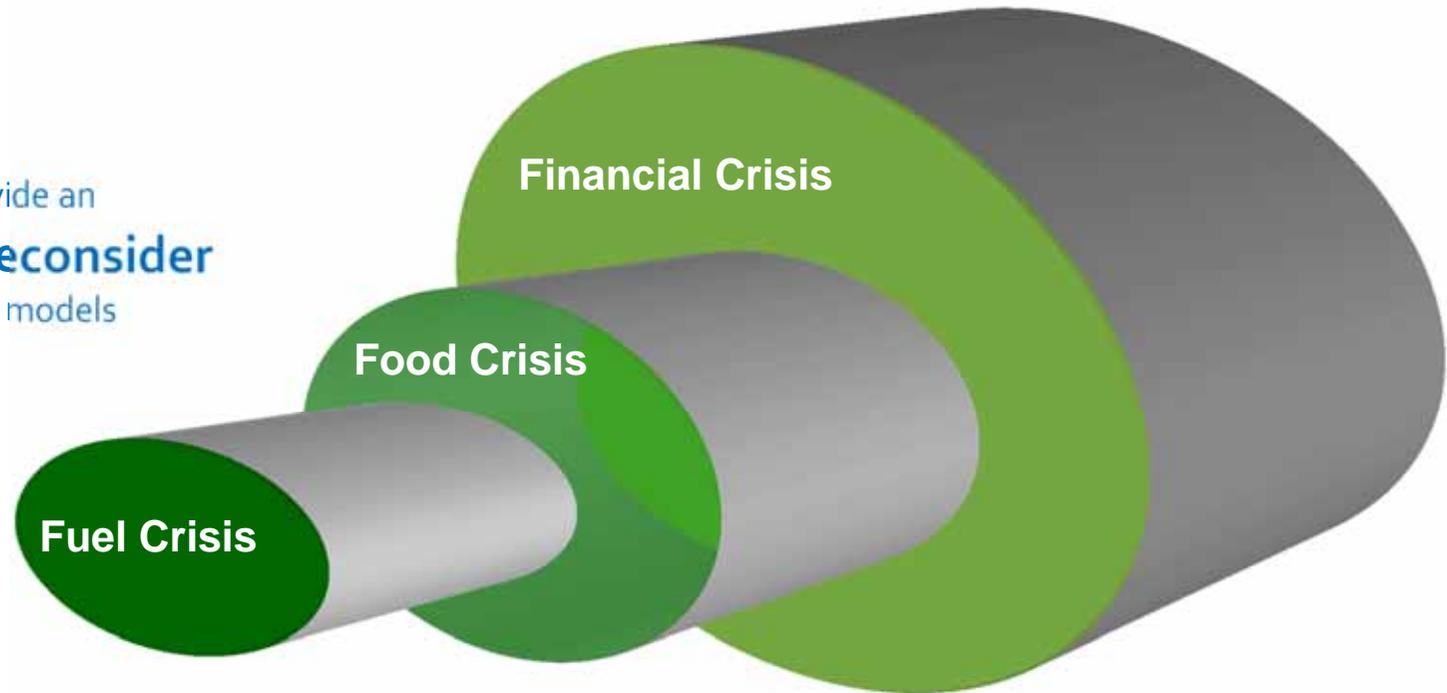
1. UNEP Green Economy Initiative
2. Forests in a Green Economy (global)
3. Global Green Economy Indicators
Work

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

Greening the economy links to



Engine of Growth



Employment



Solution to Poverty

What is a Green Economy?



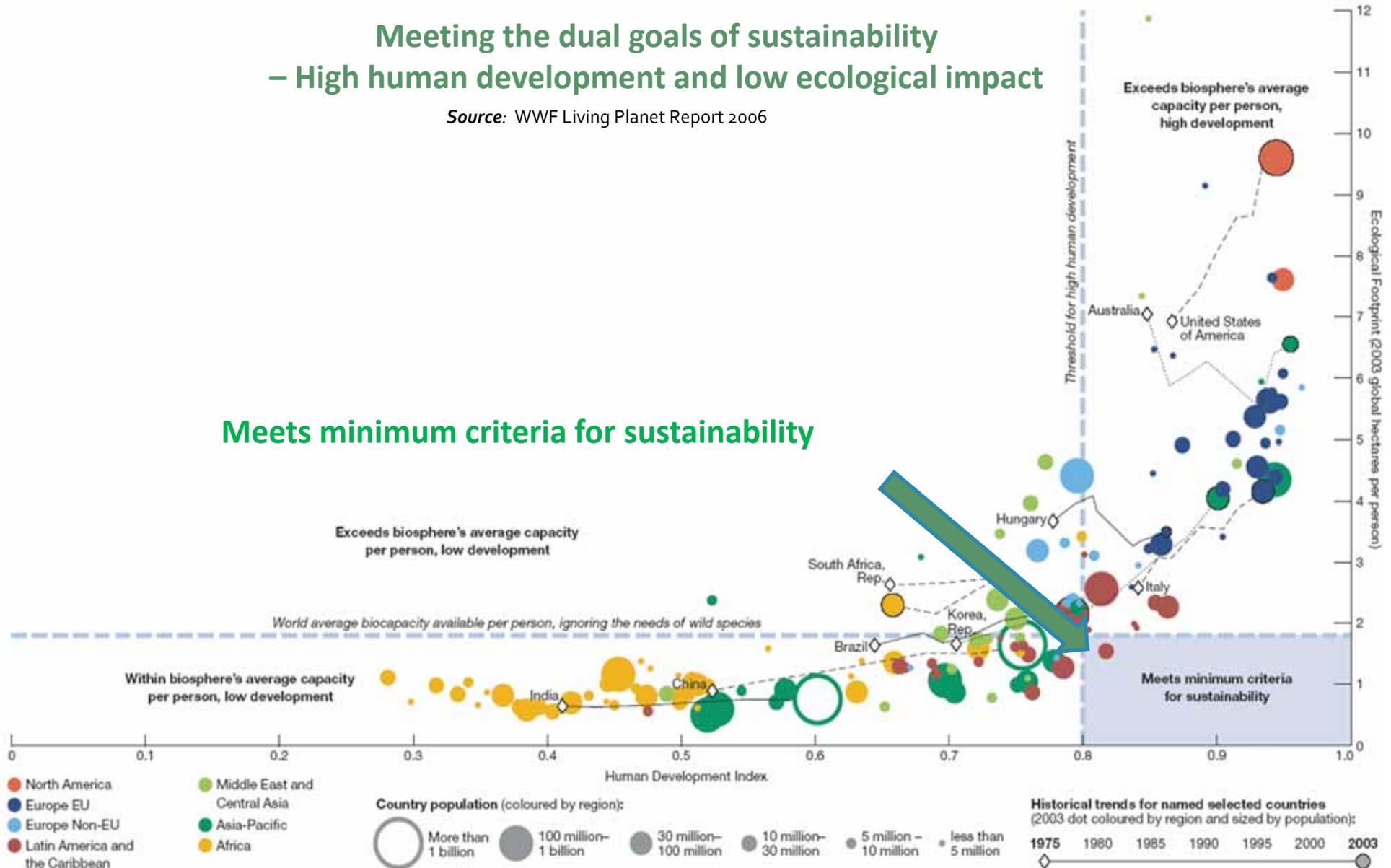
“**A Green Economy** can be defined as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.”

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

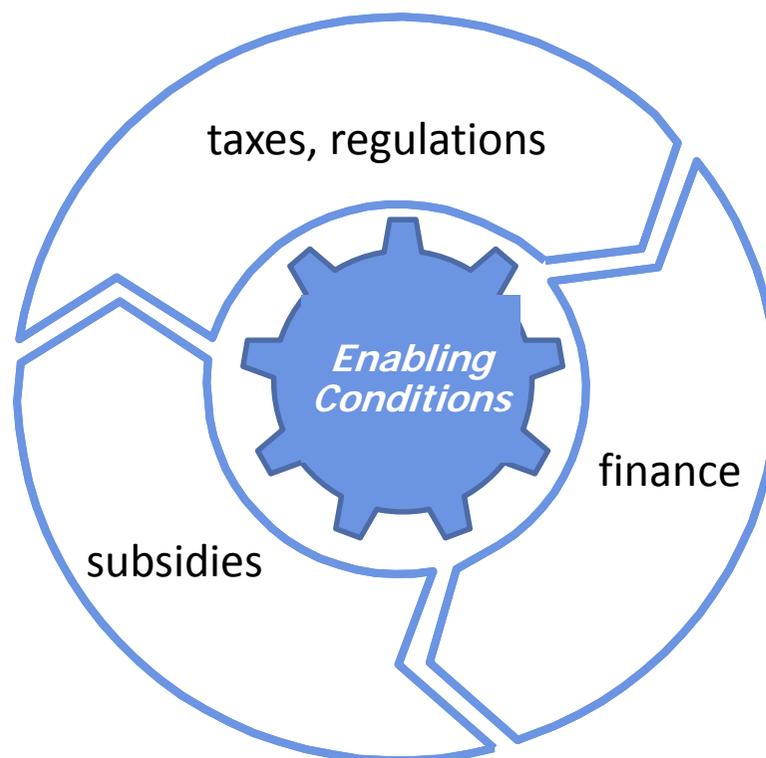
APPROACH

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



FOCUS

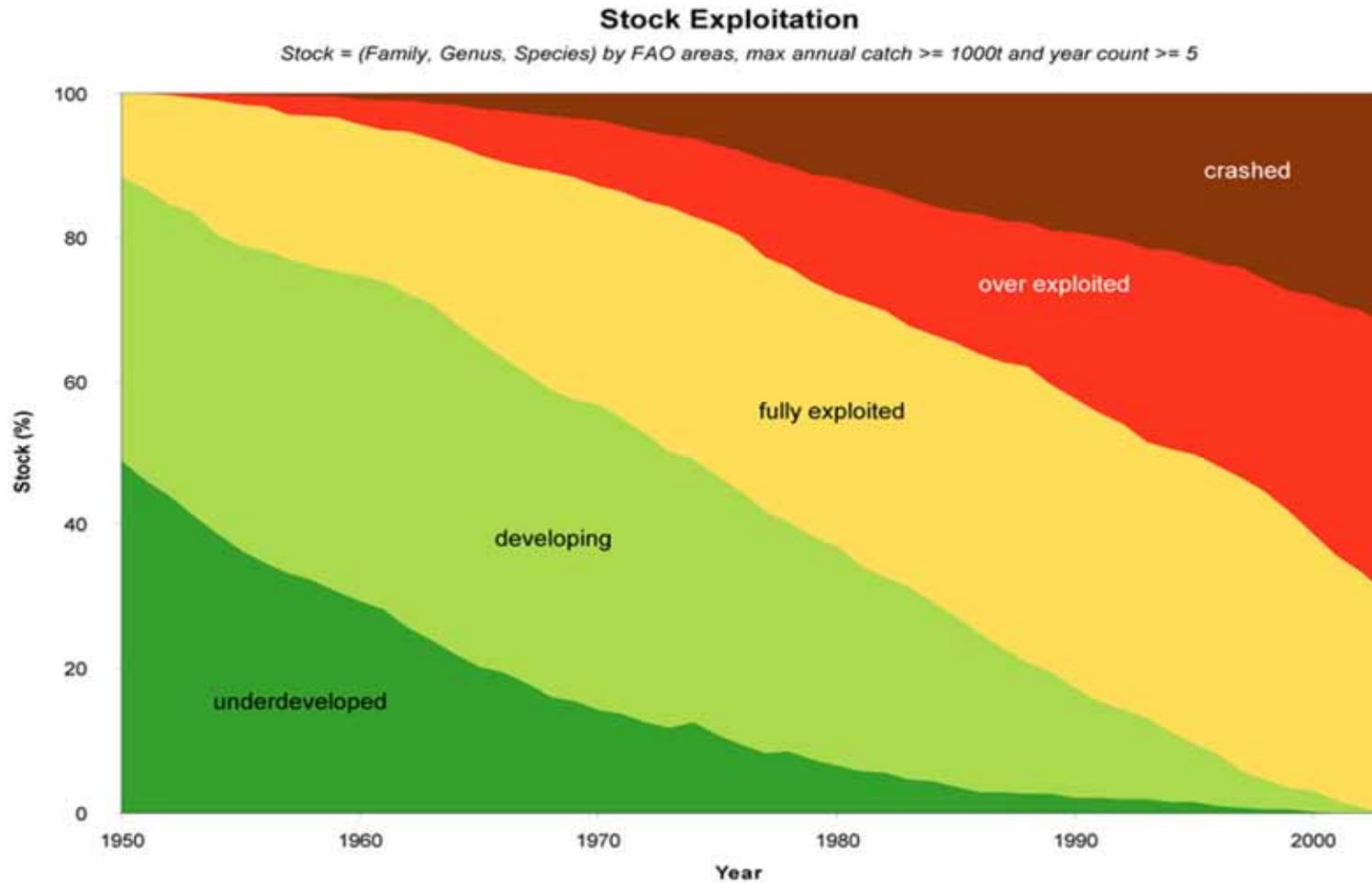
- On enabling conditions (finance, subsidies, taxes, regulations, and related reforms that achieve GE objective)



Fisheries



Business as usual is not an option: State of fish stocks



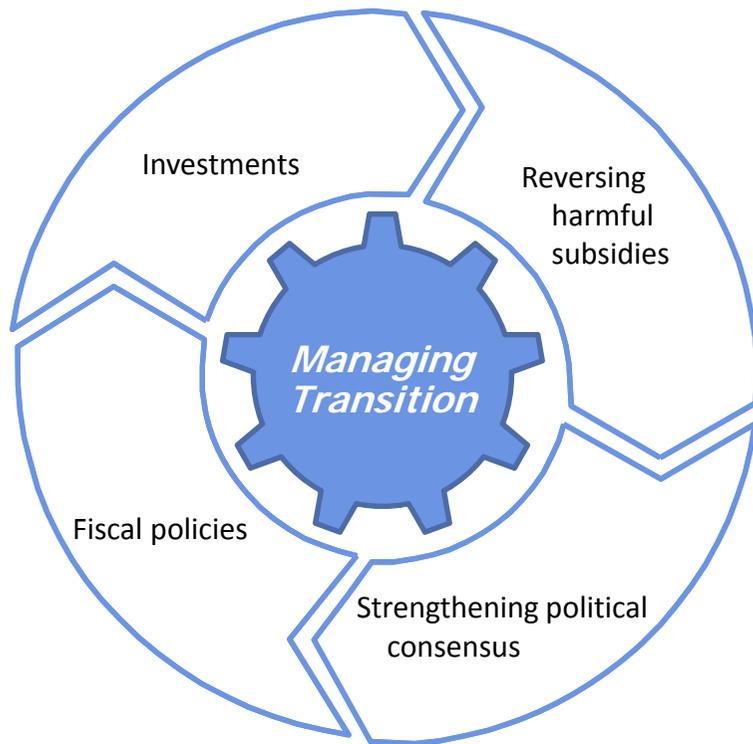
Source: Froese and Pauly (2004)

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 **Findings**



Towards a **GREEN** growth 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.



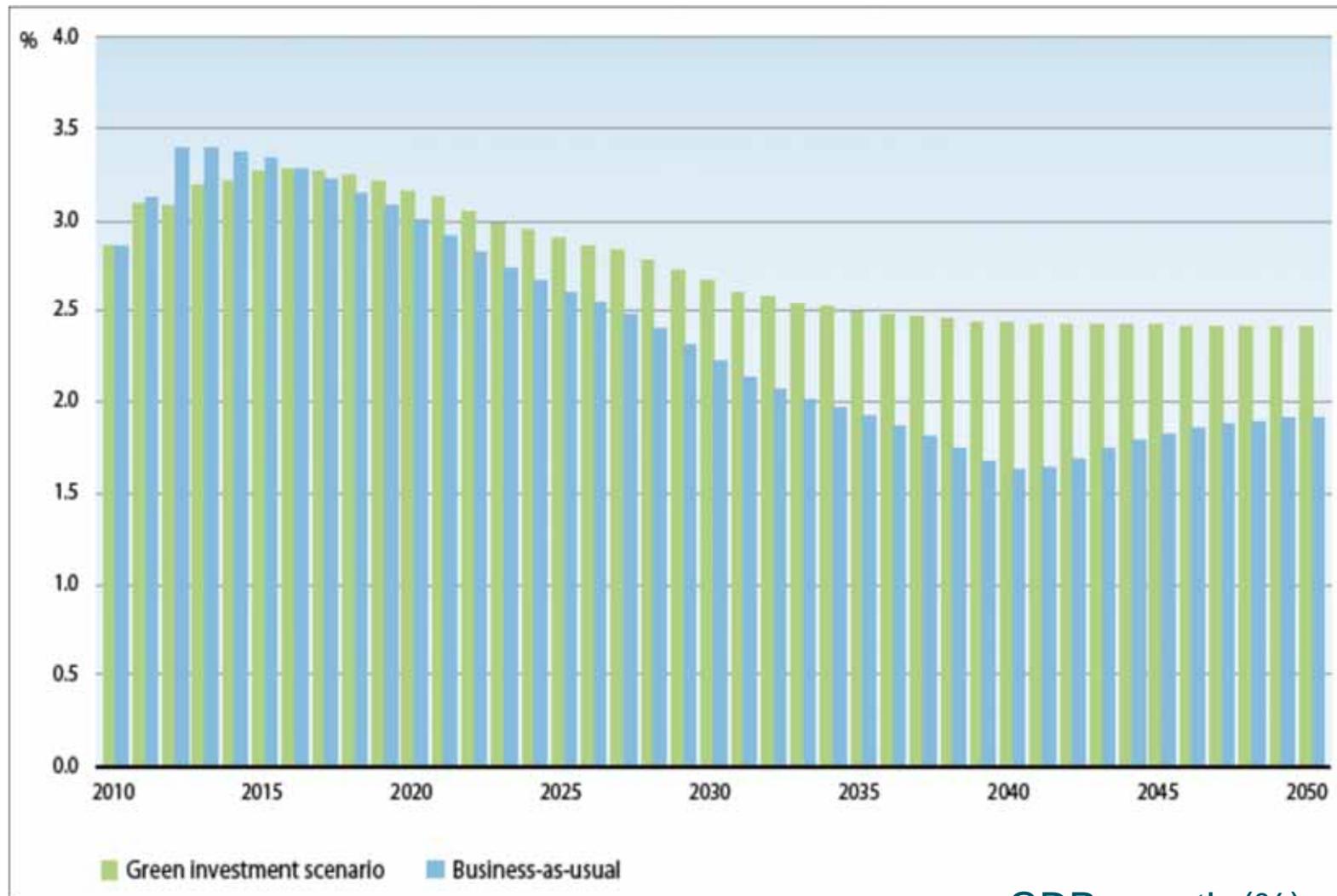
A green economy can reduce poverty

- 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%



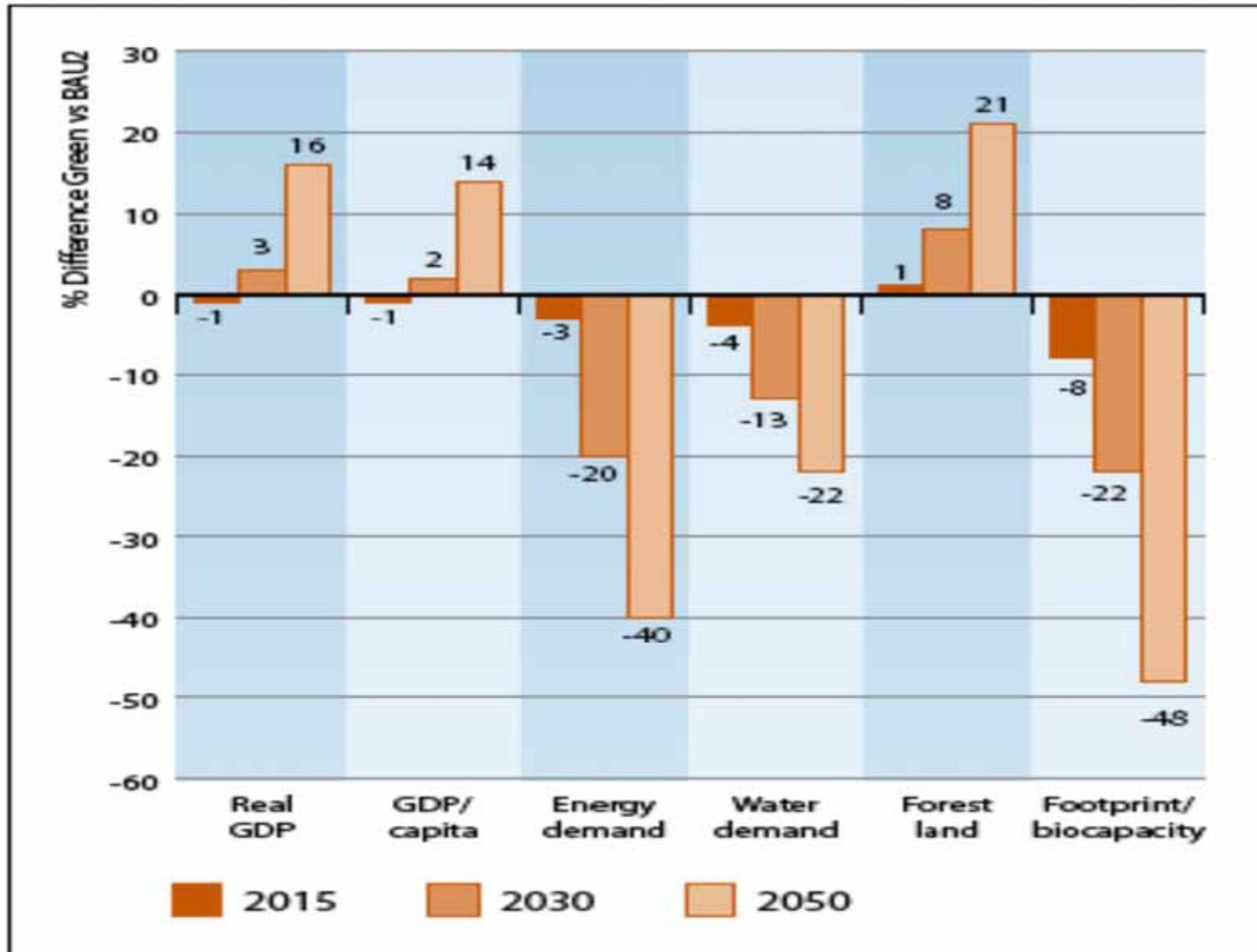
Key finding: A green economy stimulates growth, exceeding BAU over time...



GDP growth (%)



...while reducing ecological scarcities and environmental risks



Enabling conditions for a green economy

- Establish sound regulatory frameworks
- Remove harmful subsidies in energy, water, fisheries and agriculture
- Prioritize green investment
- Utilize smart market mechanisms and taxation
- Build capacity through training and technology transfer



Financing the green economy

- Investments in the range of \$1.3 trillion year (about 1/10 of total investment in physical capital)
- Investment in greening key sectors is growing:
 - Investments in clean energy of \$180-200 bn in 2010, up from \$162 bn in 2009 and \$173 bn in 2008.
- Increase commitments from DFI's and National Development Banks investing USD350 bn/yr
- Need for innovative mechanisms and tools
 - Green Climate Fund
 - Payments for Ecosystem Services eg REDD+
 - Environment, social and governance reporting



Forests in a Green Economy

The wider economic roles of forests in a green economy include:

- As factories of production (producing private goods from timber to food);
- as ecological infrastructure (producing public goods from climate regulation to water-resource protection);
- and as providers of innovation and insurance services (forest biodiversity being key to both).



Greening the forest sector

- To meet the societal demands for: wood processing and paper manufacture; tourism, energy, water management, carbon trading, new forest based products, critical livelihood needs of local communities (fuelwood, construction materials, food sources and medicinal plants);
- More effective forest governance supported by greater economic incentives;
- Forest related public goods, such as carbon storage and biodiversity conservation, are recognized internationally.



Greening the forest sector

- Forest managers and governments to account more effectively and transparently for forest stocks and flows;
- Measure and value the forest sector's contribution to societal wellbeing;
- Capturing the full range of marketed and non-marketed goods and services.



Measuring progress of the forest sector towards a Green Economy

- The changing proportion of consumption made up by forest goods and services, and particularly the rate of substitution of carbon-intensive products with forest products;
- Changing markets for forest ecosystem services;
- Investments in sustainable forest enterprise and production, especially those which aim at several ecosystem services and include sustainability conditions;
- The changing ownership of forest land and forest enterprise, notably the inclusion of local forest stakeholder groups;
- Forest governance improvements; and
- The sustainability of forest management, from stand to landscape to national levels, in environmental, social and economic terms.



Global work on green economy/ green growth indicators-Origins

- Little effort to systematically consider the issue of measurement
- Initial focus on the delivery of a green investment scenario in terms of growth and jobs
- Now evolving into the consideration of core indicators of a green economy
- OECD green growth indicators
- UNEP conclusion: there are enough existing indicators; focus should be on how to use existing indicators in support of the different stages of green economy policy-making



Global work on green economy/ green growth indicators-Current status

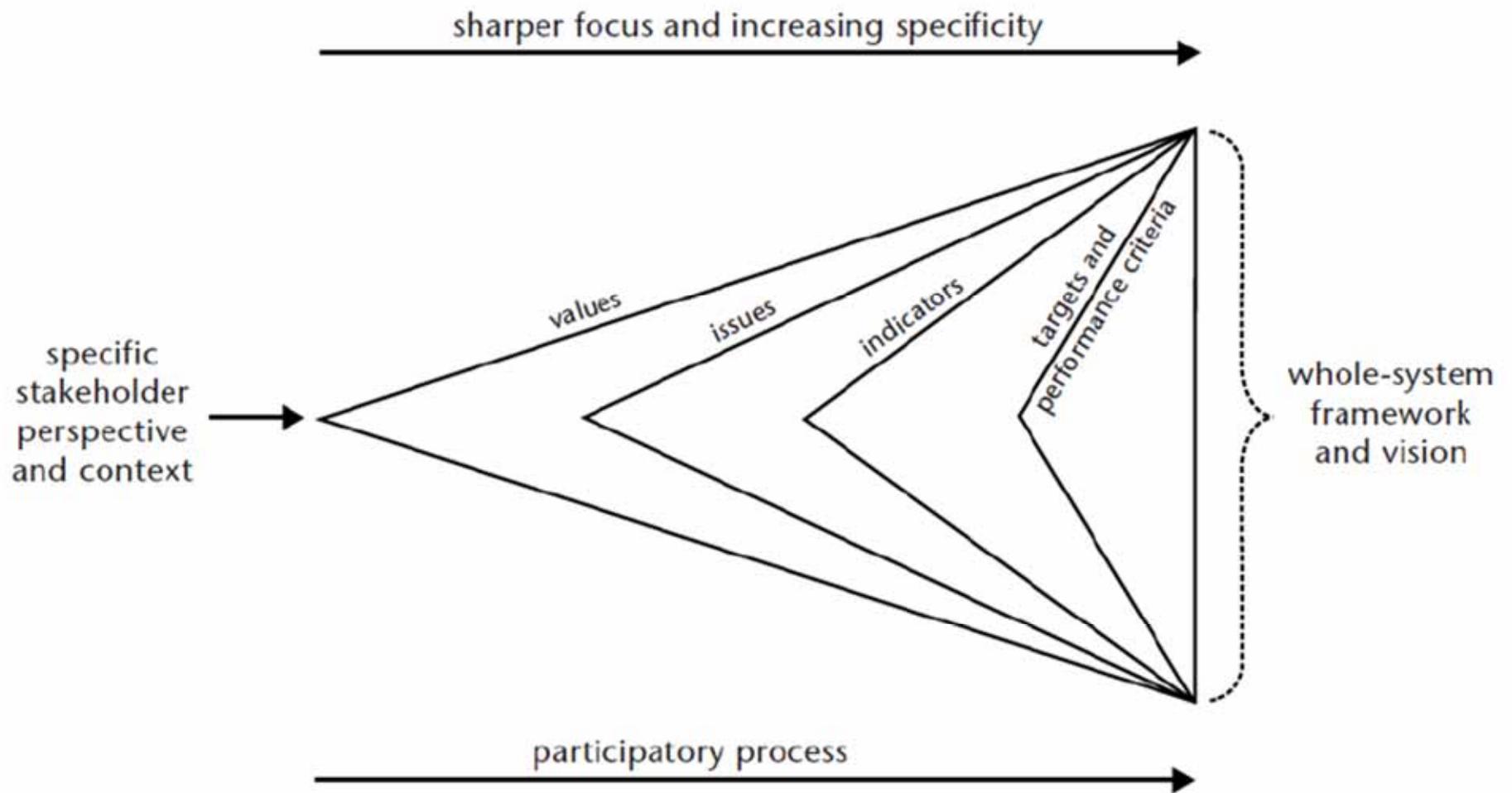
- Booklet outlining the ways in which indicators could be used to support green economy analysis
- Guidance Manual is near completion
- A common approach? The GGKP work with UNEP, World Bank, OECD and GGGI resulted in a 2013 joint paper setting out a broad framework for measuring green growth and green economy



Global work on green economy/ green growth indicators-Common approach

- The framework is premised on the capital approach to sustainability: the “total asset base”;
- General agreement amongst the partners on framework but some differences still need to be resolved (issues concerning inclusiveness and economic opportunities);
- Indicators such as green jobs and environmental goods and services are important to UNEP;
- Another challenge: there are statistical frameworks guiding data collection but no effort to collect the data in enough countries





Source: Pinter, L., K. Zahedi and D. Cressman. (2000) Capacity Building for Integrated Environmental Assessment and Reporting. Nairobi: UNEP and IISD.

L. Pinter

Thank you!

