Green Economy: ‘Everyone’s talking about it’

An analysis of the UNCSD Zero Draft text submissions

Analysis snapshot

- All governments, north and south, are actively engaging with the concept of a ‘green economy’, and many are beginning to identify areas of opportunity at a national level. There is evidence of a wide range of policies already in place or in development, both in developing and developed countries, that could be deemed ‘green economy’.

- However, developing countries – particularly the Least Developed Countries (LDCs) – still remain fearful of the full implications of a transition to a green economy and the potential impact of green economy strategies in industrialised countries on their own economic prospects.

- All governments have underscored the need for green economy to be nationally owned and defined. Nearly all also stress that green economy is a means and opportunity for achieving sustainable development, and must tackle poverty. Within developed countries’ texts there was a strong focus on resource efficiency, job creation and competitiveness. For developing countries, poverty eradication and equity must be the results of a green economy. For the BRICS, a green economy must shift the consumption and production patterns of the industrialised countries, as well as tackling poverty.

- Some of the most popular practical global asks include: Sustainable Development Goals; alternative metrics to GDP; explicit focus on job creation mechanisms; focus on technology and Intellectual Property rights; need for natural capital to be valued in economic decision making; and a renewed framework for sustainable consumption and production.

- Notable for their absence, the following themes did not feature as much as had been anticipated by the Coalition; natural capital management schemes; global financial market reform; explicit proposals for how to finance the transition at both the national and international level.
Introduction

Over the last few years the term ‘green economy’ has crept from the fringes of global conversations into mainstream political discourse. It has been the source of extensive and energetic discussions across inter-governmental, business and civil society arenas. However, until now it has been difficult to assess the extent to which ‘green economy’ is gaining political traction at the global and national level.

As part of the preparatory process for the United Nations Conference on Sustainable Development (UNCSD) all Member States and stakeholders were invited to submit their input to the Compilation Document, or ‘zero draft text’. Submissions have come from all quarters of the world and from many different types of organisations, and they paint a vivid picture of how a green economy is being received, understood and re-interpreted.

The Green Economy Coalition (GEC) brings together trade unions, consumer organisations, NGOs, academic institutes, businesses and UN bodies. We represent different constituencies, we specialise in different areas and we come from different parts of the world. Despite our diversity we have come to understand that the multiple crises we face as a global community are not only interconnected, but share the same systemic root causes. We have come together because we share a common vision and a joint mission:

Our vision is one of a resilient economy that provides a better quality of life for all within the ecological limits of the planet. Our mission is to accelerate a just transition to a green and fair economy.

As such, for us, a green economy is founded on the principles of:

1) Sustainable development;
2) Equity and poverty alleviation;
3) Resilience;
4) Inclusiveness;
5) Environmental limits.

With our own understanding of a green economy in mind, this analysis of eighteen Member State submissions has been undertaken in order to better understand how governments are responding to the concept of green economy in their different economic and social contexts. It seeks to answer five questions:

I. How are governments positioning themselves on green economy?
II. How is green economy being framed and understood?
III. What are the key priorities and practical proposals for Rio 2012 on green economy?
IV. What are the additional highlights of the UNCSD submissions?
V. What are the emerging concerns and opportunities associated with a green economy for developing countries?

I. Positioning on a green economy

At the first UNCSD Preparatory Committee meeting in May 2010, the term green economy was met by equal measures of suspicion and enthusiasm by governments, UN bodies and stakeholders. Eighteen months later, to what extent is the green economy being interpreted as a threat or an opportunity? (See Table 1)

In broad brush strokes, this analysis demonstrates that, irrespective of the level of economic development, a significant majority of governments are actively engaging with the concept of a green economy. In addition, both developed and developing countries are already beginning to identify potential opportunities for their own national priorities offered by a transition.
Table 1: Sample of government positions on green economy

<table>
<thead>
<tr>
<th>Actively engaged in concept of green economy</th>
<th>Luke warm</th>
<th>Opposed/highly dubious of green economy</th>
<th>No mention</th>
</tr>
</thead>
<tbody>
<tr>
<td>China, Costa Rica, Botswana, Brazil, Ethiopia, EU, Ghana, Indonesia, Japan, Kenya, Thailand, Nepal, Nigeria, Philippines, Russian Federation, South Africa, USA</td>
<td>Argentina, Egypt</td>
<td>Bolivia, Venezuela</td>
<td>Honduras, Latin America and Caribbean Region prep com outcome</td>
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The potential opportunity for expanding this market and scaling up business for green solutions, new and innovative technologies is enormous (Mexico)

Nepal has a comparative advantage in developing sustainable agriculture, tourism, water resources, renewable energy, non-timber forest products, community forestry and biodiversity conservation. (Nepal)

There is also ample evidence that a wide range of ‘green economy’ policies and initiatives such as green taxes, carbon taxes, green energy funds, payment for ecosystem services schemes, renewable energy initiatives and natural resource management initiatives are already in place or under development across the northern and southern hemispheres.

However, to a large extent ‘green economy’ is still an unknown entity and its associated policies are not all explicitly ‘pro-poor’. As such, requisite social protection schemes will be required to ensure that it tackles issues on social justice and poverty alleviation. This was emphasised emphatically throughout the submissions, particularly by developing countries.

Only a very limited number of Member States, including Bolivia and Venezuela, overtly reject the term. For both of these governments, it implies an unacceptable commoditisation of the natural world.

The “green-capitalism” scheme intends to transform nature into a commodity to be measured, valuated, appropriated, and traded under a mercantilist model, leaving environmental sustainability aside...This is what they have called “green economy”, under the lead of agents linked to the world of transnational corporations and the international financial sector. (Venezuela)

A small number, including Egypt and Argentina, articulate the position that at present green economy remains a contentious theme which suffers from the lack of a globally agreed definition and poses as many threats as it does opportunities.

II. How are governments framing a green economy?

Throughout the submissions, governments emphasised their keenness to interpret ‘green economy’ according to their own national priorities.

The Green Economy should be defined and applied by each country based on its specific circumstances, especially in the context of whether it is a paradigm, a tool or an alternative path to sustainable development (Caribbean Region)

As a result, the meaning and definition of green economy varies considerably across the submissions.
In an attempt to unpick the many different interpretations, we have analysed eighteen government submissions to better understand how governments are interpreting the concept at the national level\(^6\). We have benchmarked these interpretations against the Coalition’s own understanding – that a green economy is founded on the principles of:

1) Sustainable development;
2) Equity and poverty alleviation;
3) Resilience;
4) Inclusiveness;
5) Environmental limits.

In addition to our own principles, a number of indicative phrases were commonly cited by governments in their descriptions of a green economy. These included ‘sustainable consumption and production patterns’, ‘resource efficiency’, ‘job creation’ and improving national ‘competitiveness’. (see Figure 1)

The analysis has shown that, for all governments, a green economy must achieve sustainable development and must tackle persistent poverty. Resilience, both climatic and economic, was also a top priority. By comparison, the notion of environmental limits was largely absent from definitions of a green economy. Rather, governments cited the need for ‘resource efficiency’.

Figure 1: How are governments framing a green economy?

**Developed Countries**

For **developed economies** the transition to a green economy is one that will generate jobs, enhance competitiveness and promote resource efficiency:

‘New Zealand favours mutually reinforcing environmental, social and economic policy that makes the most of opportunities to develop new industries, jobs and technologies to clean up polluting sectors, seek efficiencies in resource use and transform consumption patterns.’ (New Zealand).

The conference should also advance the understanding that a resource efficient economy creates green jobs in sectors of all levels of development and that it contributes substantially to national competitiveness. (Switzerland)

For developed countries it is also one that will provide a better quality of life and enhanced well being for all. For Japan, a green economy is:
‘an economic system which promotes sustainable growth while improving human well-being, by pursuing economic growth and the environmental conservation in tandem, properly utilizing and conserving natural resources and ecosystem services’.

Similarly, the EU notes that a green economy will: ‘improve environmental justice and reduce inequalities, environmental scarcities and the stress on ecosystems by investing in and preserving natural capital, securing sustainable and efficient use of resources and addressing social concerns, while maintaining competitiveness’. (EU)

Developing Countries

For developing countries a green economy is one that will help to bring economic growth and explicitly aim to tackle poverty. As stressed by the Kenyan government: ‘Green economy must foster accelerated economic development, address poverty eradication and improvement of social welfare. The policies must be pro-poor and democratic, emphasize empowerment, social inclusion and participation in a holistic sense’ (Kenya).

Brazil, Russian Federation, India and China (BRICS)

For the BRICS, the concept of a green economy presents a new opportunity to integrate the ‘three pillars’ on which sustainable development is supposed to be founded, and a way of putting the social dimension and environmental dimension at the forefront of all decision-making processes. The BRICS emphasised that a green economy is also an issue of global equity and, as such, it must tackle patterns of consumption and production on the part of industrialised countries. Developed countries also stressed the role of multi-stakeholder participation, including business and the private sector, and civil society involvement in the transition to greener economies. Canada, for example, notes that: ‘Transitioning towards a green economy is a long-term process that requires the active engagement and leadership of many actors including industry and civil society as well as all levels of government. The engagement of the private sector, especially small and medium enterprises, is critical.’ (Canada)

The issue of equity and ‘common but differentiated responsibilities’ was also stressed by many developing countries’ submissions. Finally, a green economy must involve the active participation of all stakeholders and civil society. As noted by the Philippines: ‘Green economy is envisioned to be a people-centered development paradigm that promotes the people’s role as steward of the natural resources and as owners of the country’s domain, thus ensuring sustainability.’ (Philippines)

‘As a pre-requisite to a global transition towards Green Economy, developed countries must reduce their unsustainable patterns of consumption and the resulting ecological footprints and release ecological space for developing countries to achieve equitable and sustainable growth.’ (India)

Developed countries should take the lead in promoting the necessary changes, not only due to their historic responsibility for prevailing consumption habits, but also to the unsustainable natural resources use in their production processes. (Brazil)
### III. What are the most popular global asks?

The UNCSD submissions are very diverse in their focus and content. However, there are a number of clusters of themes or asks emerging across developed and developing countries’ texts. In the following, we identify some of those top themes and policy areas. In keeping with the **GEC’s approach**, we have not separated ‘governance’ from ‘green economy’, but consider them to be one and the same.

<table>
<thead>
<tr>
<th>Asks</th>
<th>Governments</th>
<th>Stakeholders, UN and IGOs</th>
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### Table 2: Top eight global asks

| Renewed agreement for a 10-year framework on sustainable consumption and production | Australia, China, Croatia, EU and member states, G77 and China, Indonesia, Japan, Mexico | Association of World Citizens, BioRegional, Consumers International, Environmental Pillar of Social Partnership, Global Eco-village Network (GEN), Global Research Forum on Sustainable Production and Consumption (GRF-SPC), International Council of Chemical Associations (IICCA), International Coalition for Sustainable Production and Consumption (ICSPAC), Millennium Consumption Goals Initiative (MCGI), Major Group for Children and Youth, One Earth Initiative Society, The Partnership for Education and Research about Responsible Living, Stakeholder Forum, Soka Gakkai International, UNEP, UNECE, US Citizens Network for Sustainable Development World Animal Net, Women Major Group, |
| Explicit focus on job creation e.g. via green stimulus packages and employment targets | Australia, Brazil, Chile, China, Costa Rica, Croatia, Denmark, Israel, Japan, Mexico, Norway, Philippines, South Korea, Switzerland, Uruguay, USA | Workers and trade unions, East London Jobs Alliance, Batool Welfare Trust, International Organisation of Employers, Stakeholder Forum, Asia Pacific Youth, China Youth Climate Action Network, IGES, Climate Action Network International, People and Ecosystem Program [WRI], Japanese Stakeholders for the Promotion of Sustainable Development, Ford Foundation, Rio+20 Earth Summit Sustainable Cities Working Group, Natural Resource Defence Council, ECESA Plus Cluster on Social Development, ILO, UNESCO, UNEP, UN-Water Decade Programme |
| Focus on technology particularly ideas on Intellectual Property rights e.g. ‘patent pools’, southern based ‘centres for excellence’, ‘Global Technology Sharing Facility’, etc. | Bolivia, Brazil, Ecuador, Egypt, G77 and China, India, Jamaica, Latin America and the Caribbean Regional Meeting, Mexico, Nepal, Pakistan, Paraguay | Asia-Pacific NGOs, Asia-Pacific Major Groups & Stakeholders Workshop, Commons Action for the UN, Fondazione Eni Enrico Mattei (FEEM), Law School of Getulio Vargas Foundation – FGV Direito Rio, Information Habitat: Where information Lives, Major Group for Children and Youth, Netherlands Platform Rio+20 (NPRio+20), Research Program on Law and the Environment - [PDMA], Swedish International Centre of Education for Sustainable Development (SWEDESD), Third World Network, Women Major Group, |
| Phasing out of ‘harmful subsidies’, namely agriculture, fisheries and fossil fuels | Europe and North America, Norway, Grenada, Israel, Liechtenstein, New Zealand, Switzerland | Article 19, CIDSE, Finnish Association for Nature Conservation, Generalitat de Catalonia, GDF Suez, Green Budget Europe, Greenpeace, Global Policy Forum Europe, IGES, Major Group for Youth and Children, NRDC, Province of San Luis (Argentina), OECD, UNDP, UN Environment Management Group, UNCTAD, UNECE, People and Ecosystems Program WRI, WTO |
| Financial mechanisms e.g. ‘green taxes’, ‘global feed in tariffs’, ‘green stock exchanges’, ‘green investment funds’ | Brazil, Costa Rica, Cuba, EU, Europe and North America, India, Israel, Norway, Pakistan, Serbia, Tunisia, Turkey, UK, USA | BOND-DEG, Conservation International, EcoUnion, European Environmental Bureau, Green Budget Europe, Global Policy Forum Europe, IIISD, IGES, Norwegian Forum for Development and Environment, Stakeholder Forum, UN Water Decade Programme, Workers and Trade Unions, World Bank, WRI, |

### IV. Some UNCSD Highlights

In addition to some of the more popular asks, the UNCSD submissions provide a wealth of innovative ideas and suggestions for transformative change. We have selected a very small selection of highlights from a sample of 40 submissions.

**Brazil, Russian Federation, India and China (BRICS)**
Brazil proposes an Inclusive Green Economy Pact to ensure that all state-run companies, development banks, sponsors of private pension funds, open capital companies and large corporations would publish complete, timely and objective reports on their activities that must include information on their social and environmental performance. This should also be accompanied by a drive to adopt comparable sustainability indices as references for stock exchange investments.

Brazil also promotes a Global Socio-Environmental Protection Programme that would provide a guaranteed income, tackle extreme poverty and ensure access to essential services. The programme would seek to ensure that all multilateral structures operate in ways that deliberately facilitate access to technology, financial resources, infrastructure and skill-building, to ensure that everyone is guaranteed food and water in adequate quantity and quality, and a healthy environment.

Brazil also proposes an International Protocol for the Sustainability of the Financial Sector which would aim to scale up their own experience whereby private banks signed a ‘Green Protocol’ committing themselves to include the environmental dimension in all their risk analysis and project evaluation procedures and also to give priority to actions designed to support sustainable development. (Brazil)

India notes that a considerable barrier for developing countries is the affordability of and access to ‘green technologies’. It proposes that ‘Centres of Excellence’ be established in developing countries as nodal points for technology, research and development, and to enhance South-South cooperation.

India also proposes the creation of a Sustainable Development Fund which would provide new, additional and scaled up sources of financing to developing countries.

The Russian Federation proposes a knowledge platform to study the best practices of transition to a “green economy”, lessons learned and benefits, and to exchange relevant information.

Pakistan proposes a global feed-in tariff program to subsidise investment in developing countries, in order to ensure that technologies for green industries and green start ups are affordable.

The Caribbean community (CARICOM) emphasises the costs associated with an economic transition and suggests that cost-benefit analyses should be undertaken for key industries (e.g., the energy and tourism sectors) to ascertain transaction costs versus the costs of business as usual.

Costa Rica notes that global efforts to achieve a green economy should include the development of a carrying capacity index, which could be used by countries to measure the balance between natural resources conservation and human activity (environmental footprint) and would serve as an instrument to monitor progress.

At the Africa Region meeting the proposal of Land-use based Sustainable Development Goals was put forward, whereby targets towards zero net land
degradation would provide the ultimate goal.

- The G77 and China stress that Rio 2012 needs to initiate a reformation of the international financial system, democratising its governance structure, promoting more participation of developing countries and making it more development-oriented.

**Developed Countries**

- The EU proposes a *capacity development scheme* involving IFIs, UN, multi/bi-laterals and the private sector, to provide country-specific advice and support on a green economy transition.

- The EU also suggests an *international partnership programme* to share best practices on investing in natural capital and to promote the role of innovative private finance instruments.

- Norway suggests that Rio should propose recommendations to inspire the implementation of *green taxes and incentives*, underpinned by documentation of their effects at different income levels.

- Norway also promotes encouraging transparency and consistency by *consolidating existing business reporting systems* (e.g. Global Reporting Initiative, Extractive Industries Transparency Initiative) and *country-by-country reporting* into one framework.

- Japan stresses the achievement of food security through sustainable agriculture, and proposes that the international community should agree on a *comprehensive approach* to sustainable agriculture that increases investment and promotes action in developing countries to increase food production.

- Japan would also like to see a *strengthening of the Global Earth Observation System of Systems (GEOSS)*, which covers the whole planet, by upgrading basic geospatial information, such as that on water system and geographic features.

- Canada would like to see a *green economy toolkit* emerge from Rio 2012 that would help to *bring local initiatives in line with national priorities*.

**Stakeholders**

- The International Institute for Environment and Development (IIED) proposes ‘*coalitions of willing actors*’ in areas such as job creation, wealth accounting and valuation of ecosystem services, and government procurement policy and practice.

- WWF International promotes the expansion of *transparent and multi-stakeholder certification schemes* that move toward sustainable consumption and production.

- The Natural Step puts forward a *new systems-based ‘Unifying Framework’*, to be applied on a collaborative and complementary basis to support UN systems, nations, municipalities, businesses and NGOs to make concrete stepping stones towards sustainability.
Conservation International supports the notion of Conservation Trust Funds and similar long-term financial mechanisms to mobilise funds for biodiversity protection, that will be capitalised by international donors, national governments and the private sector at national and international levels.

Consumers International stress that governments should run targeted information campaigns to raise consumer awareness and empower consumers in relation to the environmental and social impact of consumption patterns, particularly in the areas of food, housing and transport.

Oxfam stresses the need for new energy goals that expand affordable energy access by the poorest people, and incentivise renewable energy and energy efficiency.

SEED proposes that indicators and reporting mechanisms are developed for SMMEs to demonstrate pro-poor and environmentally beneficial outcomes as a result of their activities.

V. Opportunities and threats for developing country governments

In the following table we have identified the top four opportunities, threats and concerns on the part of developing countries.

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Sample quotes from governments</th>
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<tbody>
<tr>
<td>1. Opportunity for national economies to become more resilient to external shocks and processes</td>
<td>Two of the most far-reaching shocks are the volatile and rising prices of food and energy. Both international food and petroleum prices are projected to rise over the long term. The approach of the Green Economy must therefore address food security as well as minimizing the dependence on imported petroleum. (Jamaica)</td>
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<tr>
<td>2. Potential to revive rural areas and create jobs through resource management schemes</td>
<td>Programmes for off-grid and decentralized rural renewable energy systems help in achieving the goal of universal access to modern energy services for the rural people especially in inaccessible areas at lower social costs and provide employment (India)</td>
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<tr>
<td>3. Chance to attract new and additional investment to essential sectors and services including energy and agriculture</td>
<td>Major growth in investments in sectors that add to and increase the value of production and reduce social deprivation and environmental risks. (Guatemala)</td>
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<tr>
<td>4. New market opportunities for smaller domestic industries and ‘green’ products and services, including organic farming and eco-tourism</td>
<td>Nepal has a ‘comparative advantage of small green enterprises and the promotion of collective organic farming – vegetables, vegetable seeds, spices, cash crops etc., through contract/leasehold and cooperative farming; production of organic essential oils such as chamomile, grass and natural fibres; tourism – rural/home-based/eco-tourism with training and investments on diversifying the tourism products; in the urban areas – recycling of urban wastes.’ (Nepal)</td>
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<tr>
<td>Obstacles / Barriers</td>
<td>Sample quotes from governments</td>
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<tr>
<td>1. Affordability, access and capacity for transitioning to ‘green’ technologies.</td>
<td>Even basic technologies are still lacking in most developing countries, particularly in the fields of wastewater treatment, household and hazardous waste management, energy efficiency and integrated water resource management for instance. (Thailand)</td>
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<td>Promoting the exchange of scientific and technical knowledge and removing the barriers constituted by intellectual property rights are of great importance if a genuine transfer of nature-friendly technologies is to take place between developed and developing countries, and if an effective mechanism for technology transfer is to be established, taking into account the demand and needs of our countries (Paraguay).</td>
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<tr>
<td>2. Scale of upfront and long term investment required for the transition</td>
<td>Green growth requires the effective mobilisation of financial, technological and human capital at local, national and international levels, at a historically unprecedented pace and scale (Mexico).</td>
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<tr>
<td>3. Governance and institutional limitations</td>
<td>The primary challenge to promotion of a green economy in a country such as Tunisia lies in the capacity of the system and of all public, private and civil society stakeholders to adapt to all these reforms and to capitalize on the expected economic, social and environmental gains without the reforms becoming an obstacle to the country’s development or to the creation of wealth. (Tunisia)</td>
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<tr>
<td>4. Complexity of the intergovernmental policy arena</td>
<td>‘Today there are over 500 MEA [multi-lateral environmental agreements] located and run from various parts of the world. The situation has resulted, unfortunately, in policy fragmentation, incoherence, duplication of mandates, poor coordination as well as high cost of doing business. These challenges continue to render the system less effective and efficient by making policy guidance, financial resources and technology for mitigation and adaptation inaccessible to member states. Consequently, environmental outcomes have been sub optional for all.’ (Kenya).</td>
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<tr>
<th>Threats/concerns</th>
<th>Sample quotes from governments</th>
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<tr>
<td>1. Fear that green economy lacks the social dimension, particularly around equity and poverty alleviation</td>
<td>Some of these policy prescriptions may satisfy external conditions and standards but may not have favorable impacts on the lives of the citizenry if care for the domestic circumstances is not taken. A lot of sacrifices will have to be made by the poor if complementary policies are not poverty-reducing enough (Ghana)</td>
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<td>2. Fear that global standards and certification schemes will lead to ‘green protectionism’ and additional ODA conditionalties</td>
<td>Measures taken to promote and/or implement the green economy should not constitute a means of arbitrary or unjustifiable discrimination, or a disguised restriction on international trade, or prescribe new conditionalties on Official Development Assistance (ODA), or any other development aid (Indonesia)</td>
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<td></td>
<td>The significant benefits that would result from the transition to green economies should not lead to the adoption of unjustified protectionist practices in international trade. Rio+20 will need to address this legitimate concern, one that has been expressed by developing countries. (Mexico)</td>
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<tr>
<td>3. Privatisation and commoditisation of the natural world and our ecosystems</td>
<td>The postulates promoted under the Green Economy are wrong. The current environmental and climate crisis is not a simple market failure. The solution is not to put a price on nature. Nature is not a form of capital (Bolivia)</td>
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<tr>
<td>4. Fear of externally defined policy prescriptions that do not take into account national and local contexts</td>
<td>Green economy cannot and should not entail a “one size fits all” approach rather should acknowledge country specific conditions including external impacts and promote customized solutions. (Pakistan)</td>
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</tbody>
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Table 3: Commonly cited opportunities, concerns and obstacles by developing countries

Indonesia, Philippines, South Africa, Ghana, Kenya, Chile, Pakistan, India, Brazil, Russian Federation, China, EU, Canada, New Zealand, Switzerland, USA, Norway, Japan