

How can a green economy power the SDGs?



Transformation of the SDGs

In 2015, global leaders made a stand against poverty, environmental degradation and inequality. The signing of the Sustainable Development Goals (SDGs) and the Paris Agreement to tackle climate change represent a new global consensus on sustainable development. One that:

- Promotes widespread participation of all groups in decision-making and implementation
- Tackles inequality and poverty eradication with a focus on leaving no-one behind
- Integrates environmental protection and poverty alleviation in all policies and programmes.

The urgent challenge moving forward is to ensure that economic planning reflects this transformational vision, and leaves no one behind.

Green Economy approaches

Recognising the urgency of acting on climate change, an increasing number of countries have developed green economy (GE) or green growth (GG) plans and strategies. Such plans have tended to focus on the link between the economy and environment.

However, evidence is emerging that green policies are not inherently fair ones, and that tackling inequality and promoting inclusion are needed from the outset. The OECD found that many green growth policies on low-carbon technologies 'do not obviously tackle equity' or factor in distributional impact, particularly for excluded groups.¹ Research by IIED and CAFOD found that if green policymaking does not explicitly take account of social issues it can result in significant costs for people living in poverty.²

“For green growth to really fulfil its promise, it also needs to focus on people — to tackle the poverty, inequality and exclusion that constrain both growth and environmental sustainability, to realize women and men’s aspirations, and to gain broad societal support.”

Global Green Growth Institute, Green Economy Coalition, IIED (2016)



Photo: Eleanor Church

Opportunity and purpose of this report

If GE plans are going to be both green and fair, if they are going to power the SDGs in any transformational way, they need to respond to the new agenda. This is particularly relevant as many plans were developed before the SDGs and Paris Agreement were agreed and urgently need updating.

CAFOD, with the Green Economy Coalition, has analysed a wide selection of GE plans in the light of the transformational shifts in the SDGs. Based on these findings (outlined below), we suggest areas for further work so that economies can become more inclusive and sustainable and power the SDGs.

Summary of main findings³

1. Participation

There is limited participation by the poorest and most marginalised groups in the design and implementation of GE and GG plans and processes

- The principal stakeholders involved in the design and implementation of GE plans have been national governments and their agencies, often based on high-level engagement between ministries.
- When civil society groups were consulted, it tended to only involve national NGOs (Non-Governmental Organisations) or academics. There is little evidence to suggest that more marginalised voices – workers, informal businesses,

rural communities, women's groups – are being heard.

- In the few countries where civil society was consulted, it was to provide feedback on a drafted strategy or to update stakeholders on progress, e.g. in South Africa on the Green Economy Inventory. There are few instances when civil society could shape or input into the design of the strategy.

Central government must lead the way on GE and GG plans. However, without more meaningful engagement of broader civil society throughout the whole process, these plans will not reflect the transformational way the SDGs were developed and adopted “over two years of intense public consultation and engagement with civil society and other stakeholders around the world, which paid particular attention to the voices of the poorest and most vulnerable”.⁴

On the positive side, if a wide range of stakeholders participate and feel ownership of the plans, it is more likely they will be implemented at scale.

2. Tackling inequality and poverty eradication

The poorest and most marginalised groups are not specifically targeted in terms of reducing poverty and inequality

Leave no-one Behind - The 2030 Agenda for Sustainable Development document states:

“As we embark on this great collective journey, we pledge that no one will be left behind. Recognizing that the dignity of the human person is fundamental, we wish to see the Goals and targets met for all nations and peoples and for all segments of society. And we will endeavour to reach the furthest behind first.”⁵

- The majority of plans focus the benefits of GE in terms of economic growth and environmental sustainability. They often refer to inclusion and to reducing poverty and inequality, specifically in relation to green jobs.



Photo: Claudia Torres/CAFOD

However, few plans refer to targeting the poorest and most marginalised groups or of measuring impact on those groups.

- There are some exceptions. Cambodia's GE plan referred to targeting vulnerable groups through its social safety system. In Ethiopia, Peru and South Africa there was no specific targeting, but there were policies and programmes that could be considered to have contributed to reducing poverty and inequality, for example the public work programmes in South Africa.

- Most plans assume that green jobs will in general benefit the poor, without the need for specific targeting. There were a few references to creating green and decent employment specifically for marginalised and vulnerable groups. Indonesia mentions socially inclusive 'green jobs', while Peru's green growth guidelines aim to 'create green jobs that contribute to social and gender equality'. South Africa's public work programmes target unemployed people from vulnerable groups and several green economy plans do have a focus on young people as a beneficiary group.

- There is little consideration of jobs in the informal

sector or smaller businesses. This is despite most paid work in developing countries being in the informal sector. In some developing countries, up to 85% of jobs can be linked to small businesses which are often small and based in rural areas, very often run by women.⁷

The failure to target vulnerable groups is concerning for two main reasons. Firstly, it ignores an increasing body of evidence showing that tackling inequality and eradicating poverty need to be integrated from the start of any economic planning. A recent report by the IMF, argues that "high levels of inequality can impair both the future pace and the sustainability of growth and macroeconomic stability, thereby also limiting countries' ability to reach the Sustainable Development Goals".⁸

Secondly, it implies too much of a technical focus within green economy plans that fails to consider the political economy and power relations within a country. As such, green economy plans could serve to entrench existing political and economic inequalities because there is no guarantee that environmental policies will automatically benefit vulnerable groups.⁹

3. Environmental sustainability

Green Economy plans do not comprehensively recognise the limits to growth nor address the low carbon transition with the urgency it requires

- Many of the GE and GG processes include the need to make current models of consumption and production more sustainable.¹⁰ These initiatives fit with SDG 12 which include initiatives such as eco-labelling, ecotourism and green buildings.
- However, the over-arching approach is one of greening existing economic modes, with insufficient recognition of the limits to growth, reducing consumption, or the finite nature of our natural resources and the need to care for our world with current and future generations in mind. There are few explicit commitments to move rapidly away from all fossil-fuel based investments through significant investments in renewable energy technology, financing and policy frameworks. The Paris Agreement requires that CO2 levels start to reduce by 2020, but the GE plans do not address this with the urgency nor the political, financial and social resources that it requires.



Photo: Annie Bangeroth/CAFOD

Recommendations

For green economy plans to power the Sustainable Development Goals they need to give much greater priority to participation and political economy analysis, tackling poverty and inequality, and driving a just transition that protects the planet as well as current and future generations.

1

Ensure meaningful participation of all groups throughout the whole process

- Ensure deeper civil society engagement in designing GE plans from the start, including local community groups, who may be vulnerable to losing out from the process
- Support the active engagement of multi-stakeholder green economy coalitions in all countries that are developing and implementing GE plans
- Undertake further analysis to identify and overcome social and political obstacles to fully achieving the SDGs.¹¹

2

Tackle inequality and poverty eradication from the start to ensure that no-one is left behind

- Target the most vulnerable groups with ambitious indicators
- Take an integrated approach by including policies on inequality and poverty eradication at the start of green economy processes
- Prioritise job creation for green and quality jobs, including in the informal sector, and target reskilling to vulnerable groups, with a specific focus on women.

3

Move quickly towards a just transition that protects the planet and current and future generations

- Recognise the limits to growth and commit to a just transition where indicators of well-being and environmental protection take priority over GDP growth
- Prioritise investment in renewable energy and set a clear timeframe for stopping all fossil-fuel based investments.

For further information contact Graham Gordon, ggordon@cafod.org.uk or Oliver Greenfield, Oliver.Greenfield@greeneconomycoalition.org

Note on methodology

Several multilateral organisations have played a leading role in the GE and GG agenda. The UN Partnership for Action on Green Economy (UNPAGE) is made up of UN agencies (ILO, UN Environment, UNDP, UNITAR, UNIDO). The Global Green Growth Institute (GGGI) works closely with governments and multilateral organisations such as the World Bank and OECD.¹² This report analysed plans in the following countries that are being supported by UNPAGE and GGGI (in some cases both organisations are involved): Barbados, Brazil (Mato Grosso state), Burkina Faso, Colombia, China (Province level in Jiangsu and Yunnan), Fiji, Ghana, India, Indonesia, Jordan, Kazakhstan, Kyrgyz Republic, Mauritius, Mexico, Mongolia, Morocco, Philippines, Rwanda, Senegal, Thailand, United Arab Emirates, Vanuatu and Vietnam. Cambodia, Ethiopia, Peru and South Africa were looked at in more detail. Most information was accessed through analysing GE and GG plans, and complemented through telephone interviews with civil society stakeholders in each of the 4 selected countries. There were limitations to the desk-based research as all key documents aren't necessarily available on-line. However, the research does provide an overview of the information available.

1 OECD (2012) Green Growth and Developing Countries

2 IIED and CAFOD (2014) Securing social justice in the green economy

3 Findings based on a longer internal report, CAFOD (2017) Ensuring Green Economies are inclusive and leave no-one behind

4 UNPAGE (2016) Findings of the South African Green Economy Inventory shared

5 Sustainable Development Knowledge Platform (2015) Transforming our world: the 2030 Agenda for Sustainable Development

6 Ibid

7 CAFOD (2014) Common Good and the Economy

8 IMF (2017) Macro-Structural Policies and Income Inequality in Low-Income Developing Countries. It should be noted that the "views expressed in Staff Discussion Notes are those of the author(s) and do not necessarily represent the views of the IMF, its Executive Board, or IMF management".

9 OECD (2013) Making Growth Green and Inclusive: The Case of Ethiopia

10 UNPAGE (2016) Transition to a green economy in China's Jiangsu province, a stocktaking report. Joint Secretariat GoI-GGGI Green Growth Program (2015) Delivering Green Growth for a Prosperous Indonesia A Roadmap for Policy, Planning, and Investment

11 See page 16 of Global Green Growth Institute, Green Economy Coalition, IIED (2016) Pro-poor, Inclusive Green Growth: Experience and a New Agenda

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CAFOD

Romero House,
55 Westminster Bridge Road
London, SE1 7JB
Tel: 020 7095 5348

cafod.org.uk

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