



GREEN economy

Briefing Paper

Advisory Services

National experiences with green economy initiatives

The last decade witnessed the emergence and acceleration of several concurrent crises related to climate, biodiversity, fuel, food, water, and of late in the financial system and the economy as a whole. A number of these issues, long perceived as distant preoccupations, are today urgent challenges of survival for the entire planet.

Resource scarcity is putting growing pressure not only on economic performance, but also on access to basic social services and needs to ensure sustainable human livelihoods. Many countries, as net oil importers, are challenged by rising and volatile prices for fossil fuels. For example, oil accounts for 10-15 per cent of total imports for oil-importing African countries and absorbs over 30 per cent of their export revenue on average.¹

Food insecurity, an already alarming crisis today, will be further exacerbated by the effects of climate change, while there is neither widespread understanding of the nature of the problem, nor globally collaborative solutions for how we shall feed a population of 9 billion by 2050. **Freshwater scarcity** is already a global problem – 884 million people still lack access to clean drinking water – and forecasts suggest a growing gap by 2030 between annual freshwater demand and renewable supply.²

¹ UNCTAD, 2006. *Meeting Trade and Development Challenges in an Era of High and Volatile Energy Prices: Oil and Gas in LDCs and African Countries*, p. 4.

² McKinsey and Company, 2009. *Charting our Water Future: Economic Frameworks to Inform Decision-making*. Munich: 2030 Water Resources Group, p. iv.

On the social front, governments must confront serious challenges notably with rising **unemployment**. After three years of continuous crisis conditions in global labour markets and against the prospect of a further deterioration of economic activity, there is a backlog of global unemployment of 200 million. Moreover, 400 million new jobs will be needed over the next decade to absorb the estimated 40 million new job-seekers in the labour force each year.³ Massive unemployment has sparked social unrest, placing governments in front of a huge social demand that requires immediate answers.

Economic growth and development are fundamental to address these challenges, reduce poverty and provide means to enhance the quality of life. Yet, despite significant global progress in advancing human development, a large number of poor and vulnerable countries still fail to see the development dividends, while their resource base for future prosperity is increasingly undermined.

Over the last 30-40 years, the number of countries categorized by the United Nations as least-developed countries (LDCs) have doubled and when national savings in LDCs are adjusted for depletion of natural resources (of which energy depletion is the most significant component), they had been steadily declining since the late 1990s and were almost zero in 2008.⁴ Thus, economic growth today must not come at the expense of prosperity tomorrow.

³ ILO, 2012. *Global Employment Trends 2012: Preventing a Deeper Jobs Crisis*. Geneva.

⁴ UNCTAD, 2010. *The Least Developed Countries Report 2010: Towards a New International Development Architecture for LDCs*. United Nations: New York and Geneva.

*UNEP defines a **green economy** as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.*

Reframing development strategies to stimulate green, sustainable and inclusive growth

Around the world, governments have taken ambitious measures to reorient drivers of economic growth and employment creation through strategies, policies and programmes based on greater resource efficiency and low-carbon development.

South Africa's New Growth Path announced in 2010 sets out critical markers for employment creation and growth implying fundamental changes in the structure and character of production to generate a more inclusive and greener economy over the



H.E. President Jacob Zuma

medium to long run, through macroeconomic and microeconomic interventions.

“In the midst of the global economic crisis, the United Nations Environment Programme called for a Global Green New Deal. Today, at this summit, we are responding to that call. We are certain that out of this summit will emerge a national green economy plan, informed by valuable insights on key areas of focus and on issues requiring our national attention in the short, medium and long term.” (H.E. President Jacob Zuma, at the South Africa Green Economy Summit, Johannesburg, 19th May 2010.)

At its Green Economy Summit held in May 2010, South Africa identified nine priority sectors and areas for promoting a low-carbon, resource-efficient

and employment intensive green economy. In November 2011, South Africa unveiled a Green Economy Accord to launch a partnership between the South African government, business community, trade unions and civil society. The Green Economy Accord is one of a series of accords agreed under South Africa's New Growth Path. It sets goals to create 300,000 jobs in contribution to the New Growth Path's objective of creating five million new jobs by 2020 and to double the country's clean energy generation.

“In March 2009, our late Prime Minister and Minister of Finance announced his vision for Barbados becoming ‘the most environmentally advanced green country in Latin America and



H.E. Prime Minister Freundel Stuart

the Caribbean’. My Government continues to be committed to that vision and the emphasis at this point is to consolidate and elevate its efforts to engage business and consumers in its road to ‘Greening’. I am pleased to say that, as a result, on December 16th 2010, the Cabinet of Barbados agreed to a formal partnership for a ‘Resource-Efficient Green Economy in Barbados, and the undertaking of a Green Economy Scoping Study’ between the Government of Barbados and the United Nations Environment Programme.” (H.E. Prime Minister Freundel Stuart, at the launch of a Government of Barbados and UNEP partnership for a Resource-Efficient Green Economy, Bridgetown, Barbados, 9th March 2011.)

Barbados adopted a National Strategic Plan for 2006-2025 which includes “building a green

UNEP launched its Green Economy Initiative in 2008, and is currently supporting over 20 countries around the world in their transition towards a green economy.

economy” as one of its six strategic goals and a Medium Term Strategic Framework 2010-2014 to achieve these goals. Barbados has set specific measurable targets for energy efficiency and renewable energy, water, waste management, and ecosystem management with emphasis on coastal ecosystems protection.

The **Republic of Korea** adopted a National Strategy and a Five-Year Plan for Green Growth 2009-2013, investing 2 per cent of GDP in renewable energies, energy efficiency, clean technologies and water. Doubling the generation of energy from renewable sources and enhancing resource and material efficiency, this five-year plan is expected to stimulate production in the amount of USD 141 - 160 billion and to create 1.56 - 1.81 million jobs in green industries, while contributing to a substantial reduction in greenhouse gases.

The Government of the **Hashemite Kingdom of Jordan** pursues, within its 2010 Executive Programme, a green economy development, asserting the need to “launch a programme for green services and industries to meet the requirements for adhering to environmental standards and turning Jordan into a regional center for green services and industries”. Moreover, Jordan has set to develop a green economy strategy and green economy objectives are being integrated into the outcome areas of Jordan’s UN Development Assistance Framework (UNDAF) for 2013-2017.

In this context, a growing number of countries are realizing that finding lasting solutions to this myriad of economic, social and environmental issues requires transformative changes that go to the core of the functioning of their economic systems, and have started to take initiatives in that direction, through a green economy approach.

Enabling the green economy: reorienting government spending from “brown” to “green”

There is a growing effort by governments to prioritize investment and spending in areas that stimulate the greening of economic sectors. For example, in 2005, the Government of **Ghana** initiated reforms to reduce petroleum subsidies after realizing that they were going mainly to higher-income groups. It also eliminated primary and junior-secondary school fees, and made extra funds available for primary health care and rural electrification programmes.⁵

During the 12th five-year plan period starting in 2011, **China** is expected to invest USD 468 billion in greening the economy with a focus on three sectors: waste recycling and reutilization; clean technologies; and renewable energy. China’s environmental protection industry is expected to continue growing at an average of 15–20 per cent per year and its industrial output is expected to reach USD 743 billion during the new five-year period, up from USD 166 billion in 2010. The multiplier effect of this emerging sector is estimated to be 8–10 times larger than other industrial sectors.⁶

What UNEP is doing

For governments, having a clear assessment of resource constraints and ecological risks they face, as well as a sound understanding of sectors of their economies that offer the largest potential for green growth, employment creation and efficiency gains, while securing public support, are critical to orient public policy. UNEP’s green economy advisory services are geared towards providing tailored support to countries for them to take appropriate responses.

⁵ IMF, 2008. *Fuel and Food Price Subsidies: Issues and Reform Options*. Washington D.C., International Monetary Fund.

⁶ China Development Bank Corporation, 2010. *Annual Report 2009*. Beijing: China Development Bank Corporation.

The Green Economy Report, published by UNEP in 2011, makes a compelling economic and social case for investing two per cent of global GDP in greening 10 central sectors of the economy.

UNEP's Green Economy Advisory Services consist of policy advice, technical assistance and capacity building that are provided to governments in support of their national and regional initiatives on green economy. Currently, at the request of governments, UNEP is partnering with over 20 countries in Africa, Asia and the Pacific, Eastern Europe, Latin American and the Caribbean and the Middle East. UNEP's green economy advisory offer includes the following menu of services:

Creation of Platforms for National Dialogue to foster public support and multistakeholder engagement.

Green Economy Scoping Studies that identify key opportunities and options for a green economy transition at country level.

Tailored and Customised Country Models that assess the economic, social and environmental impacts of green investments and related policy measures.

Identification and facilitation of Enabling Policy and Fiscal Instruments that can encourage investments in high potential green sectors, while assisting the "greening" of other sectors.

Support in developing Green Economy Roadmaps aligned with and supportive of national sustainable development strategies and policies.

Assistance to countries in creating Indicators and Measurement Frameworks that can help monitor and assess the impact of fiscal and policy instruments and monitor progress.

Training and Capacity Building activities to support skills development in relation to economic and fiscal policies, green jobs, and sustainable management of natural resources.

National green economy dialogues and workshops provide platforms for governments, the private sector and civil to explore opportunities and options for a green economy transition in their own national contexts. In 2010 and 2011, UNEP undertook 31 green economy scoping missions in 25 countries (Table 1), and co-hosted 20 national workshops and dialogues.

Table 1. UNEP Scoping Missions 2010-2011 – List of countries

Kenya (March & Nov. 2010)	Senegal (August 2010)
Azerbaijan (April 2010)	Barbados (February 2011)
Jordan (April 2010)	Dominica (February 2011)
Nepal (April 2010)	Guyana (February 2011)
Ukraine (April 2010)	Burkina Faso (March 2011)
Armenia (May 2010)	Nepal (May 2011)
Moldova (May 2010)	China (July 2011)
Mexico (June 2010)	Namibia (July 2011)
Barbados (July 2010)	Papua New Guinea (July 2011)
China (July 2010)	Vietnam (July 2011)
Brazil (September 2010)	Ghana (August 2011)
Dominica (September 2010)	South Africa (September 2011)
Indonesia (September 2010)	Brazil (November 2011)
South Africa (October 2010)	Mexico (November 2011)
Philippines (October 2010)	Rwanda (November 2011)
Egypt (Nov. – Dec. 2010)	

In addition, over the past two years, UNEP has worked closely with over 40 United Nations agencies, to generate global knowledge and provide national level support to governments. In a growing number of countries, from Egypt to Ukraine, from Mali to Jordan, green economy objectives are being integrated in the UN Development Assistance Frameworks, whereby the UN Country Teams work in synergy to Deliver As One and enhance coherence.

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