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Overview: Green Economy and progress in Ethiopia
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Overview: Green Economy and progress in Ethiopia
1. Introduction

In view of the Africa Regional Preparatory Conference for the United Nations Conference on Sustainable Development (Rio+20) being held from 20 – 25 October 2011, and the upcoming African Economic Conference to be held from 25 – 28 October 2011, this paper is prepared to serve as a background brief on the concept of the Green Economy. It summarizes the key conclusions of recent reports on the subject particularly as they relate to LDCs and Africa as well as to UNDP’s current corporate position on the subject. It also presents the highlights of Ethiopia’s green economy strategy as a concrete example of an attempt to pursue a green economy. The Annex presents the summary of discussions between Member States of the UN in the context of the Rio + 20 preparatory process.

To date, neither the literature, nor Member States, nor UNDP have formed a comprehensive position on the subject of the Green Economy. Discussions are still conceptual in nature, largely focusing on the potential and associated risks and challenges of pursing green economy toward economic development. The issue of ‘how’ one goes about achieving a green economy is yet to be addressed. However, Ethiopia has decided to implement a green economy development strategy towards a Climate Resilient Green Economy (CRGE). It provides useful lessons on the ‘how’ aspects of green economy planning can be undertaken and UNDP is playing a critical role of sharpening the country’s institutional capacity to enable it to achieve Ethiopia aspirations of transforming its economy.

2. The Green Economy – Concept Definition

There is no unique definition of “green economy”, but the term itself underscores the economic dimensions of sustainability. It responds to the “growing recognition that achieving sustainability rests almost entirely on getting the economy right”. It also emphasizes the crucial point that economic growth and environmental stewardship can be complementary strategies, challenging the still common view that there are significant tradeoffs in pursuing these two objectives. In other words, synergies prevail over the tradeoffs.

The concept of green economy should be seen as consistent with the broader and older concept of sustainable development. The specificities of the broader concept are its holistic character, as it encompasses the three pillars of development – economic, social and environmental – and its particular focus on inter-generational equity.
On 21st February 2011, UNEP launched a major report on green economy, entitled “Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication”. This publication serves as the primary reference source of definition of the concept of green economy and for the Rio +20 preparatory process.

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. In its simplest expression, a green economy can be thought of as one which is low carbon, resource efficient and socially inclusive. In a green economy, growth in income and employment should be driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services.

The report gives indicative estimates that the scale of overall investments needed to green the global economy could be of the order of 2% of global GDP per year in the period up to 2050.

3. Why the Green Economy matters for LDCs

In preparing for the Fourth UN Conference on Least Developed Countries (LDC-IV), held in Istanbul in May 2011, UNEP, UNCTAD and the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS), issued a report on “Why the Green Economy matters for Least Developed Countries?”

Both reports point to the economic and human development opportunities of a green economy transition for the world’s LDCs and argue that with their low-carbon profile, rich natural assets and promising policy initiatives, the world’s 48 least developed countries are well-positioned to jump start the transition to a green economy. Highlights of the report’s findings and arguments are presented below.

- A green economy can take advantage of new growth trajectories designed to be more socially inclusive, as well as responsive to poverty reduction and economic diversification objectives.
- The conditions in LDCs provide a basis to pursue a low-carbon and resource efficient path of economic growth and development, anchored in investment and policy reform designed to enhance livelihoods for the poor, create employment opportunities and reduce poverty.
- The move towards a green economy would also provide an opportunity to address the infrastructure challenges of LDCs in a sustainable way.
LDCs can take advantage of their low-carbon profile. The 48 LDCs currently present a low-carbon profile, due to their low levels of carbon emissions. Their economies rely significantly on natural capital assets such as agriculture, forest resources, biodiversity, tourism, minerals and oil extraction. A large potential for renewable energies also exists in these countries.

While other countries face sizeable economic and social costs of ‘decarbonisation’, alongside costs linked with retiring inefficient fossil fuel-based technologies, LDCs can jump start the green economy transition by maintaining and expanding the sustainable practices that already exist. For example, practices such as low-carbon, labour intensive agriculture and community-based forestry, which have existed for decades in these countries, will be central elements to the greening of these sectors.

**Policies, Strategies and Opportunities for LDC**

**Policies matter**: Government policies can encourage a shift in production processes in vital sectors such as agriculture, thereby increasing incomes while achieving sustainability. Policies that mandate or encourage technological shifts can foster a rapid uptake of existing and efficient clean technologies with relatively low economic costs but significant returns. Clear policies and incentives can stimulate private sector engagement in transformative sectors such as renewable energies.

**Refocusing policies and investments**: Structural constraints, including dependence on fragile agriculture, limited access to energy and low economic diversification, which have previously prevented LDCs from significantly reducing poverty and achieving higher rates of development, resulted from policies and investments that undervalued the importance of the economic sectors most relevant to the livelihoods of the poor. Refocusing policies and investments to target sectors and areas including renewable energy, agriculture, forestry, tourism and enhanced ecosystem services can lead to the economic empowerment of low income populations, be more conducive to inclusive growth and jobs and make a significant contribution to achieving the MDGs in the poorest countries.

**Natural capital**: LDCs are well positioned in the transition to a green economy given their low-carbon profile and rich natural capital and cultural assets. LDCs are endowed with rich natural resources amenable to ecotourism, which is commonly perceived to be tourism in natural surroundings, making ecotourism another major green growth option for many LDCs.

**Access to energy**: Bringing electricity to the rural poor has been a persistent challenge for LDCs. LDCs will benefit from more affordable access to renewable energy systems in a greening global economy. Moving away from fuelwood-based energy systems, producing sustainably harvested timber is another area where LDCs can increase their presence in greening global markets.
Turning waste to wealth: Within the infrastructure services sector, other green business opportunities can be found in solid waste management and recycling in urban areas.

Sustainable urbanization: Economic empowerment of rural areas will contribute to reducing the unsustainable trend of rural-urban migration while allowing a better planning of urbanization in LDCs.

Diversification and value addition in agriculture: A green economy offers significant opportunities for LDCs to diversify their agricultural sector through horizontal diversification into organic crops.

Financing: In addition to capturing markets in the areas mentioned above, LDCs will clearly need external sources of finance to achieve a green economy, through both public funds and private investments. While ODA will remain an important sources, as stated in the previous section, a variety of existing and emerging funding mechanisms which are apt to respond to LDCs financing needs in the area of climate change, trade and productive capacities, and technology needs assessment, development and transfer.


4. UNDP’s Approach to Green Economy

UNDP does not apply the term “green economy” corporately, but a lot of what we do can be considered as work that advances development in line with the “green economy” concept, and is well couched in our corporate vision: Empowered Lives: Resilient Nations. Our approach to green economy lies in ensuring coherence in the achievement of the MDGs and human development, and by underscoring the fact that while growth remains vital in partner countries, we increasingly advocate that this growth should be inclusive and sustainable in order for it have a significant impact on reducing poverty and inequality. The Global Human Development Report for 2011 looks at the issue of environmental sustainability and equity and its implications for sustainable human development.

High economic growth has been a key driver of poverty and hunger reduction in many developing countries where development has focused on raising agricultural productivity, stimulating labour intensive industries, and where deliberate efforts
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have been made towards achieving a more equitable distribution of income, assets and opportunities. However, all too often economic growth does not increase employment, emanates from sectors that do not benefit the poor or undermines sectors that benefit the poor, is volatile, and is not redistributed in a pro-poor manner. This results in increased inequality and deprivations along all dimensions of poverty. In these respects, the challenge for green economy would be to minimize the trade-offs and ensure synergies that emerge at the nexus of green growth and inclusive growth. Green economy approaches and policies do not automatically ensure inclusiveness and benefits to the poor. Moreover, international economic governance, particularly as it relates to trade, technology and financing will have a critical role to play in ensuring that growth is both green and inclusive.

5. Conclusion

In principle, for the higher-income countries including rich energy exporting countries, the challenge of the green economy and sustainable development will be to increase their high human development with much smaller ecological footprints. For the lower-income countries the challenge will be to maintain their lower ecological footprints while accelerating sustainable growth and human development. Finding the development path for the latter will be the core of UNDP’s efforts in the years to come. It will scale-up support to countries to assist them develop the requisite institutional capacities to enable them transition towards a more sustainable human development path that will advance sustainability and equity as a core pillar of their development strategies.

However, success will also depend not only on support from international cooperating partners, but political will and determination by developing countries to adopt, refine and implement a development model that best suits and reflects their unique development and environmental circumstances. UNDP will remain committed to promote knowledge sharing around the concept and strategies towards achieving green economy, and support countries to pursue an environmentally sustainable development path that strengthens national resilience to shocks and empowers its citizens to exploit and enjoy their full human potentials now and in the future.

6. The Ethiopia’s Green Economy Strategy

Why should Ethiopia pursue a low carbon development strategy?

Although climate change poses significant threats, the international response to climate change also offers considerable opportunities for Ethiopia. Within the broader global agenda on climate change, developing countries like Ethiopia stand
to gain from both adaptation and carbon finance. Carbon finance - payments for activities which reduce global carbon emissions such as planting new forests and foregoing dirty technologies – has the potential to be a major revenue source for Ethiopia. Although it is an early estimate and needs to be refined and assessed for feasibility, and it will require changes in the way carbon finance is transacted, it has been calculated that under a carbon neutral growth trajectory, Ethiopia could offset in the region of 250 million tonnes of carbon a year. Even with the low current carbon price of US$10-20 per tonne, this could generate billions of dollars for the country.

The opportunity is not just financial. Climate change offers a lens through which Ethiopia can revisit some of its most intractable development challenges. The key is to position Ethiopia at the forefront of the low carbon revolution promised by the climate agenda. Ethiopia has huge low carbon potential – it is rich in forests and has ample renewable resources of hydro, solar, wind and geothermal energy. To make the most of this potential, the country will need to (a) ensure that its long-term planning is compatible with a low carbon future and (b) make itself as attractive as possible to carbon investors.

The case for developing a carbon neutral economy is a convincing one for Ethiopia. The disadvantages of following a ‘traditional’ high carbon growth path and the advantages of taking a low carbon ‘green growth’ path for Ethiopia have been summarised in the table 1 below. Ethiopia has the natural resource assets which will help generate all the clean energy it needs and to decouple the economy from the wildly fluctuating prices and unsustainable nature of the oil-based global economy. Global carbon finance will play an increasingly important role in the global economy and one that Ethiopia can benefit from. The co-benefits for health, overall wellbeing, economic growth and natural resource conservation are significant – for example clean energy reduces local pollution and forest conservation maintains watershed functions and reduces soil loss. Ethiopia is well positioned to become a regional and global leader in low carbon growth which will have legacy and commercial benefit long into the future.

With its Green Economy Strategy in place, Ethiopia stands to gain from both public and private adaptation and mitigation finance including those emerging international funds under the UNFCCC, such as the Adaptation Fund, Fast Start Finance, and the Green Climate Fund.
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### Table 1: Traditional high carbon versus low carbon development path: Ethiopia

<table>
<thead>
<tr>
<th>Sector</th>
<th>Traditional Growth</th>
<th>Low Carbon or Green Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Likely outcomes if Ethiopia follows a “traditional” growth path:</td>
<td>Likely outcomes if Ethiopia follows a low-carbon, “green” growth path:</td>
</tr>
<tr>
<td>Energy</td>
<td>Dependence on imported fossil fuels</td>
<td>Sufficient renewable energy resources to support economic development</td>
</tr>
<tr>
<td></td>
<td>High Emissions</td>
<td>Exporter of clean energy regionally</td>
</tr>
<tr>
<td></td>
<td>Power shortages and restricted coverage</td>
<td>Expansion of rural energy coverage</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Reduction in soil fertility</td>
<td>Long term land use and fertility maintained</td>
</tr>
<tr>
<td>(including livestock)</td>
<td>Vulnerability to floods and droughts and increasing food insecurity</td>
<td>Higher yields</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Food security</td>
</tr>
<tr>
<td>Industry</td>
<td>High dependency on carbon intensive materials</td>
<td>Greater emphasis on sustainable materials or productive pathways</td>
</tr>
<tr>
<td></td>
<td>Expensive infrastructure intensive solutions</td>
<td>Smart manufacturing allows for increased efficiencies</td>
</tr>
<tr>
<td>Forestry</td>
<td>1.5 million hectares of forest and shrub cover at risk due to agricultural expansion and biomass energy needs</td>
<td>Zero deforestation and sustainable forest use</td>
</tr>
<tr>
<td></td>
<td>Health issues through smoke inhalation</td>
<td>Reforestation and afforestation as carbon sinks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Healthier sources of cooking and heating energy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Watershed services maintained – fewer floods and droughts, erosion control</td>
</tr>
<tr>
<td>Transport</td>
<td>Congested cities</td>
<td>Increased availability of clean transport – rail, electrical vehicles, use of biofuels</td>
</tr>
<tr>
<td></td>
<td>Dependence on expensive imported diesel and petrol</td>
<td>Reduced oil dependence</td>
</tr>
<tr>
<td></td>
<td>Polluting, aging, unsafe vehicle stock</td>
<td>Healthier, cheaper, safer transport</td>
</tr>
<tr>
<td>Settlements</td>
<td>Unplanned development</td>
<td>Coordinated and rational long term planning of settlements</td>
</tr>
<tr>
<td></td>
<td>Unsanitary, unmanaged waste</td>
<td>Healthier towns and cities providing higher quality of life and wellbeing</td>
</tr>
<tr>
<td></td>
<td>Low quality of life and reduced wellbeing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor health</td>
<td></td>
</tr>
<tr>
<td>Economy wide</td>
<td>Dependent on commodities and international price fluctuations including oil prices</td>
<td>Macroeconomic conditions bring job and wealth creation and reduce poverty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased exports, reduced imports</td>
</tr>
</tbody>
</table>
Salient Features of Ethiopia’s Green Economy Strategy

Ethiopia’s Green Economy Strategy, approved in October 2011, builds on the green growth study conducted under the Prime Minister’s Office in 2010. The Green Economy Strategy for Ethiopia covers seven sectors that have high carbon abatement potential – Power Supply; Buildings and Green Cities; REDD+; Agricultural/Soil-based Emissions; Livestock; Transport; and Industry. The Strategy was prepared over the course of 2011 by (i) technical sub-committees composed of 6-7 government officials from various line ministries along the lines of the seven sectors listed above, (ii) a technical committee that coordinates the work of the sub-committees and is chaired by EPA and (iii) an inter-Ministerial steering committee which is a high-level decision making body guiding this process, chaired by the PM’s office.

Preparation of the Green Economy Strategy entailed establishment of a baseline in the form of a 2030 emissions profile of development in the seven sectors under a business-as-usual scenario; identifying the levers and interventions in each of the seven sectors that could enable taking a low carbon path to development by 2030, and costing those levers and interventions.

Ethiopia’s Emission Profile

If Ethiopia were to pursue a conventional economic development path to achieve its ambition of reaching middle-income, the results of business as usual (BAU) estimate show that Ethiopia’s current pathway for economic development will increase the country’s GHG emissions from 155 Mt CO2e today to almost 400 Mt in 2030 – an increase of more than 150% and roughly the amount of GHGs that South Africa emits today. On a per capita basis, emissions are projected to increase form 1.9 Mt today to 2.9 Mt in 2030. In absolute terms, the highest increase – adding more than 100 Mt in GHG emissions - will come from agriculture, followed by industry at 55 Mt and forestry at 35 Mt.

Energy (power) sector

In the business-as-usual (BAU) scenario, Ethiopia will use hydropower and renewable sources of energy to create a near-zero GHG emission electric power supply by 2030. On the other hand, the planned scaling-up of domestic power production capacity, combined with successful implementation of energy efficiency measures, offers opportunities for power exports. These exports could reduce the emissions of neighbouring countries and represent the single most important abatement lever compared with BAU for the Ethiopian power sector. Ethiopia has an average export potential of 25TWh per year between 2011 – 2030, which could result in an annual abatement potential of 17 Metric tonnes of carbon dioxide equivalent (Mt CO2e) on average and nearly 20 Mt CO2e in 2030.
To materialize the supply potential projected, the most significant barrier to be overcome is the financing of the incremental power generation, alongside the need to gain neighbouring countries’ support for importing power from Ethiopia at a competitive price.

**Urban sector: Green Cities and Buildings**

Under the BAU scenario, emissions from cities will increase from 4.7 Mt CO$_2$e in 2010 to 10.2 Mt CO$_2$e in 2030. Adoption of new technologies in lighting and waste management offers an abatement potential of up to 6.9 Mt CO$_2$e in 2030. The major initiatives proposed under the green economy strategy are: reduction of electricity demand through efficient lighting, improved landfill gas management through capture and flaring, and liquid waste emissions management, also through capture and flaring. Of these three options, efficient lighting has the largest abatement potential of 5.1 Mt CO$_2$e in 2030.

**Forestry sector**

The forestry sector is a significant contributor of GHG emissions but it also offers a high abatement potential that even surpasses the estimated increase in emissions by 2030. In forestry, the impact of human activities is a large source of carbon dioxide emissions. Ethiopia’s forestry emissions are driven by deforestation for agriculture (49% of all forestry-related emissions) and forest degradation due to fuelwood consumption and logging (47%). As a result, forestry-based emissions are expected to grow from 25 Mt in 2010 to almost 45 in 2030 conversion of forested areas to agricultural land and from around 25 Mt in 2010 to more than 40 in 2030 as a result of unsustainable fuelwood use.

While this may be the case, the protection of Ethiopia’s forests also presents tremendous opportunities. Forestry alone represents around 45% of the total potential and, as a sector, can even yield negative emissions via carbon sequestration, i.e. storage of carbon in the form of wood, at a level that surpasses emissions from deforestation and forest degradation.

The CRGE Strategy identifies reducing demand for fuelwood through fuelwood-efficient stoves (35 Mt) as the single most important lever while other advanced cooking and baking technologies (electric, biogas, and liquid petroleum gas - LPG stoves) offer an additional combined potential of 15 Mt. In addition, afforestation, reforestation, and forest management can help to increase sequestration (together 40 Mt) and hence even surpass any remaining emissions from the forestry sector. Pressure from agriculture on forests can be reduced by agriculture intensification on existing land or unlocking degraded land via irrigation, with the potential to lower deforestation and thus the associated emissions by almost 30 Mt CO$_2$e in 2030.
Livestock sector

Livestock is a significant contributor to the GDP of Ethiopia and is the main source of income for a large part of the society. Simultaneously, a large chunk of GHG emissions originates in the livestock sector, and the sector will expand in line with population growth. To prevent the projected doubling of livestock-related emissions to 124 Mt CO₂e by 2030, key levers that offer an abatement potential of approximately 45 Mt CO₂e at a cost of USD 2.5 billion have been identified. These are: (i) enhancing and intensification of diversifying animal mix (e.g. poultry, shoats, fish etc.), (ii) improving value-chain efficiency for livestock belonging to farmers and pastoralist through regionally appropriate techniques, (iii) increasing the use of mechanisation through techniques tailored to each region, and (iv) rangeland management.

Agriculture and Soil sector

Soil-based GHG emissions in Ethiopia are significant and come from three main sources: from using synthetic fertilizers (58%), from applying manure to cropland; and from reintroducing crop residues into the soil. In the BAU scenarios, emissions from soil will increase to 61 Mt CO₂e in 2030. A 9.5% annual growth rate of crop GDP will be necessary to sustain population growth, provide food security, and help achieve middle-income status by 2025. Both the BAU and green growth emission scenarios take this growth in crop GDP as an assumption given that the economy and its growth are anchored by agriculture. The following three levers which could yield a combined total of 78 Mt CO₂e abatement potential: promotion of lower-emitting techniques for crop cultivation, increased use of crop-yield intensifying techniques, creating new agricultural land through small-and-large scale irrigation, which also contributes to reducing deforestation. The estimated investment requirement to realize this abatement potential is USD 30.5 billion.

Industrial sector

The Industry sector is the sector with the highest growth in GHG emissions up to 2030. Under BAU scenario, emissions will increase from 4 Mt CO₂e in 2010 to 71 Mt CO₂e in 2030. For this sector, 37 abatement levers were evaluated for 12 industry segments, with total gross abatement potential of 22 Mt CO₂e in 2030. The vast majority of the emission growth and abatement potential is in the cement industry, which has a gross abatement potential of 16 Mt CO₂e. In addition to cement industry levers such as clinker substitution, increased use of efficient biomass use (e.g. agri-residues), energy efficiency equipment, and waste heat recovery are some of key abatement levers prioritized.
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Transport sector

Under the BAU scenario, emissions from transport will increase from 5 Mt CO₂e in 2010 to 41 Mt CO₂e in 2030. Leapfrogging to new technologies in transport offers an abatement potential of 13.2 Mt CO₂e in 2030. Major initiatives proposed to this end are: improving Addis Ababa public transit by building a light rail transit system, improving vehicle efficiency through fuel efficiency standards, promoting clean fuel blends (biodiesel and ethanol), adopting hybrid and plug-in electric vehicles, and shifting freight transport from road to electric rail network, which is the largest abatement lever in the Transport sector and has an abatement potential of 8.9 Mt CO₂e. The abatement and BAU projections for this sector are much more uncertain due to the uncertainty of the evolution of the transport sector.

7. Conclusion

Ethiopia’s resolve to transition its economic development path towards a green economy model is a fundamental and critical decision that reflects a visionary leadership and aspiration of becoming a middle income country by 2025. Ethiopia’s Green Economy Strategy is expected to be launched during the Durban Climate Change Conference scheduled for December 2011. It is a major part of Ethiopia’s overall Climate Resilient Green Economy Initiative and will have an important demonstration effects to many countries in Africa, and indeed the developing world where the Ethiopian development model is most relevant. The initiatives in the CRGE strategy are aligned with those prioritized for support through the international climate finance and domestic public and private financing arrangements that are being developed at country level. Over the course of 2012 and 2013, these initiatives will be further elaborated into comprehensive sectoral investment plans that will guide coordinated implementation of the CRGE strategy.

Annex 1: The Green Economy in the context of Rio 2012 – Member States’ Views

The Rio + 20 UN Conference on Sustainable Development has the objective to secure renewed political commitment for sustainable development, assess the progress to date and the remaining gaps in the implementation of the outcomes of the major summits on sustainable development, and address new and emerging challenges.

The Conference will focus on two themes: (a) a green economy in the context of sustainable development and poverty eradication; and (b) the institutional framework for sustainable development.
With regard to the green economy theme of Rio+20, there is now broad agreement that the green economy must be considered in the context of sustainable development and poverty eradication.

The concept of green economy should not replace that of sustainable development, but that the green economy should be envisioned within the overarching concept and goals of sustainable development, consistent with sustainable development principles and its three pillars: social, economic, and environment; and achieve adequate balance among the 3 pillars of sustainable development. It should be seen as a vehicle for growth and sustainable development.

Member States stress the need to ensure social inclusion and decent jobs, to address trade related concerns, including avoiding “green protectionism”, as well as transition costs is also emphasized.

Member States agree that the green economy is relevant for countries at all stages of development, as shown by the many examples of green economy policies, strategies, programmes and projects as well as good practices successfully developed across the globe, adding that a strong political leadership is needed to guide green economy strategies.

For many developing countries, poverty eradication remains the top priority and the creation of decent jobs is a key element of such priorities. They would welcome the contribution of the green economy approach in this regard, but not at the price of limiting poverty eradication options.

Multiple global crises have undermined progress towards sustainable development in many countries. In particular, the continued volatility of food and oil prices is catastrophic for the poor. The Green Economy is an opportunity to fix subsidies that foster distortions such as fossil fuel and agricultural subsidies in developed countries.

Efficient management of natural resources is the central element of a green economy, including with a view to poverty eradication.

Youth employment and decent jobs should be considered explicitly as objectives of green economy strategies and policies.

There is no “one-size-fits-all” approach to a green economy.

Flexibility and sufficient policy space are required. Any green economy transition should be fully consistent with the sovereign rights of countries over their natural resources, as reflected in Principle 2 of the Rio Declaration.

Concept of green economy needs to address unsustainable consumption and production patterns, with developed countries taking the lead. A green economy needs to build resilience and economic security.
Participatory approaches and inclusiveness are essential, including the private sector, governments at local and regional levels, civil society including local communities, women and youth.

Green economy needs transfer of clean technology and related know-how, as well as capacity building, and emphasized that financial resources need to be mobilized in innovative ways, including from the private sector to be realized.

Further dialogue is needed to achieve a better understanding of the scope, costs, benefits and risks of the transition toward a green economy.

Greening of economies encompasses green industrialization, green education, green economic governance including green public procurement and green jobs, integrated planning and sustainable consumption.

Several economic instruments were emphasized, including green taxation and fiscal incentives, fees and levies on hazardous waste and air pollution, the elimination of export subsidies and subsidies to polluting inputs and, more generally, instruments based on the polluter-pays principle.

Green economy is an opportunity to value eco-system services and internalize environmental externalities as key elements of a green economy, as well as green accounting; while some delegations cautioned against further marketisation of nature’s services.

Priority sectors mentioned for a green economy included energy access, renewable energy, energy efficiency including in buildings and construction, resource efficiency, water conservation, forests, land and soil conservation, agriculture and food security, ocean ecosystems and ocean acidification, fisheries, sustainable waste management, natural resource extraction and restoration of natural assets.

The transition costs of a green economy have to be identified and actively addressed, including through providing the private sector with disincentives to use “brown” technologies and incentives to use green technologies and to transfer them to developing countries, as well as through investment in human capital.

Developing countries also emphasize that the focus on a green economy should not distract from achieving the full implementation of previous commitments made by the international community, including Agenda 21 and the JPOI, the Rio Principles as well as the MDGs, the Barbados Plan of Action and the Mauritius Strategy.

Given the state of our oceans, “a blue economy approach” needs also to be considered, in line with Agenda 21.
Monitoring including through the use of indicators is important to assessing progress. As possible elements of an outcome for the UNCSD in 2012, one could consider a green economy roadmap and a toolbox of best practices needed to be made available for public authorities, non-governmental organizations and businesses. Additional outcome of the Conference must be resources for promotion of research, development, transfer and deployment of clean technologies, especially in developing countries.

Overall, Member States see the potential of this concept for job creation and improving efficiencies in resource use, while preserving the welfare of the poor. That said, there remains a lack of a common understanding of the definition of Green Economy, as well as divergent views on its costs and benefits.

9. References


UNDP’s Key Messages for the Rio + 20 Conference, September 2011
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