

# Towards a Green Economy

4<sup>th</sup> Biennial Conference



Presented by: Dr Douglas Trotter

Date: 10<sup>th</sup> October 2012

# How the Green Economy Concept Became Mainstream

- The broader concept and terminology has been in the economics and development literature since at the late 1980's;
- The financial crises of 2008, coupled with climate change, natural resource degradation, food security, and social inequalities, triggered broad scale policy debate on the concept of 'Greening the Economy', both internationally and locally;
- In 2009, the United Nations Environmental Programme called for a 'Global Green New Deal';
- A global realisation that being environmentally or socially 'due diligent' is insufficient to manage risks or drive sustainable development. An economic development paradigm shift is needed.

# In Summary- Trigger point for the Green Economy

*“The combined stream of economic, social and environmental crises that have plagued the global economy in recent years points to a need to reorient the current development models towards a more efficient, inclusive and sustainable economy by enhancing the resource efficiency of national economies, and decoupling economic activity from environmental degradation.”*

*African Consensus Statement to Rio+20, following the Africa Regional Preparatory Conference for the United Nations Conference on Sustainable Development (Rio+20), Addis Ababa, Ethiopia, October 2011*

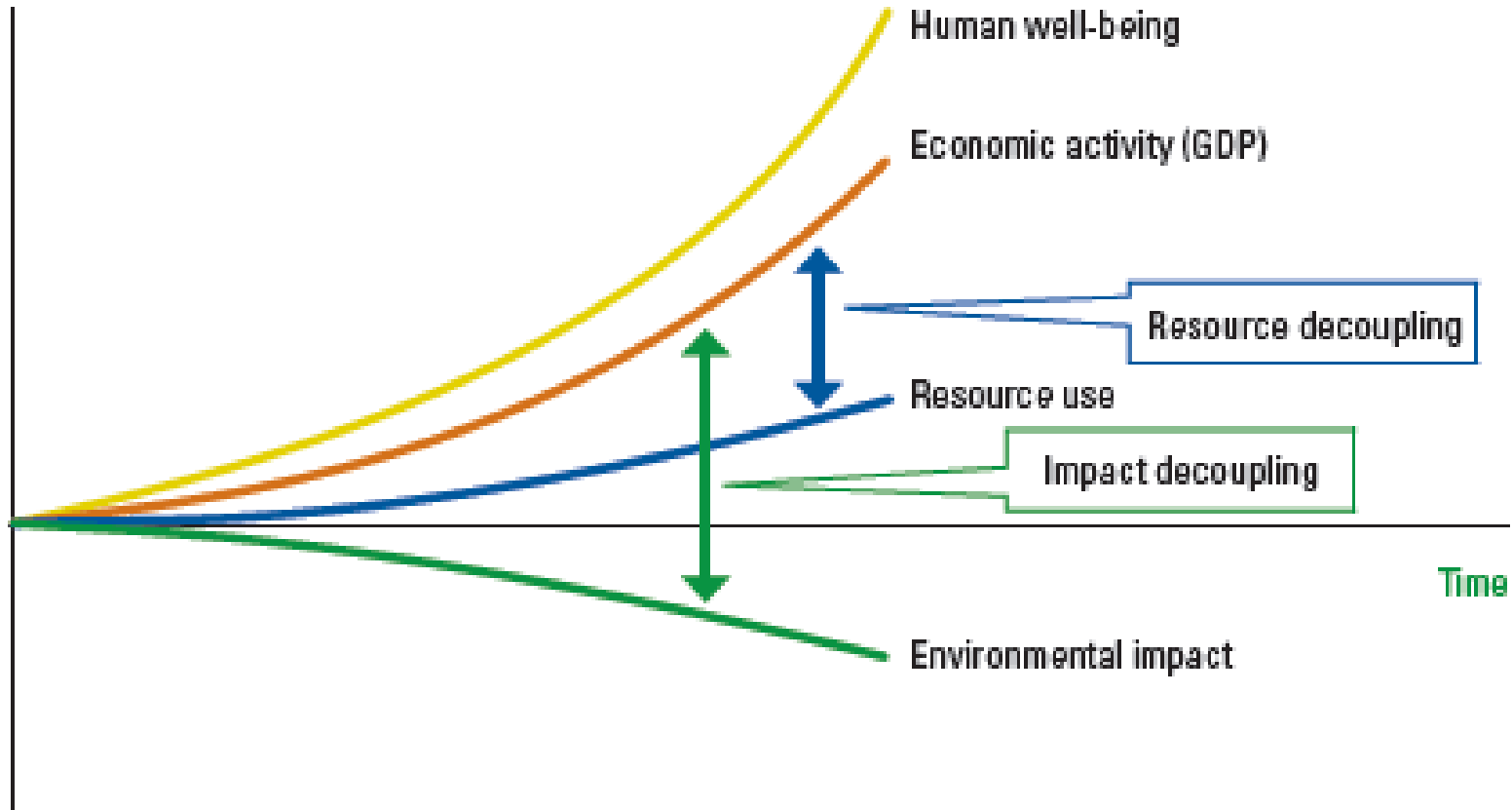
# But What Is A Green Economy?

*“one that results in improved well-being and social equity, while significantly reducing environmental risks and ecological scarcities.”<sup>1</sup>*

- The underlying principle, is to reduce the dependence of economic development on the increased consumption and damage to natural resources and the environment, whilst meeting social needs and addressing inequalities;

<sup>1</sup>UNEP, 2011. Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication: A synthesis for policy makers.

# The Principle of Decoupling



# The Uptake of the Concept Is Significant

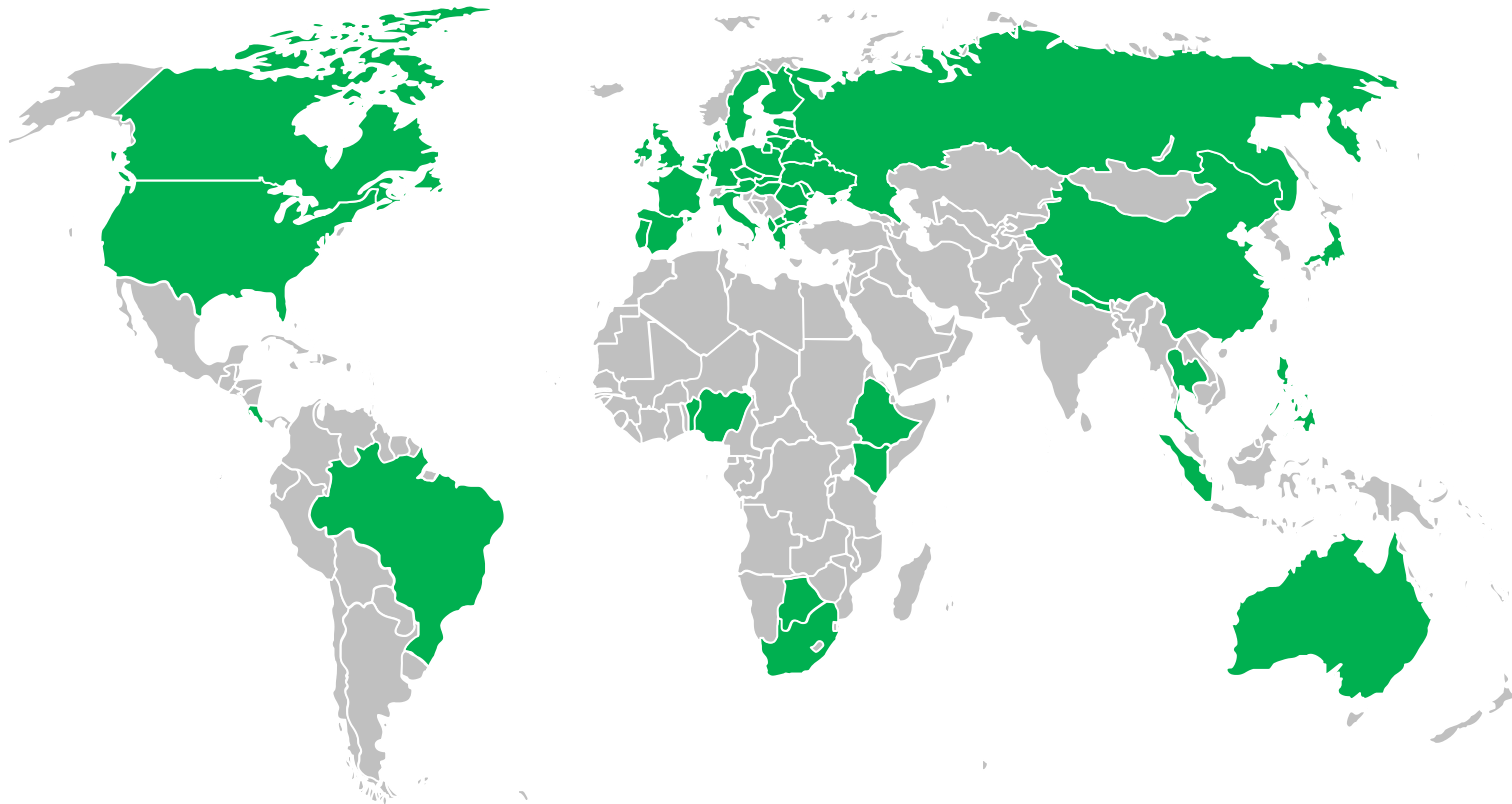


Figure: Countries known to be actively engaging in Green Economy (not an exhaustive sample)

# The Priorities for a Green Economy Vary by Country

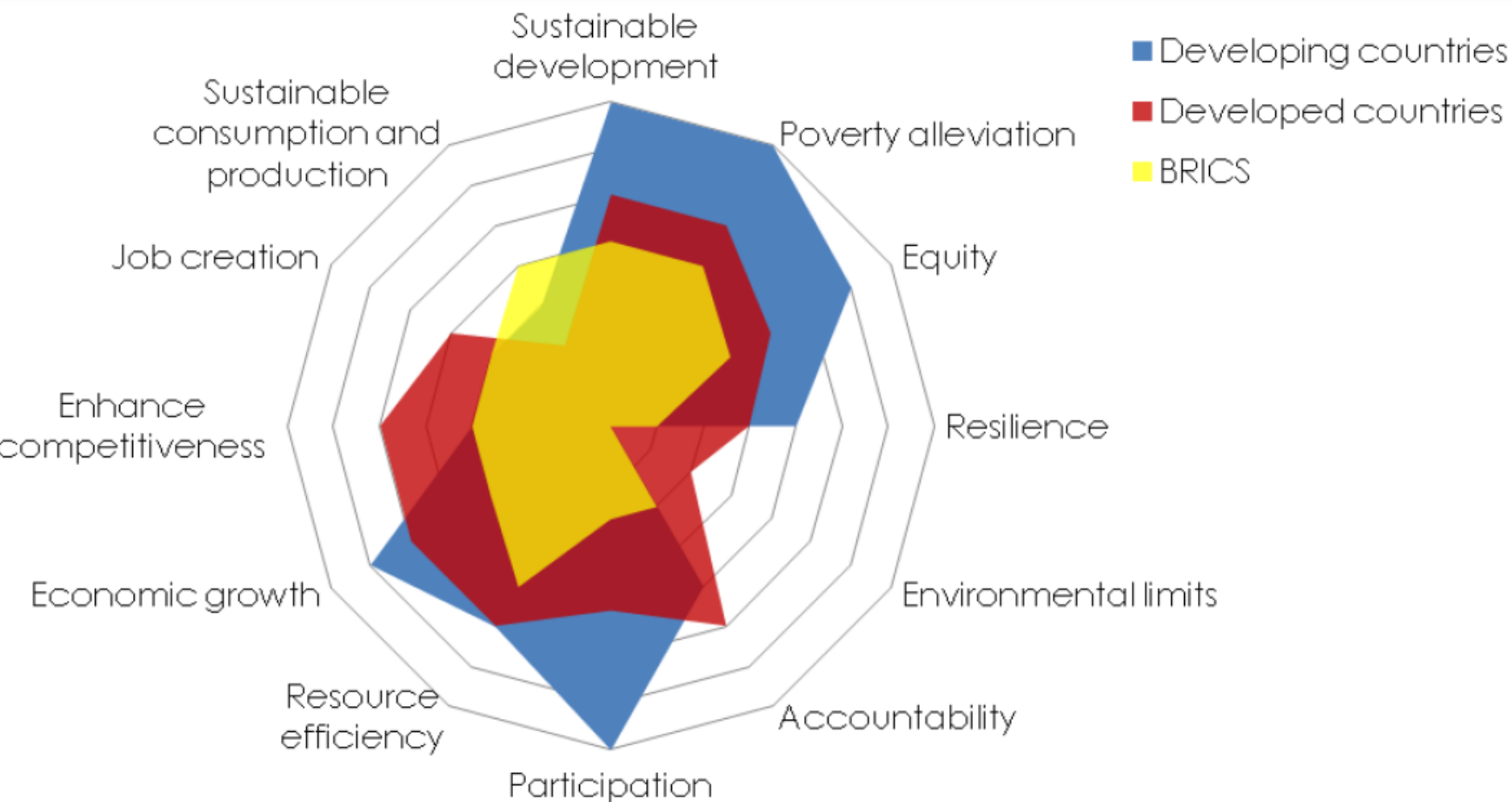
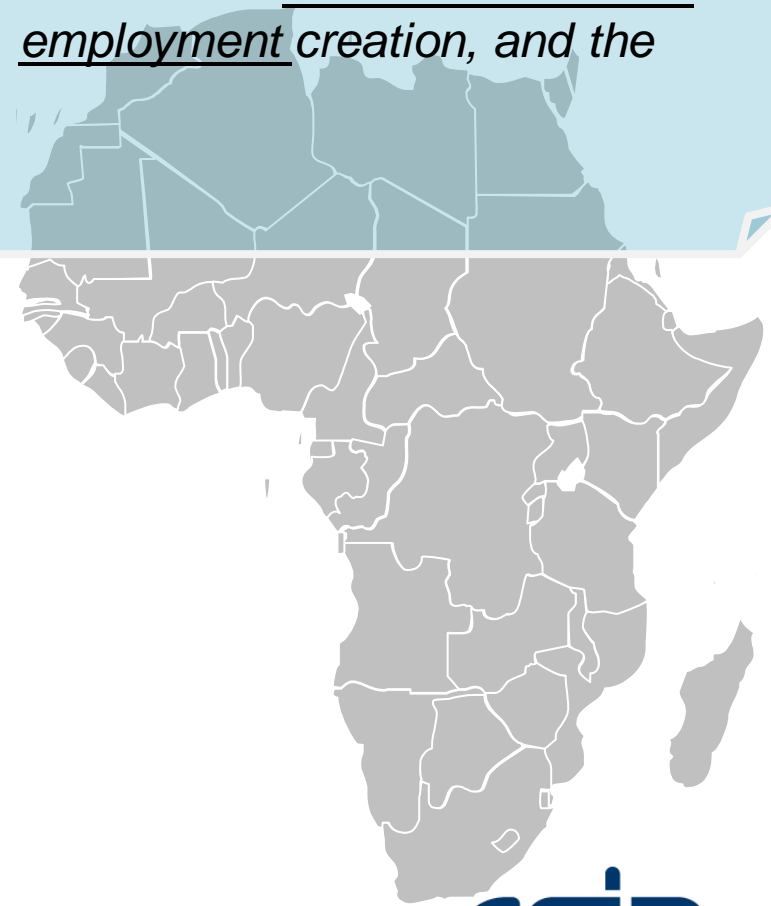


Figure courtesy of: Green Economy Coalition, 2012. Green Economy: 'Everyone's talking about it': An analysis of the UNCSO Zero draft text submissions

# The African Response is Supportive

*“..we [Ministers of African States] recognize that the transition to a green economy could offer new opportunities for advancing the achievement of Africa’s sustainable development objectives through economic growth, employment creation, and the reduction of poverty and inequalities.”*

*African Consensus Statement to Rio+20, October 2011*





# The African Response is Supportive

*“we [Ministers of African States] reiterate the need to define the green economy as a tool for achieving sustainable development..”*

*African Consensus Statement to Rio+20, October 2011*



# The African Response is Supportive

*“we [Ministers of African States] confirm.. African countries have already begun identifying opportunities and challenges to the regions transition to a green economy”*

*African Consensus Statement to Rio+20, October 2011*



# South Africa Is a Arguably Taking the Continental Lead

*“Ecosystem failure will seriously compromise our ability to address our social and economic priorities..... there is significant opportunity for the development of a green economy in Southern Africa, which extends to other parts of the continent...we have no choice...”. President Jacob Zuma, Green Economy Summit in Johannesburg in May 2010*

- South Africa is heavily dependent on its natural resources for economic development;
- Started developing a number of explicit and aligned green economic strategies, policies, and programmes;
- UNEP<sup>1</sup> identifies, South Africa, Germany and China as having forward thinking policy showing a conscious effort to drive decoupling- with some evidence of achievement already.



# There is Still Plenty R&D To Do

- A transition to a green economy is seen as a means to drive and implement sustainability, however, both are relatively new concepts and there some significant capacity and knowledge gaps;
- Both these are complex concepts requiring the integration of the complicated relationships between environmental, social, and economic considerations;
- The capacity, tools, and methods to address these complexities and understand previously unforeseen relationship effects are still in their relative infancy, but are significantly needed now;
- Growing global pressure and need is driving accelerating R&D in these area;
- The availability of improvements to existing methods and the on-going development of new approaches, guidelines, and decision-support tools are helping to unpack the complex issues;

# The Path to a Green Economy- The African Context



- Continuing to Build an Enabling Strategic, Policy and Planning Context
- Enabling Legal and Regulatory Context
- Enabling Funding and Investment Frameworks
- Enabling International Partners and Global Trade Conditions
- Enabling Partners For Building Skills and Human Capacity
- Need New Indicators For Monitoring, and Reporting

# Enabling Strategic, Policy and Planning Context

- Foster an improved understanding of the Green Economy, both in the African and SA context, but also within and between key actors and between policies, legislation and fiscal incentives;
- The green economy' is not an add-on or an emerging sector, but an imperative and framework for all economic activity and a mechanism to address the limitations within the economic pillar of sustainable development;
- Integrate and expand into multi-sectoral, whole government approach, to maximize synergies and reform conflicts (including institutional capacity considerations);
- Technical and capacity support for local level development of effective strategies, plans and policies;
- Increased use of integrative tools (e.g. SEA, modelling) to support planning and decision-support processes (e.g. policy, plan; programme and project development & evaluation);

# Enabling Legal and Regulatory Context

- Building capacity for more effective enforcement of legislation;
- National level strategic review of unintended behavioural responses, counter incentives, and legal conflicts or obstacles in the context of a Green Economic transition, followed by appropriate reform;

# Enabling Funding and Investment Frameworks

- A review of government expenditure with a vision to shift towards a greater support for activities aligned with green economic principles;
- Review and possibly reform government subsidies aligned with 'brown economic' development;
- Review current Fiscal instruments and develop appropriate incentives;
- Ensure stability and predictability of policy and market frameworks to encourage private investment with incentives;
- Supporting Access to international development assistance from public and private funding bodies;
- Business as usual is no longer an option for private sector, due to triple crises, especially in risk management and opportunity planning. Knowledge, capacity, new decision tools and technologies are needed. The emergence of new incentives, funding streams and trade agreements, present huge opportunities for the private sector;



# Enabling International Partners and Global Trade Conditions

- Review of trade tariff and non-tariff barriers and market distortions for reform
- Active participation in international debate and global trade development to prevent “eco-protectionism” from industrialized countries limiting trade opportunities;
- Building regional partnerships and strengthening regional integration to enable increase intra- African trade and investment in local beneficiation processes;

# Enabling Partners For Building Skills and Human Capacity



- Strategically identifying the science, education and training needed to support a green economic transition;
- Implementing technology transfer, R&D, and training required;

# Need New Indicators For Monitoring, and Reporting

- Current indicators (e.g. GDP) at a global, national, local and programme or project level are insufficiently integrated to measure progress;
- Need to develop and use appropriate project, sector, provincial and national indicators to assess the sustainability and efficacy of Green development;
- Important as a feedback loop for continual improvement of policy, plans, regulations, investments and incentives;

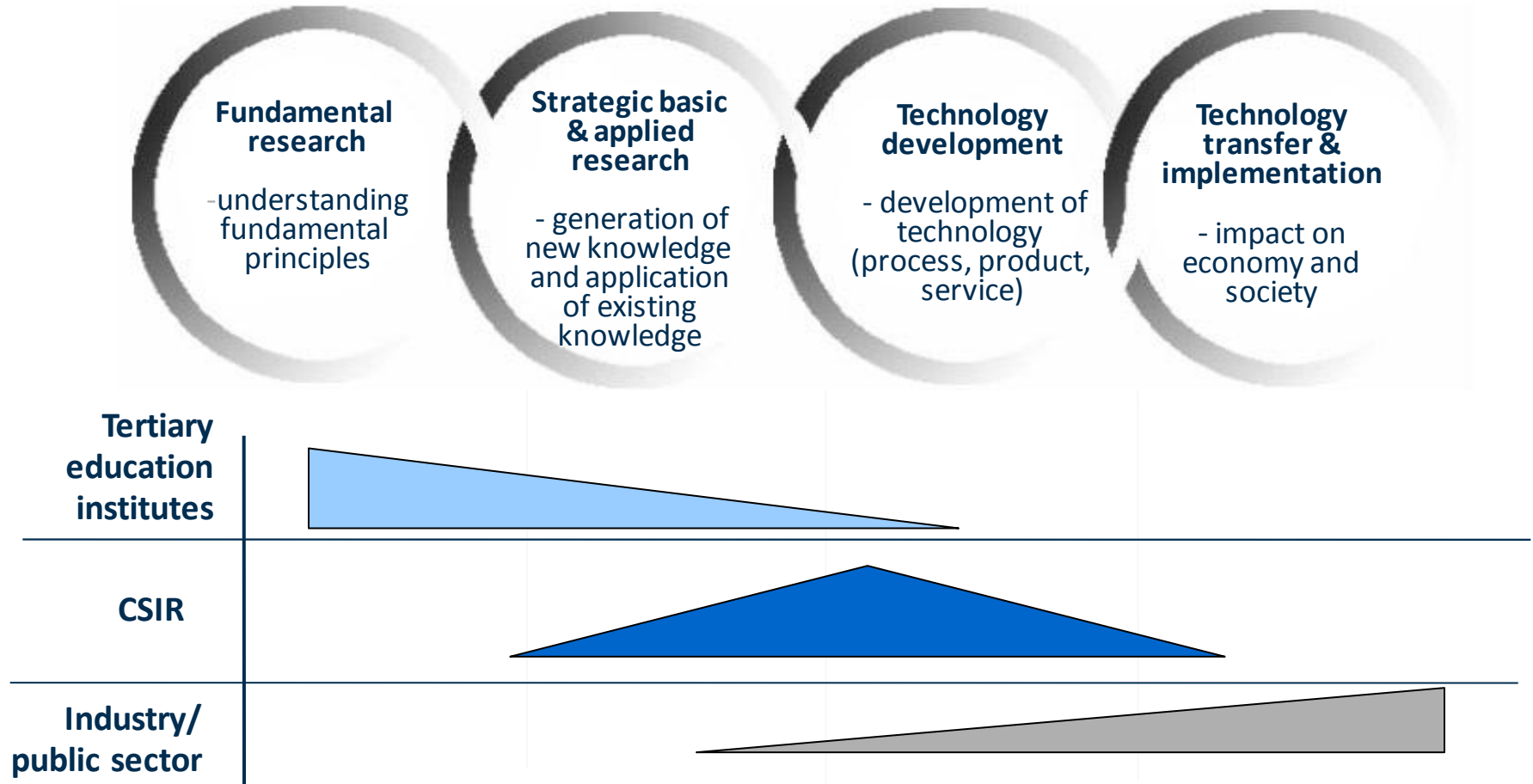
# Concluding Messages On the Green Economy

- The triple crises is leaving little choice but a transition to a Green Economy;
- Green Growth must clearly address poverty reduction and social and economic development in the short to medium term, if it is going to gain traction in Africa;
- Need to consciously drive a change in perceptions and behaviour;
- As just another sector, the long term success is limited. It must be accompanied by a whole government, multi-sector, integrated review and reform of policy, legislation, incentives;
- There is already good planning, policies, programmes, and legislation in place to build from;
- Comprehensive use of integrative review, integrative planning, coupled with appropriately and purpose designed decision-support tools is crucial in unpacking the complexity of the path ahead;

# Thank you

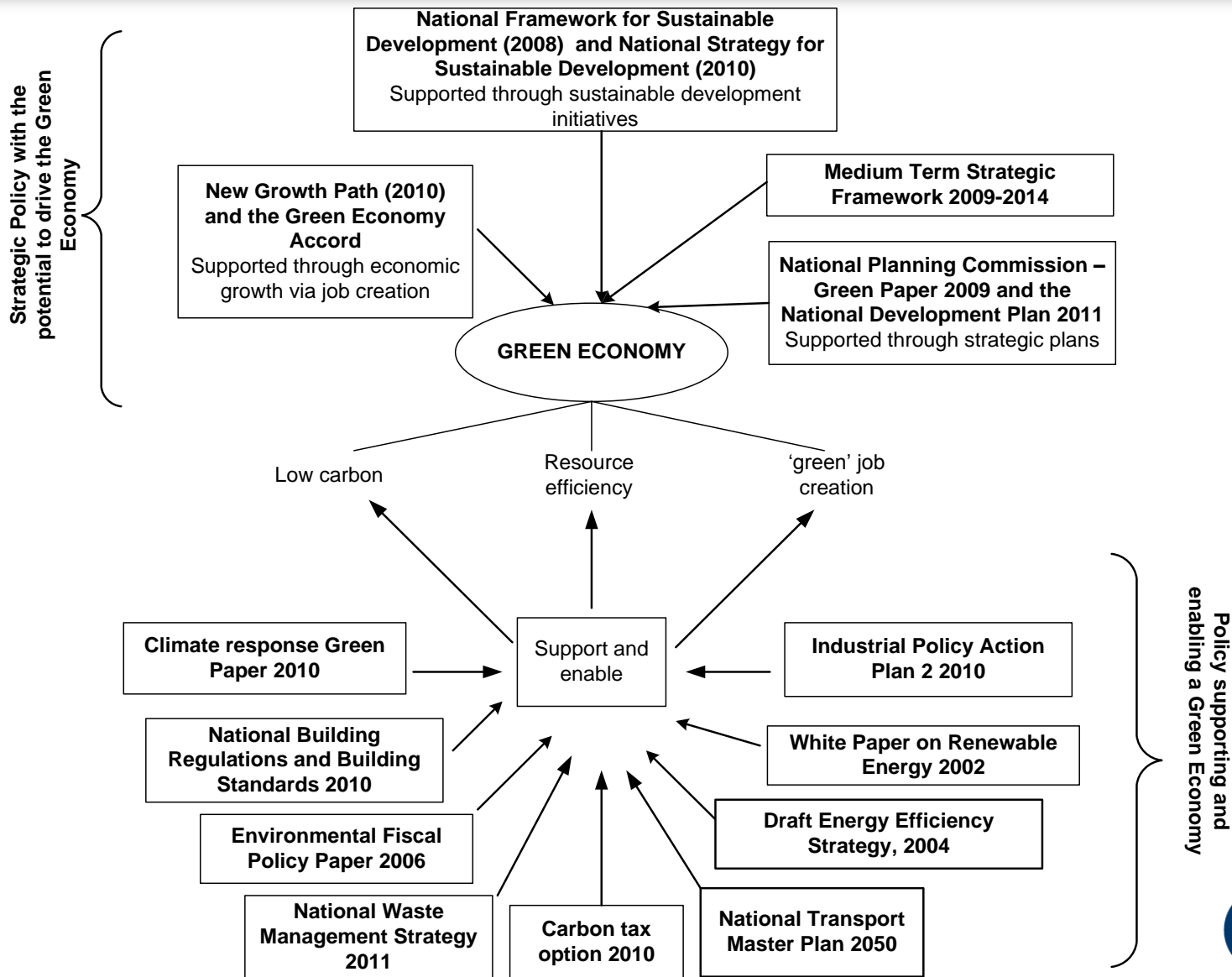


# CSIR's Position Within the National System of Innovation

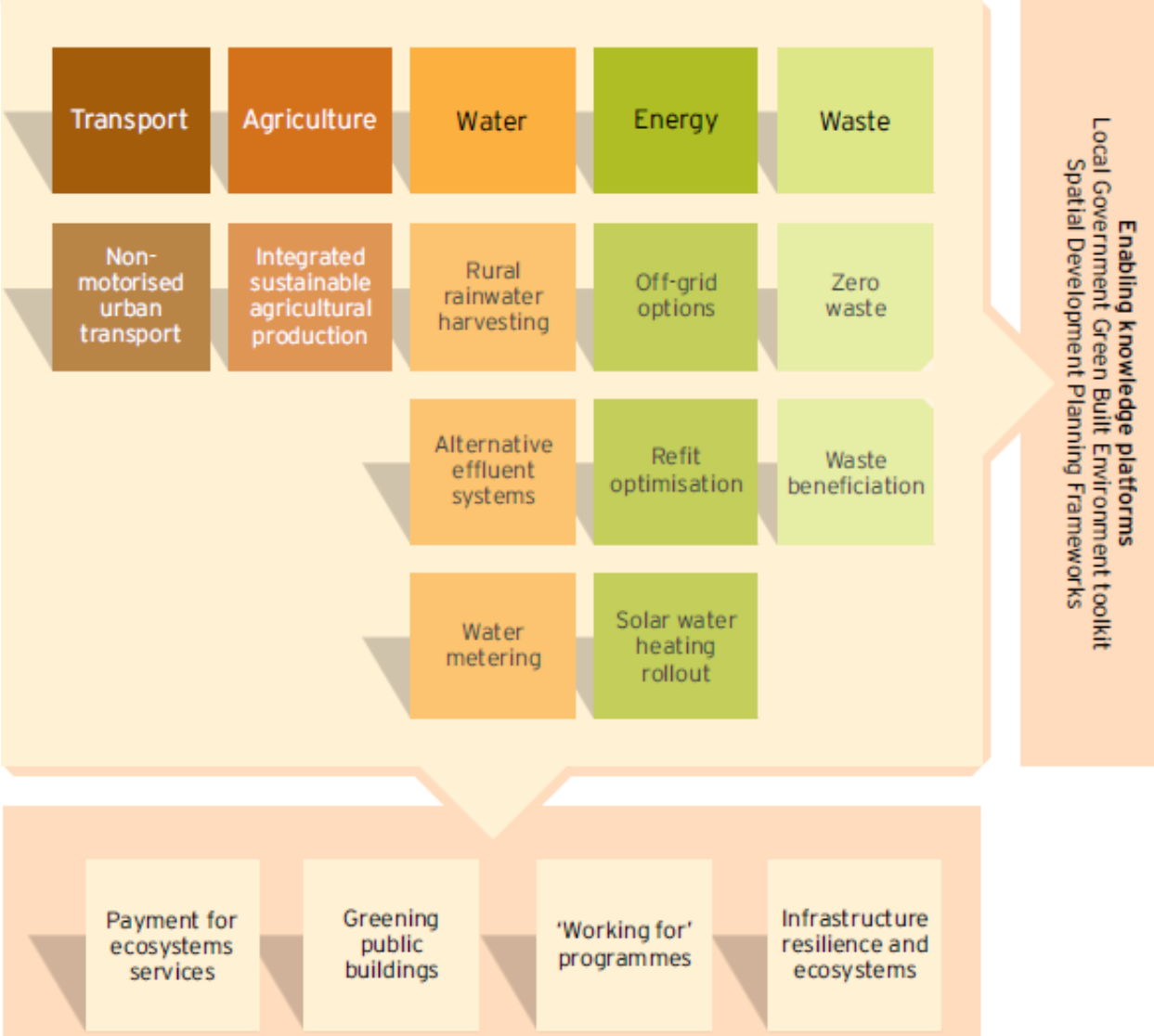


The CSIR spans the research and innovation value chain but its role is differentiated from TEIs and industry/public sector

# Brief Snapshot SA Policy Drivers Behind a Green Economy



# SA Programmes In Support of The Transition



DBSA, 2011. Programmes in support of transitioning South Africa to a green Economy. Development Bank of South Africa. Working paper series no. 24.