

Section 1

Advancing an Inclusive Green Economy: Rationale and Context

4

Learning Unit

Green Economy, Sustainable Development and Poverty Eradication

Green Economy contributes to achieving Sustainable Development in many ways. This unit presents the link between green economy and sustainable development, including with regard to way in which green economy can benefit the poor.

PAGE Green Economy Introductory Learning Materials



Green Economy Contribution to Sustainable Development



Speaker's Notes:

- This graph shows the three interrelated areas of sustainable development and their interlinkages.
- Sustainable development requires advancement of three interdependent and mutually reinforcing dimensions:
 - Environmental protection and sustainability
 - Social development
 - Economic development
- A shortcoming of the way in which sustainable development has been operationalized over the last decades has been the tendency to operate activities under the three pillars in isolation from each other (e.g. the exploitation of natural resources with the objective of maximum short term financial gains).
- The concept of a green and inclusive economy emphasizes that the economic dimension needs to be linked with environmental sustainability and social inclusion.
- A shift to a green economy can be considered as a pathway to sustainable development.

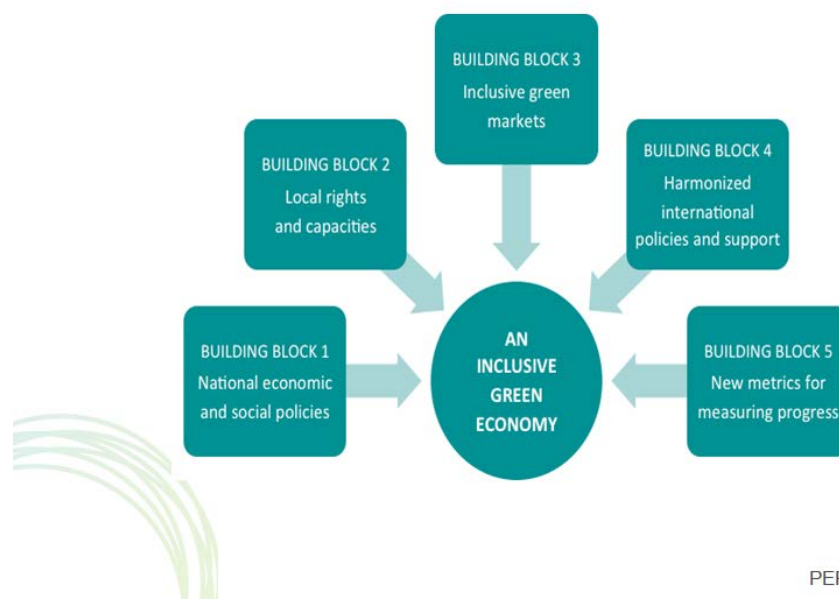
Key Message

- The crossing point between economic development, social development and environmental sustainability can be regarded as an inclusive green economy and should be maximized as much as possible.

Further Reading:

- PEP, Building an Inclusive Green Economy for All: Joint Paper, 2013, p. 15

Building Blocks of a Green Economy



Speaker's Notes:

- This slide provides an overview of the building blocks, which constitute green economy planning, from the perspective of the Poverty and Environment Partnership (PEP, 2012)
- The five building blocks have been developed through a consultative process involving a wide range of development partners (including the EC) and representatives from developing countries.
- Building blocks 1, 3 and 5 have already been covered in previous modules.
- Building block 2 (local rights and capacities) adds a strong governance dimension to ensure effective stakeholder engagement in planning and decision-making and is addressed in the following slides. Building block 4 (harmonized international policies and support) will be covered in Module 4.

Concerning the desired outcomes, PEP emphasises that inclusive green markets must address both market failures as well as social & distributional issues.

Key Message

- An inclusive green economy includes: enabling national economic and social policies, legal rights and capabilities of the citizens, the presence of inclusive green market, harmonized international policies, and suitable framework for measuring progress.

Further Reading:

- PEP, Building an Inclusive Green Economy for All: Joint Paper, 2013

Expected Green Economy Benefits for the Poor

3 key benefits include:



PEP, 2013

Speaker's Notes:

- This slide highlights three key benefits of the green economy transition for the poor: improvements in livelihood, health and resilience (according to PEP, 2013).

Livelihoods

- The majority of poor households depend on environmental assets for their incomes and livelihoods (e.g. rural households depend on farming, fishing, hunting and non-timber forest product collection). Ecosystem services and other non-marketed goods have been estimated to account for between 47 and 89 % of the so called "GDP of the poor"
- Policy and governance reforms can make environmental asset-based livelihoods more profitable as a viable path for moving out of poverty.

Health

- Health is closely linked to the quality of the environment, especially for poor women and children. Up to one-fifth of the total burden of disease in developing countries, and a large proportion of childhood deaths, are associated with environmental risk factors.
- An inclusive green economy can deliver better and more equitable health outcomes by significantly reducing these environmental risk factors in rural and urban areas by:
 - more secure access to water and agricultural land to improve nutrition;
 - access to clean household energy to reduce exposure to indoor air pollution;
 - access to clean water to reduce exposure to water-related diseases;
 - improved environmental infrastructure for sanitation, drainage and waste collection;
 - 'green' urban transport to reduce chronic disease and injuries and improve equity.

Resilience

- Poor and vulnerable groups are most affected by climate-related shocks.
- An inclusive green economy can reduce the impacts from weather changes and extreme weather events in rural and urban areas by strengthening the resilience of local communities and

ecosystems, and can reduce conflict driven by natural resource scarcity and ecosystem degradation.

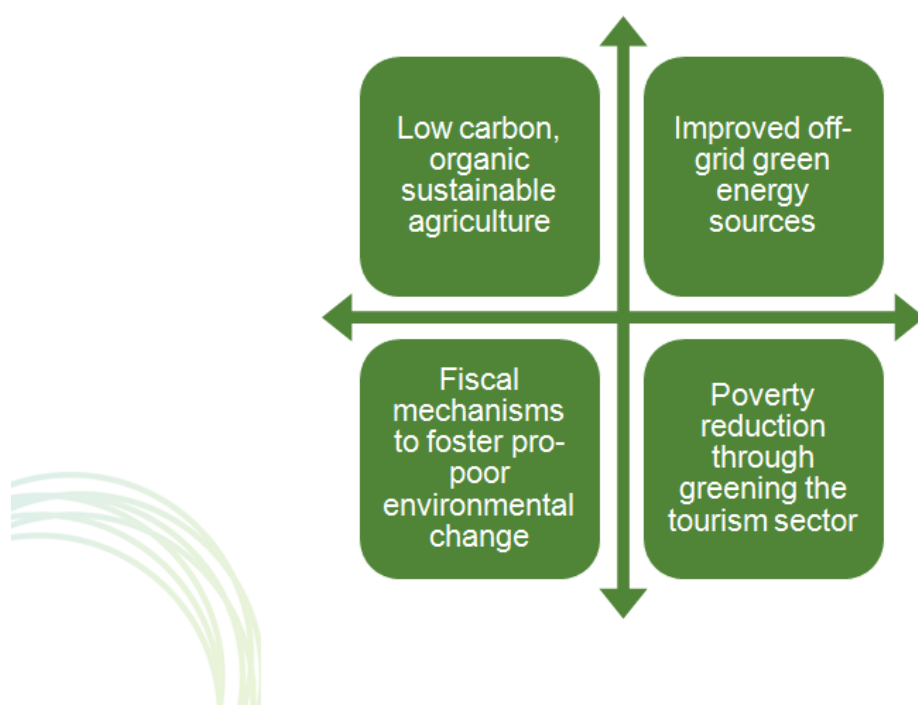
Key Message

- An inclusive green economy can improve livelihood, health and resilience of the poor and ultimately contribute to reducing poverty and inequality.

Further Reading:

- PEP, Building an Inclusive Green Economy for All: Joint Paper, 2013

Opportunities for Making the Green Economy Work for the Poor



Speaker's Notes:

- This slide provides an overview of some key opportunities of making green economy work for the poor, as outlined by the UNEP Green Economy Report (UNEP, 2011)
- In the lead-up to Rio+20, several organizations and networks have developed their thinking to build the case of the green economy in the specific context of developing countries and LDCs in particular:

Low Carbon, Organic and Sustainable Agriculture

- A review of 286 small scale green agricultural practices in 57 low income countries showed an average yield increase of nearly 80 percent (Pretty J. N., 2006). Measures taken included, for example, integrated pest and nutrient management, conservation tillage, aquaculture, etc.
- The Ugandan Government, for example, has taken several steps in transforming certain aspects of conventional agricultural production into an organic farming which prohibits the use of synthetic inputs, such as drugs, fertilizers and pesticides. Organic exports are therefore becoming an important part of Uganda's economy and the policies have resulted in increased incomes and food security.

Improved Off-grid, Green Energy Sources

- Off-grid, green energy sources can provide poor people with access to energy, with corresponding large multiplier effects:
 - Employment creation
 - Small enterprise generation
 - Poverty reduction
 - Improved health
 - Education outcomes

- Improvements in the well-being of women.
- The Township Electrification Programme 2001-2005 in China and the Village Electrification Programme (2005–2010) have provided off-grid electricity to more than 20 000 remote villages with 100 per cent of the energy originating from renewable energy systems.

Fiscal Mechanisms to Foster Pro-poor Environmental Change

- There are potential triple wins of environmental fiscal reforms:
 - Revenue generation
 - Environmental improvement
 - Poverty reduction
- For example, the Tunisian Solar Programme (PROSOL) aims at promoting the development of the solar thermal market through financial and fiscal support. PROSOL includes a loan mechanism for domestic customers to purchase Solar Water Heaters and a capital cost subsidy provided by the Tunisian Government of 20% of system costs.

Poverty Reduction through Greening the Tourism Sector

- Eco-tourism building on local knowledge: For example in 2000, the indigenous Masyarakat Adat of the village of Ngata Toro was granted resource rights within the Lore Lindu National Park, their ancestral home, by the Government of Indonesia. They subsequently established an ecotourism enterprise and complementary organic agricultural and handicraft businesses.
- Engagement of local communities in service delivery: In Panama, for example, households capture 56 per cent of total local tourism income.
- Opportunities for local employment and skills development: For example, sustainable tourism in Nicaragua, a destination that focuses very prominently on its culture and natural environment, has an employment multiplier of 2, i.e., for every job in the tourism sector, an additional local employment is created, with higher wages than the national averages.

Key Message

- Some of the main area/sectors, through which the green transition can bring dividends for the poor, are forestry and agriculture, energy, fiscal policy reform, and tourism.

Further Reading:

- UNEP, Towards Green Economy - Pathways to Sustainable Development and Poverty Eradication, 2011, p. 418 – 427
- WRI, A Compilation of Green Economy Policies, Programs and Initiatives from Around the World, 2011
- UN ESCAP, Low Carbon Green Growth Roadmap for Asia and the Pacific, 2012, Case Study Factsheet: China's Mini-grids for Rural Electrification
- Pretty J. N. et al., Resource-Conserving Agriculture Increases Yields in Developing Countries, Environmental Science and Technology 40 (4), 2006, pp. 1114-1119
- UNEP, Green Economy Success Stories: Organic Agriculture in Uganda; <http://www.unep.org/greeneconomy/SuccessStories/OrganicagricultureinUganda/tabid/29866/Default.aspx>