Economic Commission for Africa
Office for North Africa

The global and regional context of green economy: progress and lessons

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HOW TO DEFINE GREEN ECONOMY?

- **"An economy that leads to improved human well-being and social equity by reducing environmental risks and resource scarcity" (UNEP, 2011).**
- **An economy that creates jobs and income through investments that reduce CO2 emissions and pollution, prevent the loss of biodiversity and ecosystems and contribute to sound management of RN underlying growth.**
- **An economy that strengthens the convergence among the three pillars of sustainable development.**

JUSTIFICATION OF GREEN ECONOMY

- **The requirement of a model of sustainable and equitable growth has been enhanced by the multiple crises and their social consequences.**
- **The patterns of economic development characterized by consumerism and unsustainable patterns of production have constituted a major factor in the environmental crisis**
- **60% of the world's ecosystems have been degraded or used as unsustainable (MEA, 2005).**
- **This loss of natural capital undermines the basis for the creation of wealth.**

GLOBAL ADVOCACY FOR GREEN ECONOMY

- **In 2008, the UN launched the Green Economy Initiative coordinated by UNEP. Numerous studies (UNEP, UNIDO, FAO ...) confirm the potential for improving growth and employment related to GE.**
- **The 2011 Report on UNEP Green Economy emphasizes that the transition to a green economy is possible through the allocation of 2% of GDP invested in ten key sectors between 2010 and 2050;**
- **The OECD is finalizing its strategy for green growth and focuses on technological innovation (2011);**
- **The European Commission has presented its new green growth strategy in the context of its strategy "Europe 2020";**
- **The next G8 meeting (May 2011) address the issue of innovation and green growth;**
- **All this work will contribute to the UN Conference on Sustainable Development (Rio 2012), whose main theme is green economy. Seminar on the strategic option of the green economy in Morocco-IRES**

MAJOR GLOBAL ECONOMIES AIM TO REACH GREEN GROWTH

- **Recovery Plans were an opportunity for many countries to achieve important public investments in green infrastructure, eco-innovation and industrial restructuring.**
- **Many incentives are already in use in some countries and more countries adopt green growth strategies**
- **The EU plans to invest 105 billion Euros in green economy by 2020.**
- **The leading countries of the green stimulus are South Korea, China, the U.S., Germany and France. Seminar on the strategic option of the green economy in Morocco-IRES-Rabat, March 21**

GLOBAL ACTION IN FAVOUR OF GREEN ECONOMY

Countries	Measures taken in favor of Green Growth
South Korea	▪ 80% of the recovery plan is 3.5% of its GDP - green growth strategy ▪ Increased public spending on R & D devoted to green technologies-2020, representing 25% of total expenditure on R&D. ▪ RE and EE, ecological transportation, and wastewater treatment waste.
China	38% of its recovery plan package equivalent to 5.2% of GDP ▪ Development plan of ER and EE: world's leading exporter of solar PV-wind farm capacity has increased by 64% in 2010 to 42 MW; ▪ Carbon vehicles and rail transport; ▪ Recycling and re-use of waste; ▪ Environmental protection and biodiversity ; ▪ 2011-2016: plans to invest in green industries 468 Billion USD, in comparison with 211 billion over the 2005-2010 period.
France	▪ Development plan of ER and EE: world's leading exporter of solar PV-wind farm capacity has increased by 64% in 2010 to 42 MW; ▪ 35% of the recovery plan- NSDS (2010-2013) ▪ Rail-ER and EE ▪ Farming plan: up to 6% of agric organic surfaces (accompaniment credits) ▪ Eco-interest loans tax credits to households for organic farming; ▪ EE standards in the construction sector; ▪ Training program for energy savings companies in the pack; ▪ Lines of credit to finance projects by companies with positive impact on environment
Germany	14% of the recovery plan equivalent to 0.4% of GDP ▪ ER: from 16% currently to 47% by 2020

	▪ EE-Building (¾ of recovery plan)
USA	▪ 12% of the recovery plan equivalent to 0.6% of its GDP - objective: creation of 3 million jobs ; ▪ Green technologies are the third source of investment in research after IT and biotechnology; ▪ RE and EE-water management and waste treatment, capture and storage of C; ▪ Subsidies for green training, especially for women and youth; ▪ Youth Employment program in the energy sector.

AN EXPANDING GLOBAL MARKET

- **The global market for environmental goods and services is increasing and is expected to double by 2020 (ILO, 2008).**
- **In the OECD countries, it stood at 770 billion USD in 2009;**
- **In 2008, global investment in RE (173 billion) exceeded for the first time investments related to fossil fuels (UNEP, Global Trends, 2010). In 2010, these investments have reached a record level of USD 181 billion (Brazil, China and India).**
- **The global market for organic agricultural products has reached nearly $ 50 billion in 2007 ;**
- **The tourism market has now reached a growth rate of 20%.**
- **The market for energy recovery was estimated at 20 billion USD in 2008.**

GREEN JOBS

- **Several definitions: OECD (eco activities: Management of Pollution and Resource Management) - UNEP (decent work), ILO (enlarged considers the reduction of the environmental tracks of sectors),**
- **The quantitative estimation of green jobs is limited by:**
  - The cross-cutting and multi-sectoral trait of the concept;
  - The inadequacy of existing statistical tools;
  - The impact of green economy on employment in several ways:
    - ✓ The creation of new jobs
    - ✓ Conversion / replacement of existing jobs;
    - ✓ Job supression

- **The OIT (2008) indicates that 100 million of green jobs already exist in the world but highlights the lack of available data;**
- **This study estimated employment in the sector of recycling at 12 million only for the USA, Brazil and China;**
- **Ernst & Young study (2006) for the EC has estimated the number of direct and indirect employment generated by the eco industry at European level to 3.385 million units. The eco-industries represent 1.7% of employment in Europe.**
- **Green economy brings jobs providing that :**
  - ✓ **the orientation of investments in favor of sectors of green jobs' high potential**
  - ✓ **the adaptation of employment strategies to new needs ;**
  - ✓ **reconstruct education systems and resulting training**

- **In Brazil, the management of wase materials and recycling provides more than 500.000 persons**

- **In India, an initiative launched in 2006 "National Rural Employment Garantee Act" guarantees 100 days of paid work / year to every household whose adult members volunteered as part of a public**

works program for the protection and restoration of natural capital. In 2010, more than $ 8 billion of investments have created three billion working days and benefited 59 million households.

AFRICA AND GREEN ECONOMY

- **African leaders have recognized that a green economy is a potential answer to sustainable development, as outlined in several declarations and resolutions:**
  - 3rd Ministerial Conference on Financing for Development (May, 2009);
  - 13th African Ministerial Conference on the Environment (June 2010);
  - 7th Forum for Africa's Development (October 2010);
  - 18th Ordinary Session of the AU Executive Council (January 2011);
  - Conference of African Ministers of Finance, Planning and Economic Development of the CEA (March 2011).
- **Experiments are underway to develop the potential of organic farming, sustainable fishing, ER, waste recycling and green cities.**

- **Promotion of RE and EE-important ongoing reforms Rates boot in Kenya**
- **In 2010, revision of the policy on tariffs starting to include ER: electricity purchase**
- **agreements in the long term (15-20 years) and a fixed price per kWh incentive;**
- **Organic farming is growing in Tunisia and Uganda (285,000 ha for Tunisia)**
- **Wastewater treatment and water desalination Mer Revision pricing of water-IWRM**
- **First unit of energy recovery of organic waste in Tunisia (~ 2.4 GWh / year of biogas)**
- **Green Cities Projects: Morocco-Algeria-Egypt**
- **Clean industries and public transport**

MAIN LESSONS

- **If the transition to a green economy can be costly to CT and limit the resolution of development issues most pressing in M-LT should lead to sustainable economic growth and reducing poverty;**
- **Public funding is essential to initiate the transformation of the economy and promote investment in low consumption of resources and energy;**
- **The establishment of a favorable climate for private sector involvement, including SMEs and the informal sector is a key element;**
- **The economic transformation will require compensatory measures, since some sectors will grow while others will contract;**
- **The net job creation will depend heavily on public policies that will be implemented and targeted sectors;**
- **The introduction of eco-taxes should reduce environmental impact while consolidating public finances and freeing up resources for green investment, but the applicability of these tools should be studied according to each context;**
- **Voluntary instruments (eco-labels, ecolabels ...) can help to change consumer behavior;**
- **subsidies harmful to the environment (E fuels, agriculture, water, fossil, fisheries) must be removed and those for activities environmentally applied with caution so as not to distort competition and trade;**
- **The potential growth of the RE and EE is considerable if encouraged by supportive policies; WWF Energy in its report of 2011 notes that**

the world's energy needs could be covered by ~ 95% RE sources (wind, solar, hydro) by 2050.

- **The sustainable use of environmental goods and services should be part of the transition (ecosystem approach);**
- **Organic agriculture can increase productivity and added value in agriculture. It creates 30% more jobs per hectare in East Africa (UNEP, UNCTAD);**
- **Low socio-economic performance of the fishing could be greatly improved in a scenario "green economy" that would reduce fishing effort and devote more investment in the preservation of fish stocks (53% of stocks are fully exploited, FAO-2010). Return in economic and social terms would be 3-5 times greater than the cost of the investment.**

GREEN ECONOMY INVOLVES DEEP CONVERSIONS

In order to create favorable conditions for greater investment "green" public and private, market development and jobs.

Developing the Eco Innovation

Strengthening communication & awareness on environmental degradation

Adapting regulatory frameworks

Investing in capacity-Training

Using taxation and economic instruments to stimulate the couple "supply and demand"

PUBLIC POLICY GUIDELINES

- **Adapt public policy decisions critical determinant investment**
  - ✓ Global and sectoral integration;
  - ✓ Reorientation of investment choices in prioritizing investments in areas that promote the greening of key economic sectors;
  - ✓ Cohering investment, employment, education, social and R & D policies
  - ✓ Reconsider Industrial Policy and identify promising industrial sectors.
- **Transform the behavior of consumers and enterprises**
  - ✓ Information campaigns and education
  - ✓ instruments: taxes, incentives, price signals ...
  - ✓ Reform of subsidies harmful to the environment, including for fossil fuels;
- **Convert existing jobs and build new skills**
  - ✓ adjust the labor market and education systems and training
  - ✓ Adopt grants for green vocational training;
- **Strengthen and adapt the regulatory framework**
  - ✓ Environment, investment, trade and tax policies;
  - ✓ Implement the polluter -payer principle to internalize the environmental costs and environmental regulations.
- **Support innovation in products and technologies**
  - ✓ Increase public and private funding assigned to R & D
  - ✓ Strengthen the links between research and the productive sector (technology parks)
  - ✓ Support SME financing, skills, and access to information markets
- **Strengthen regional cooperation and integration**
  - ✓ Harmonization of regulatory frameworks
  - ✓ Joint Programs Research & Development
  - ✓ Development of networks (eg RME, 2005)
  - ✓ transfer of Technologies: partnership between MPC and technopoles