



UNITED NATIONS ENVIRONMENT PROGRAMME
ECONOMICS AND TRADE BRANCH

towards a
green
economy

Towards a Green Economy

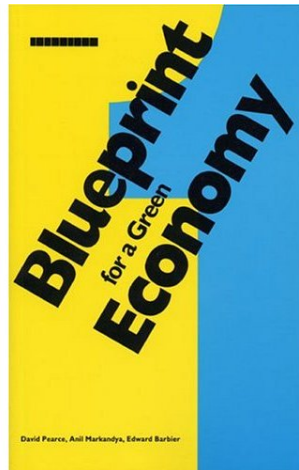
**UNEP's Green Economy Initiative &
a Global Green New Deal
Nairobi
17th Feb 2009**

Pavan Sukhdev
Project Leader, Green Economy Initiative

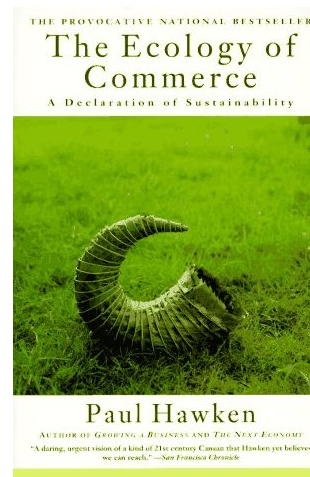
25.02.2009

“Green Economy” is not a new idea.....

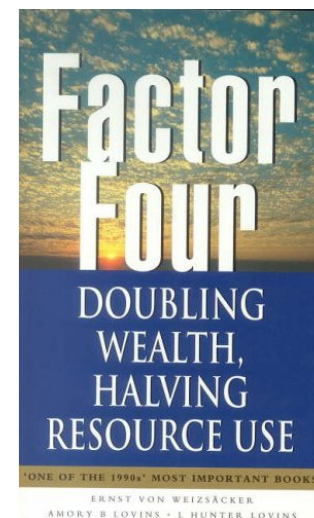
1989...



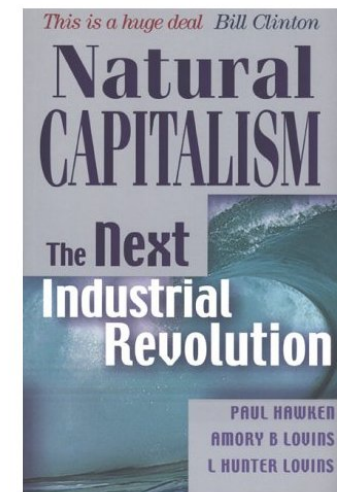
1994...



1998...



1999...

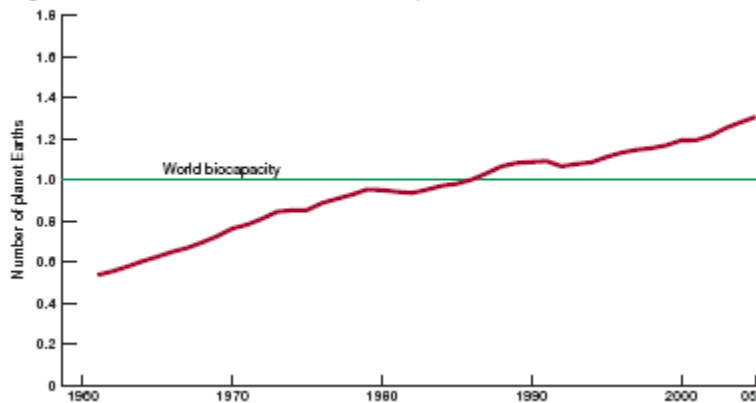


What a “green economy” is not ...

One which Consumes Capital..

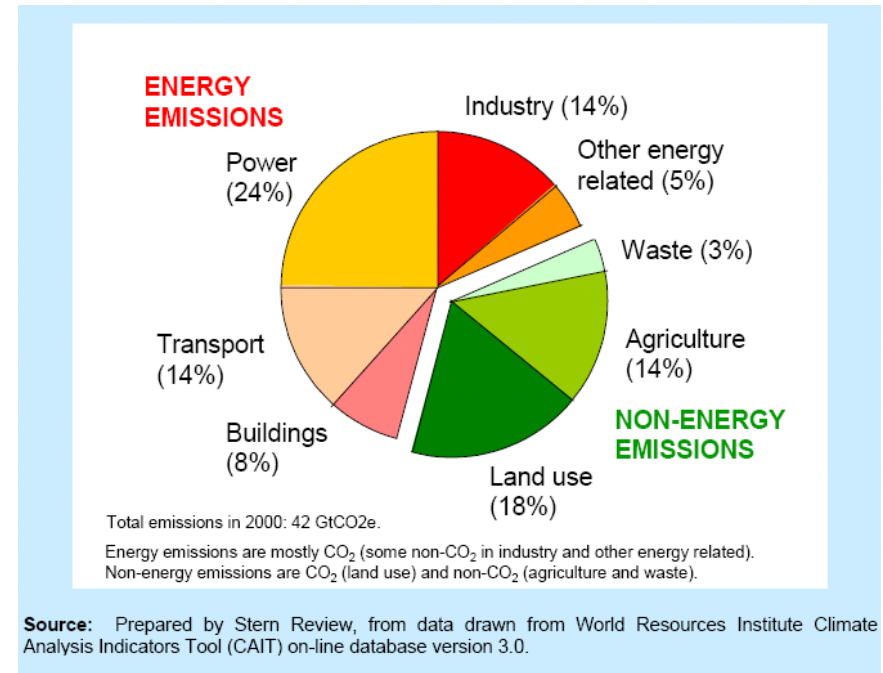
..Or Risks Human Survival ...

Fig. 2: HUMANITY'S ECOLOGICAL FOOTPRINT, 1961-2005



LIVING PLANET REPORT 2008

‘Ecological Footprint’ already exceeds Earth’s regenerative capacity... our demands on the planet have doubled over the last 40 years...



Source: Prepared by Stern Review, from data drawn from World Resources Institute Climate Analysis Indicators Tool (CAIT) on-line database version 3.0.

Global GHG Emissions at 42 GtCO₂e per annum are 5 times higher than the Earth can absorb ...



Why do we need a Global Green New Deal ?

- ❖ Fiscal stimulus is agreed as the way forward, but just how *sustainable* is the growth that follows ?
- ❖ “Green Investment” beats a “Shopping Spree”
- ❖ “Win-Win-Win” solutions : Decent Jobs, Lower Risks, Higher Returns
- ❖ Globalization ...



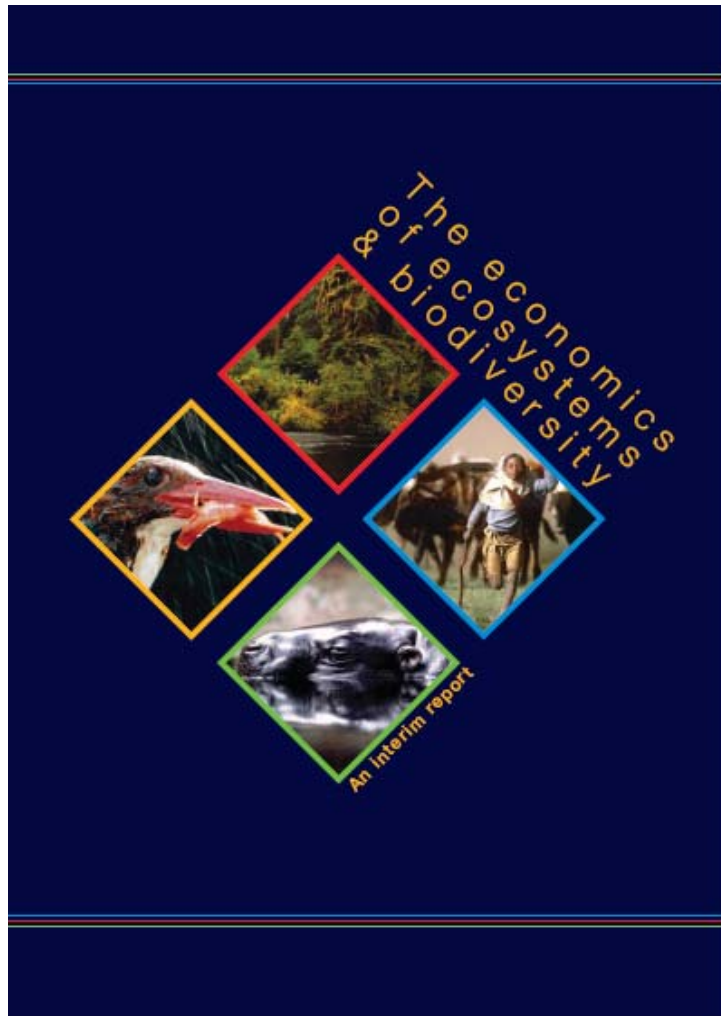
What are the Objectives of a Global Green New Deal ?

- ❖ Revive the world economy, create new and decent jobs, and protect the vulnerable
- ❖ Reduce carbon dependency, ecosystem degradation, and water scarcity
- ❖ Eliminate persistent poverty by 2025.... Help achieve the MDG's



TEEB – Interim Report

Three Key Messages



Economic Size & Welfare Impact of Losses is huge



Strong link with Poverty & risk of MDG's failure



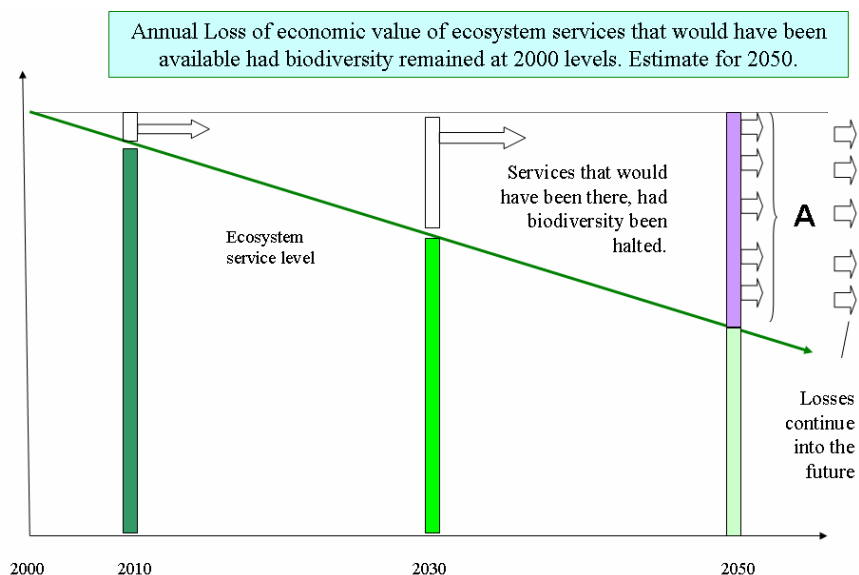
Discount rates are *ethical* choices



Size of Forest Lossesin 'Present Value' terms...

(COPI study, May 2008, TEEB)

A : 50-year impact of inaction or 'business as usual'

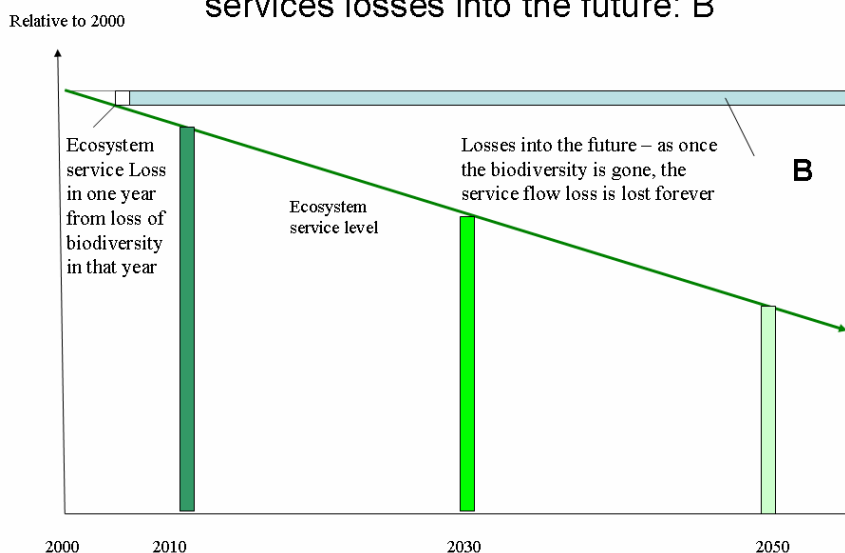


Welfare losses equivalent to 7 % of GDP, horizon 2050



B : Natural Capital impact

Valuation and Ecosystem service losses
A year's biodiversity loss leads to ecosystem services losses into the future: B



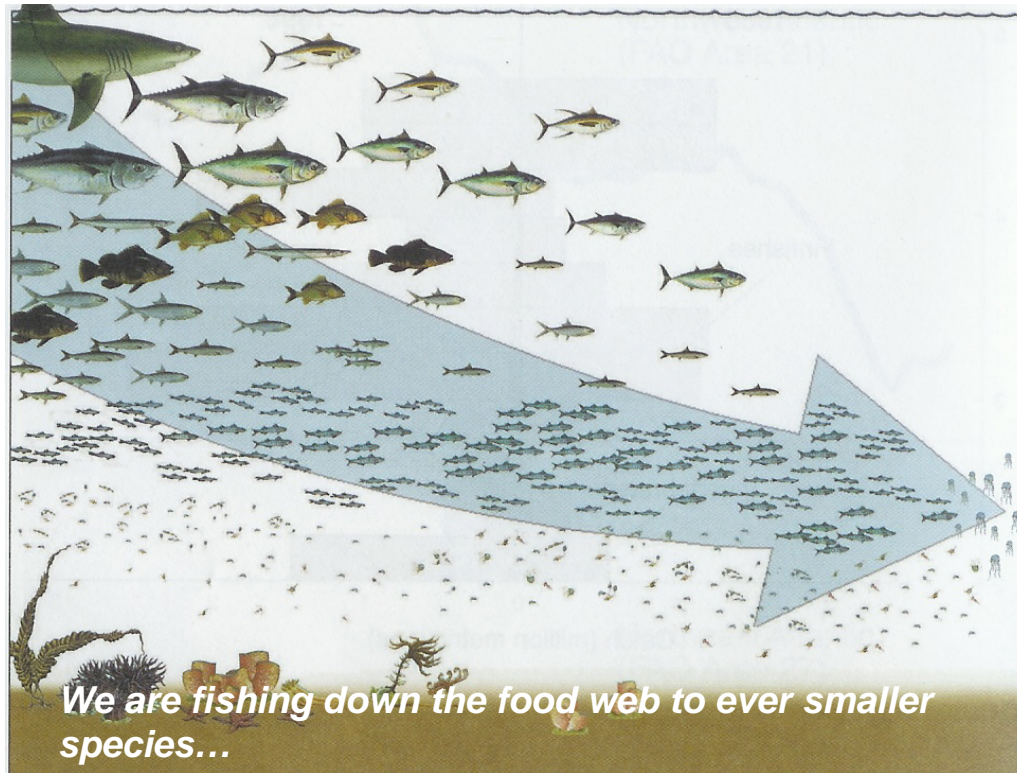
Natural Capital Lost : Annually
EUR 1.35×10^{12} to 3.10×10^{12}

(@ 4%
Discount Rate)

(@ 1%
Discount Rate)

Global Loss of Fisheries...

Human Welfare Impact



- ❑ Open Access & Perverse Subsidies are key drivers of the loss of fisheries
- ❑ Half of wild marine fisheries are fully exploited, with a further quarter already over-exploited
- ❑ *at risk* : \$ 80-100 billion income from the sector
- ❑ *at risk* : est. 27 million jobs
- ❑ *but most important of all.....*

***at risk* : Health ... over a billion rely on fish as their main or sole source of animal protein, especially in developing countries.**



Source: Ben ten Brink (MNP) presentation at the Workshop: *The Economics of the Global Loss of Biological Diversity* 5-6 March 2008, Brussels, Belgium. Original source: Pauly

Ecosystem Losses & Links to MDG's

Example : MDG # 1, 4, 5, 8...



MDG 1: Eradicate extreme poverty and hunger

MDG 8: Develop a Global Partnership for Development

MDG 5: Improve maternal health

MDG 4: Reduce child mortality

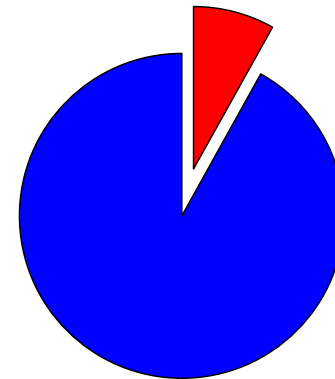


Deep Links with Poverty

“GDP of the Poor” most seriously impacted by ecosystem losses...

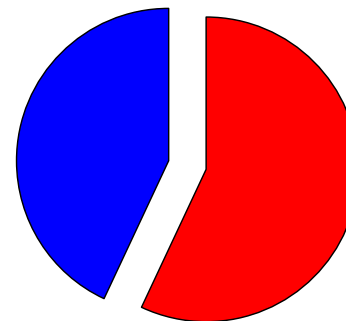
India Example: 480 Million people in small farming, animal husbandry, informal forestry, fisheries ...

**Ecosystem services /
classical GDP**



7.3 %

**Ecosystem services/
“GDP of the Poor”**

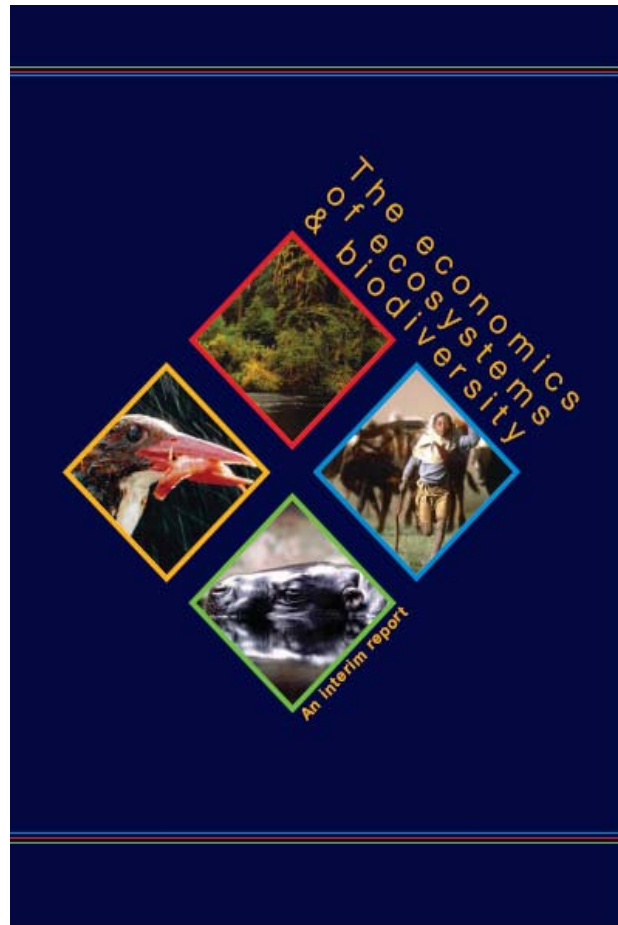


57 %



Source: GIST's Green Accounting for Indian States Project, 2002-03 data

TEEB – Interim Report “From Economics to Policies”



Rethink today's
subsidies to meet
tomorrow's priorities



Reward unrecognized
benefits, penalize
Uncaptured costs



Share the benefits of
conservation



Measure what
we Manage !



TEEB – Final Reports Sep 2009, July 2010



Science & Economics
Foundations, Policy
Costs, & Costs of Inaction



Policy Evaluation
for Policy-Makers



Decision Support
for Administrators



Business Risks
& Opportunities



Consumer
Ownership



Demonstrating the role of Ecological Infrastructure in economic development



Global Green New Deal ..in summary

- ❖ *“Kick-starting the Transition to a Green Economy”*
- ❖ Investing upto 1% of GDP in “greening” initiatives
- ❖ Creating Millions of new & decent jobs
- ❖ International Components : Urgent reforms to international architecture
- ❖ National Components : Green priorities for Fiscal spending, and reforms to national policies
- ❖ Achieving some “quick wins”
- ❖ Achieving “sustainable returns to investment” for stimulus packages, not funding of losses
- ❖ Addressing both Developed World and Developing World circumstances
- ❖ Avoiding past mistakes of Capital mis-allocation



Country	Renewable Energy	Building Retrofits	Sustainable Transport	Sustainable Agriculture	Ecological Infrastructure
United States	2 million Jobs				
South Korea	171,000 Jobs	148,000 Jobs			350,000 Jobs
European Union	1 to 2 million Jobs				
United Kingdom	160,000 Jobs				
Thailand		182,000 Jobs			
Colombia				170,000 Jobs	
TOTALS... ? ? ? ? ?

A new engine for Economic Growth ?







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Thank You !

25.02.2009