Policy Brief: South-South Cooperation on Green Economy

KEY MESSAGES
- There is great potential for green and inclusive growth in emerging economies
- South-South cooperation can foster the exchange of ideas, solutions, policies, and investments required to realize the potential for green growth in the developing world
- UNEP is committed to supporting South-South cooperation on Green economy by collecting and disseminating information and bringing stakeholders together in various forums

Introduction

While the impacts of industrially advanced economies still remain at the heart of the world’s sustainability challenges, the last two decades have seen emerging economies play an increasingly prominent role in the work on global sustainable development, as sources of both new challenges and new solutions. This was highlighted at the UN Conference of Sustainable Development (Rio+20) in June 2012, where the vision of a world in which our economic decisions are guided by the desire to establish an inclusive and green global economy was laid forth. The conference stressed the importance of working towards a Green Economy “that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities,” and identified South-South cooperation as a key tool developing countries to do so (UNEP, 2013a).

South-South cooperation is a broad framework for collaboration among countries of the South in the political, economic, social, cultural, environmental and technical domains. Involving two or more developing countries, it can take place on a bilateral, regional, sub-regional or interregional basis. Developing countries share knowledge, skills, expertise and resources to meet their development goals through concerted efforts. Recent developments in South-South cooperation have taken the form of increased volume of South-South trade, South-South flows of foreign direct investment, movements towards regional integration, technology transfers, sharing of solutions and experts, and other forms of exchanges (UNDP, 2014).

For countries in the South, the opportunities for green growth coupled with increased inclusiveness is large and in some cases untapped. At the same time, the emergence of new actors in the sustainable development arena opens up an array of new available choices of development tools and forms of institutional relationships. Part of the value of South-South Cooperation is thereby its role in empowering countries to look in more depth at home-grown rather than externally driven responses to tough development problems (Khoday and Perch, 2012). By emphasizing shared economic, environmental and social aspirations, as well as challenges and available resources, the South-South Cooperation modality can be vital for developing countries to fulfil their sustainable growth potential by identifying solutions relevant to their unique sustainable development challenges.

South-South cooperation can also be a valuable source of investments into green economy for countries facing critical social, economic and environmental problems, where the “business as usual” approach is not going to deliver at the pace and scale required. Green Economy as a tool (as opposed to a particular state of an economy) focuses on mobilizing a more efficient allocation of resources through society’s investments – enabled by public policy – to achieve sustainable development. Within this framework, investments are seen as the key to sustainable development because they shape the future of our economies by choosing one type of infrastructure, production, or technology over others, implementing physically irreversible changes to the natural world, and otherwise limiting future options (UNEP, 2014). With South-South flows of foreign direct investment on the rise, there is great potential for developing nations to work together to ensure that such investments function as a foundation for greener and more inclusive economies.
While the potential exists, however, investments will not materialize and innovations won’t be effective if the underlying policies are not in place to enable them. Policy reforms, regulatory changes and targeted public expenditure are required to trigger and support investments that are required for sustainable development (UNEP, 2014). By facilitating the sharing of experiences and best practices, South-South cooperation can lead to the identification and implementation of policies that are more effective at enabling key investments in Green Economy.

Finally, in addition to providing access to an array of green development tools and partnerships, South-South cooperation, as opposed to the traditional North-South development paradigm, also creates opportunities for emerging economies to take on leading roles and be proactive in identifying green solutions. Already, some emerging economies are showing great leadership in creating institutional frameworks for a green economy in their own countries. Similarly, some of the countries engaged in South-South cooperation on green growth currently account for a large share of the world’s total market capitalization in the clean technology sector (Ernst and Young, 2012).

What UNEP is doing

Following up on the Rio+20 conference, in February 2013 the United Nations Environment Programme Governing Council took note of the link between Green Economy and South-South Cooperation, placing emphasis on the different pathways available for reaching a resource efficient, low carbon and socially inclusive economy. The Governing Council requested that UNEP “collect such initiatives, endeavors, practices and experiences on different approaches, visions, models and tools, and to disseminate them, and facilitate information sharing among countries, so as to support them to promote sustainable development and poverty eradication” (UNEP, 2013b).

UNEP’s project “Enhancing South-South Cooperation – Building the Capacity of Developing Countries to Promote Green Economies” provides a forum for countries from the ASEAN region to share their experiences with national-level initiatives for transitioning to resource-efficient, low-carbon and socially inclusive economies. The project also addresses the use of indicators for green economy policymaking, implementation and evaluation. By facilitating knowledge exchange, it aims to raise awareness of different concepts and, at the same time, inspire and support the participating countries of the ASEAN region in pursuing their unique pathways to sustainable development.

By sharing knowledge, experiences, and lessons learned, this project also aims to build participating countries’ capacities to develop and implement green economy indicators. For this purpose, four unique national initiatives are highlighted in this project – all taking place in countries in the South, at different stages of implementation: Bolivia’s Vivir Bien (Living Well), China’s Ecological Civilization, South Africa’s Green Economy and Thailand’s Sufficiency Economy.

Country examples

1. **Bolivia – Living well**

Living Well (Vivir Bien) is Bolivia’s model for sustainable development that aims to build a society based on living in harmony with nature and with each other. Its objective is to shift away from a capitalistic approach to development and instead encourage a holistic approach that is in balance with nature. The emphasis is therefore not solely on generating economic wealth, but on protection of the environment and sustainable extraction and utilization of resources while seeking economic growth.

The Living Well concept currently forms the basis of Bolivia’s national policies, and is built upon expanding and protecting peoples’ rights (particularly indigenous peoples) and the rights of “Mother Earth” (Pachamama). It does this by setting out the roles of the State and society in the sustainable management of the environment. These actions influence Bolivia’s policies and even led to the adoption of its new status as the Plurinational State of Bolivia, which provides official recognition the
pluralistic nature of Bolivian society. The government is also in the process of developing its Patriotic Agenda 2015, which will set its vision for the country’s development, with the Living Well concept as one of the central themes.

Two major laws have also been enacted to support the Living Well Framework. Law No. 071, “Rights of Mother Earth” (2010), recognizes “Mother Earth” as a living being and assigns her rights as a person that must be protected by the State and its citizens. Law No. 300, “Framework Law for Mother Earth and Integrated Development for Living Well” (2012), promotes and provides guidelines on achieving balance between environmental protection and human socio-economic development. These include achieving the objectives of Living Well, identifying sustainable industries, and minimizing the country’s vulnerability to climate change. The key implementing institution of Living Well is the “Plurinational Authority of Mother Earth” and its mechanisms, which include mitigation and adaptation mechanisms for the management of forests, “Mother Earth,” and the “Living Well” framework, as well as the Plurinational Fund of Mother Earth (UNEP, 2013c).

2. China – Ecological civilization

China’s Ecological Civilization is a development strategy that encompasses harmonious and sustainable development between people, economy, society and nature. After years of unsustainable extraction of resources and uncontrolled growth, this approach was developed with the aim of de-emphasizing economic prosperity and instead encouraging a more balanced approach to counter the negative environmental effects of economic growth. In 2012, Ecological Civilization was incorporated into China’s overall development plan, and the country is currently developing a national proposal to further promote the strategy and an evaluation system to assess its performance on a provincial level. The impact of the strategy can also be seen at the local level, where, in addition to the traditional economic indicators, policy-makers are increasingly taking into account ecological indicators such as overall environmental quality, energy intensity, and biodiversity. The strategy has also received strong financial and political support. This is observable in the increase in environmental investment in the 11th Five-Year-Period (FYP, 2006-2010) by 70 per cent from the 10th FYP (2001-2005). Pilot programmes such as cap-and-trade programmes for water, air pollutants and carbon are also being undertaken in several provinces with an aim of finding alternative environmental solutions. In addition, since 2000, the Ministry of Environmental Protection (MEP) has designated national Ecological Construction and Demonstration Zones (ECDZ), which will serve as examples to incentivize the integration of Ecological Civilization at the local level. Good examples of these zones are Guiyang city, Karamay city and Shanghai Minhang Development Zone, which are all undertaking various efforts to improve their ecological performance (UNEP, 2013c).

3. South Africa – Green Economy

South Africa defines Green Economy as a sustainable development path that is based on addressing the interdependence between economic growth, social protection and natural ecosystems. It was developed following the National Green Economy Summit in May 2010 in response to the need to integrate the country’s socio-economic and environmental concerns into its economic development. It aims to transition the country to a resource-efficient, low-carbon and pro-employment economy, with a current emphasis on building the human capacity required to successfully achieve this. The South African government has developed strong partnerships with industry, civil society, academia and NGOs (including UNEP and UNDP) to provide support in the implementation and knowledge generation process.

To date, stakeholder dialogue on Green Economy has resulted in the formation of the Green Economy Accord, which brings together South Africa’s government, businesses, trade union movements and community organizations to implement the nation’s Green Economy objectives. Another outcome was the recently released South African Green Economy Modelling Report (SAGEM), a study that assessed the effects of investing in a Green Economy and provides the foundation for future indicator, monitoring and verification work. Besides SAGEM, the government is implementing several other Green Economy policies and activities at the national, provincial and
local levels. At the national level, this includes the ongoing Green Economy research being undertaken by several academic institutions, as well as the formation of the Green Fund, a national fund that provides finance to support investments in South Africa’s green initiatives. At the provincial level, all nine South African Provinces have or are developing Green Economy strategies, while at the local level, several cities are carrying out Green Economy work. In promoting Green Economy, the National Strategy for Sustainable Development and Action Plan (NSSD) recognizes the interrelated facet of socio-economic and environmental factors and their governance. As a result, the implementation of Green Economy is being undertaken through several national and sector-specific programmes across different environmental and economic departments (UNEP, 2013c).

4. **Thailand – Sufficiency economy:**

The need to move towards a more sustainable approach in improving Thailand’s economic growth led to the concept of a Sufficiency Economy, which predates the Green Economy framework. The Sufficiency Economy philosophy emphasises a sustainable path of development with a strong foundation for growth rather than a focus on economic expansion. It is based on the pillars of moderation to achieve balanced development; reasonableness to guide decision-making; and resilience to manage economic, social and environmental risks due to change. Sufficiency Economy is considered in Thailand to be central to achieving poverty eradication and sustainable development, making it highly compatible with Green Economy which is viewed as the foundation for achieving this. Indeed the country’s current development guidelines reinforce a transition to a green economy, most notably the Eleventh National Economic and Social Development Plan (2012-2016). The Sufficiency Economy philosophy is also being incorporated into the national development agenda, and in particular, has been included in Thailand’s National Economic and Social Development Plan since 2002. His Majesty King Bhumibol has also initiated several projects focusing on agriculture and sustainable natural resources management related to promote the well-being of the citizens (UNEP, 2013c).

**Mongolia and Central Asia**

UNEP is currently implementing another Green Economy project entitled *South-South Cooperation in Mongolia and Central Asia Countries: Sharing Knowledge on Inclusive Green Economies and Ecological Civilization*, that aims to support Mongolia and Central Asian countries in developing their research capacity in the area of Green Economy and Ecological Civilization, with a special focus on green investment in the water sector, and to share this knowledge with decision makers and technical experts.

The project is focused on enhancing green economy knowledge exchange among China, Central Asian countries, and Mongolia and has four main components: a fellowship programme that will send Central Asian and Mongolian researchers to Beijing on a six week research trip, a high level policy roundtable, a report on green investment in the water sector in Central Asia, and a web-based knowledge sharing platform to host the knowledge products generated by the project.

These countries currently share socio-economic challenges and are exposed to similar environmental issues such as land degradation, water scarcity, energy inefficiency, and waste production. By facilitating South-South Cooperation in the area of research and knowledge exchange, the project will seek to share good practices, approaches, and methodologies to help countries embark on Green Economy trajectories.


Morais De Sá e Silva, M. (2010). “How Did We Get Here? The Pathways of South-South Cooperation”, in International Policy Centre for Inclusive Growth-UNDP, Poverty in Focus: South-South Cooperation: The Same Old Game or a New Paradigm?, No. 20, Bureau for Development Policy, UNDP, Brasilia. Available at: http://www.ipc-undp.org/pub/IPCPovertyInFocus20.pdf


