

Green Growth in Practice: Lessons from Country Experiences

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Agenda

- Overview of GGBP and Key Findings
 - Ron Benioff, GGBP Director
- Benefits Assessment and Communication
 - Hernan Carlino, GGBP Author
- Green Growth Policies and Investment Mobilization Measures
 - Hilen Meirovich, GGBP Author
- Questions and Discussion

Rationale

Major international organizations have published initial reviews of green growth, green economy, low emissions, and climate resilient development plans.

Growing number of countries are adopting green growth.

OECD	Towards Green Growth (2011); Putting Green Growth at the Heart of Development (2013)
UNEP	Towards a Green Economy (2011)
World Bank	Inclusive Green Growth (2012)
UNESCAP	Low Carbon Green Growth Roadmap for Asia and the Pacific (2012)
AfDB	Facilitating Green Growth in Africa (2012)



Yet, there is no systematic and comprehensive study of country experiences.

Green Growth Best Practice

Key question:

“

What are the effective approaches that counties have taken for green growth planning, implementation and monitoring?

”

Assessing, and sharing best practices on green growth

- Conduct high-quality, fact-based assessment to identify good practices around the world.
- Document results in products tailored for different audiences
- Foster use of results to inform policymakers and practitioners

Green Growth Best Practice

Working with a global network

- Launched in October 2012 with support from CDKN, ECF and GGGI
- 75 authors conducting the assessment from all regions
- 20+ partner organizations and 200+ experts in the Expert Network
- 12 Steering Committee organizations
- 4 Implementing partners



Fostering Broad Use of Results and Collaboration

Partnering on country specific outreach

- Engaging authors in discussing and applying relevant findings with countries (including DRC, Indonesia, Sri Lanka, Kenya, Rwanda, and others)

Cooperate on technical resources

- Adding further cases to on-line handbook to facilitate access to content
- Partnering with ILO, UNITAR, GGKP, WB, UNESCAP, LEDS GP on e-learning materials and presenting results at green growth related courses

Conduct other joint outreach and peer learning activities

- Convening joint events at workshops and webinars

Presenting results and exploring use of findings for international assistance agencies and programs - UNDP, USAID, GIZ, GGGI, CDKN, OECD, & others

Welcome recommendations for enhanced future analysis and outreach

GGBP topics & integrated green growth approach



Key conclusions

- **Growing numbers of national and sub-national governments are capturing concrete economic, environmental, and social benefits** from green growth
 - Enhances **resource efficiency** and productivity.
 - Values and achieves sustainable use of **natural systems & ecosystem services**
 - Captures opportunities for **technology, business, and social innovation**
 - Improves **quality of life and social equity**
- **Green growth programs are most effective where they recognize trade-offs and smooth the transition** to a green economy
- **Integrated and robust planning, analysis, implementation, and monitoring are essential.**
- **Broad support for transformative change at adequate speed and scale is required**

Chapter 3. Assessing and Communicating Benefits of Green Growth

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Assessing and Communicating Benefits of Green Growth

What do we mean by **green growth benefits**?

Green growth benefits translate broad goals into a coherent intellectual and policy framework:

Outcomes:

- *Comprehensive well-being*, including social welfare indicators beyond GDP
- *Comprehensive wealth*, or the full asset base, including natural, human, and technological capital.

Mechanisms:

- Current *productivity or efficiency* of economic, environmental, and social value creation
- Workings of the *natural system* and the *ecosystem services* it delivers
- Dynamics of *innovation or technology progress*

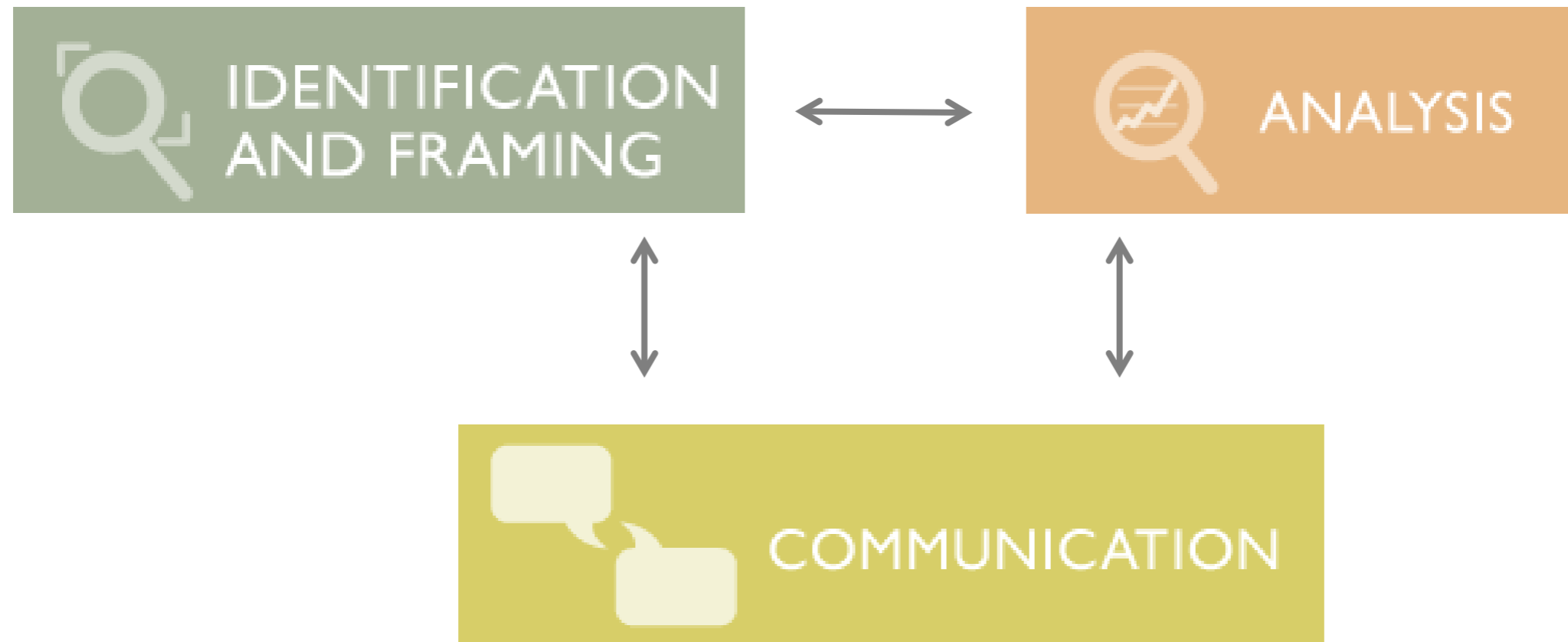
Tailored to local context:

- *Socio-economic context*, such as the extent of labor mobility, cyclical unemployment

Cases analyzed in this chapter:

Location	Cases
European Union (EU)	<ul style="list-style-type: none">• EU Roadmap for moving to a low-carbon economy in 2050
United Kingdom (UK)	<ul style="list-style-type: none">• The Climate Change Act (2008) and wider green growth
India	<ul style="list-style-type: none">• Integrated rural energy programs
Ethiopia	<ul style="list-style-type: none">• The Climate Resilient Green Economy
Mexico	<ul style="list-style-type: none">• National Climate Change Strategy

Three Key Steps for Addressing Green Growth Benefits



Key lessons on identifying and framing benefits

- Evaluate a range of economic, environmental and social benefits and address their **inter-dependency** and links to current **development goals** and plans.
- Seek to **maximize synergies** (especially via resource efficiency, full valuation of environmental goods and services, innovation and technology adoption, and overcoming lock-in, and poverty reduction) between development outcomes while **managing costs, trade-offs, and uncertainties**
- Balance the value of addressing a broad set of benefits with the pragmatic value of focusing on a **key sub-set of priority benefits**.

Examples

Ethiopia: Focused on synergies between agriculture, water and energy sectors to increase economic output, jobs, and food production and enhance climate resiliency

UK: Synergistic benefits of 1) low-carbon and low pollution growth, 2) natural resource efficiency, 3) resilient growth, and 4) use of comparative advantage

Korea: Capturing synergies between: 1) climate change response and energy security, 2) engines for future growth, and 3) contribution to global action on climate change

Key lessons on analyzing benefits

- Translate the high-level vision on green growth into a concrete set of **analyzable variables** on benefits and a robust benefits analysis framework.
- Utilize a **broad**, though not necessarily complex, **analytic framework** that integrates a number of complementary approaches.

Examples

Ethiopia: A set of macro analyses were used to generate interest in green growth and demonstrate potential loss of GDP from climate change. Then evaluated economic cost-benefit ratios and conducted qualitative analysis of poverty reduction, biodiversity, and other factors

UK: Used a sophisticated, multi-layered analytical framework to analyze green growth benefits across all levels, such as the ‘Stern Review’ for macro-economic assessment and sectoral analysis based on specialized tools (e.g. MARKAL and ESME for energy sector).

Key lessons on communicating green growth benefits

- Use **tailored and robust benefits messages** to address the variety of audiences affected by green growth, while adapting messages to different “value groups” who will have different entrenched interests.

- Engage **credible and trusted messengers** in presenting robust, tailored, and balanced messages to offer evidence based argument for deviating from business as usual.

Examples

EU: Highlighted financial benefits to motorists of reduced fuel spending when announcing limits on new car emission

Denmark: Provided empirical data to skeptics that green programs are reducing energy intensity and retaining GDP growth

Examples

India: Rural Energy Program was promoted via a number of different formats, including street theatre in local dialects

Korea: Communicated how individuals would improve daily lives with presidential speeches, celebrity endorsements, and educational campaigns

Chapter 5. Policy Design and Implementation

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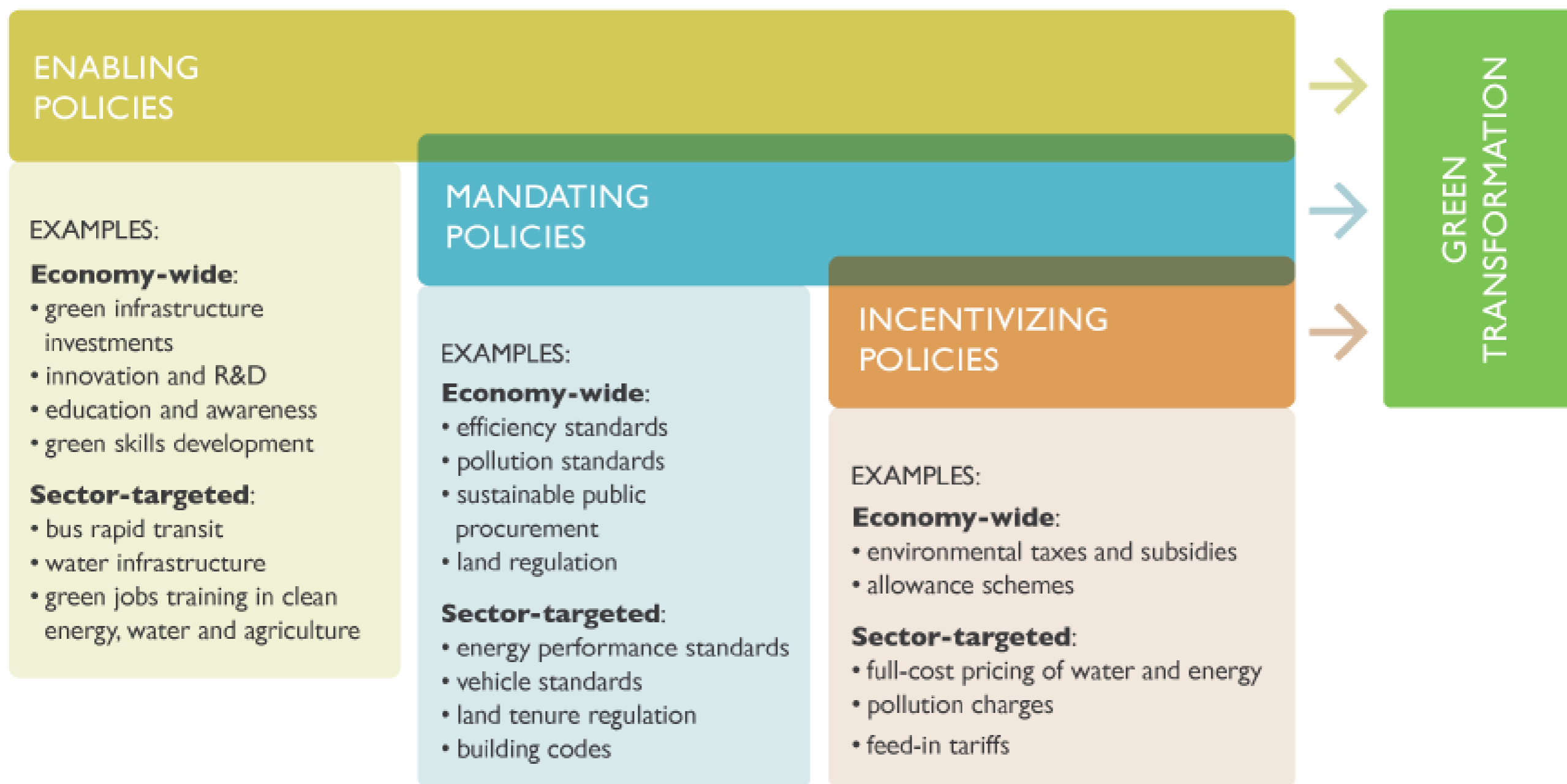
Policy Design and Implementation

What do we mean by **green growth policies**?

- Both **economy-wide policies**, e.g. innovation and natural resource pricing, and **policy measures in key sectors**, e.g. transport and agriculture.
- **Comprehensive *and* coherent policy portfolios** to enable transformational change and achieve green growth across the economy
- In practice, the first steps in green growth policy making in many countries are ***limited, projects and programs***, particularly focused on energy efficiency, and renewable energy.

Policy Design and Implementation

Apply a mix of policy instruments to achieve short term ‘wins’ and support long-term transformation.



Lessons on policy design and implementation

Designing portfolio of green growth policies that includes enabling, mandating and incentivizing policies, with special attention to **green innovation policies** and **labor and skills development**

- Support green innovation to decouple growth from environmental degradation
- Develop skills to improve competitiveness and avoid bottlenecks

Examples

Norway: framed innovation policy as a process of building sustainable and creative society. Policies include USD 80 m program supporting green enterprises and public sector leadership via green procurement

Examples

- **Korea:** Centrally coordinated policies targeting universities, vocational training, and youth education
- **South Africa:** Green Economy Accord, a multi-sectoral framework to increase competitiveness and employment opportunities with a special focus on young workers

Lessons on policy design and implementation

Couple consistent and coherent policy instruments with strong governance and enforcement

Acknowledge and address resource limits and environmental threats

Examples

Singapore: Ambitious plans with targets continuously reviewed and met through a broad mix of well-enforced policies

Germany: Stable renewable energy policy portfolio resulting in deployment of renewable energy technologies domestically and world-leading domestic wind and solar industries

Examples

Mexico City's Plan Verde: Addressing backlog of environmental restoration with clear targets and effective monitoring systems

Brazil: Reconciling poverty reduction and environmental goals with agricultural growth

Chapter 6. Mobilizing Investment

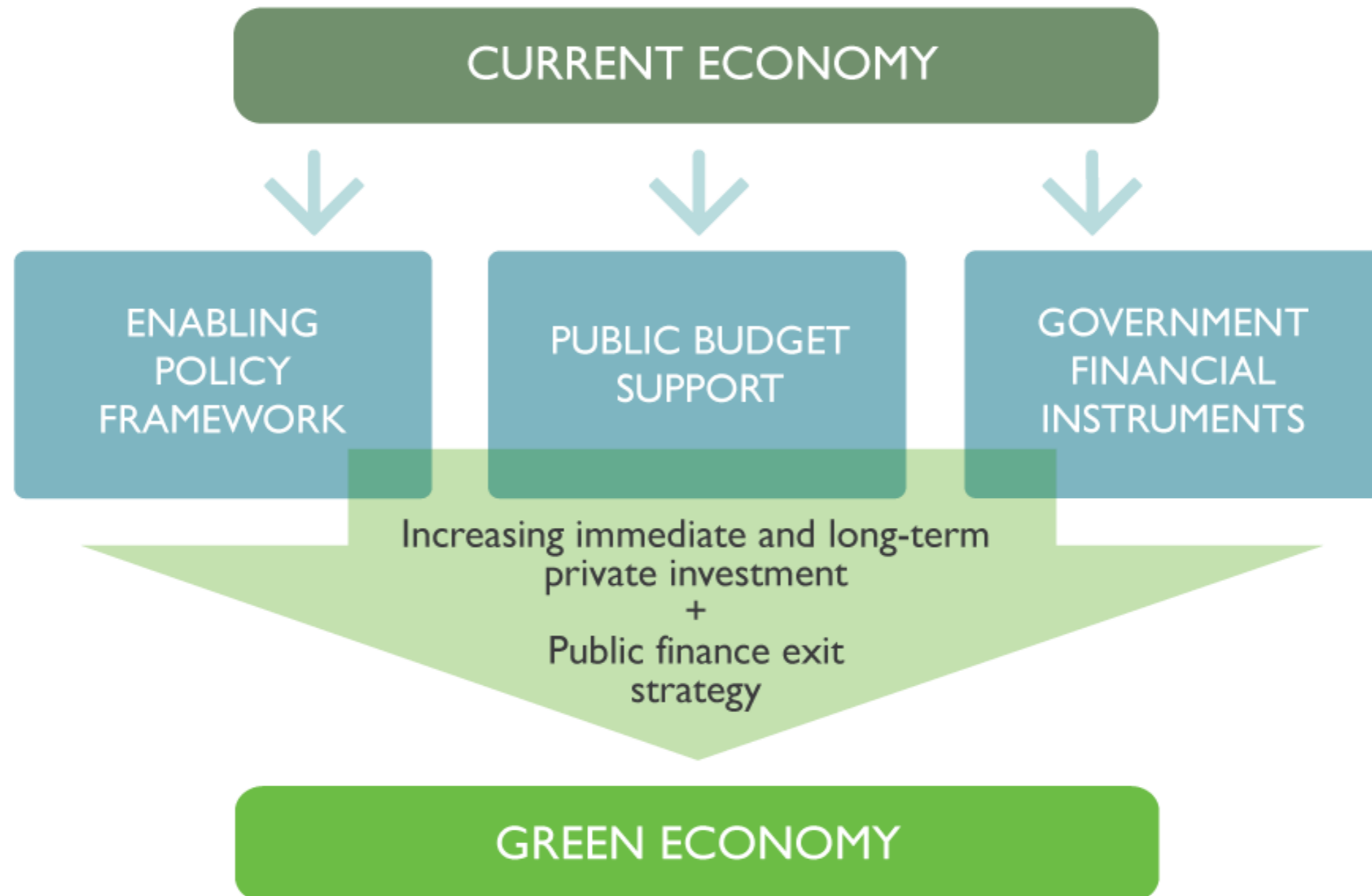
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Mobilizing Investment



Key lessons on investment enabling environment

Create an **enabling environment** for green investment

- Clear, long-term, and binding policy and regulatory framework
- Aligning price signals
- Active government programs to develop investable projects
- Managed dialogue with stakeholders including private investors

Examples

Germany: energy efficiency housing program combines regulations with concessional lines of credit via national public bank

California: complements emission controls with concessional loans, tax credits, and utility public benefit funds

Costa Rica: payment for ecosystem services links user tariffs for resources with forest conservation payments

South Africa: Portfolio of product/activity charges to align price signals with green growth objectives

Key lessons on use of public funds

Make effective use of public **public funds**, including:

- Direct budget allocation to sector agencies and sub-national governments and applying user fees, earmarked taxes, and other revenues
- Consider use of public intermediaries and dedicated green funds

Examples

Korea: '2 Percent Rule' where government spends 2% of GDP on green growth implementation

Vietnam: Aggregates international funds with public funds via national budget to mainstream green growth with development programs

South Africa: Green fund providing catalytic support for green development projects

UK: Created new Green Investment Bank to fund green projects with at least 3:1 private leverage

Key lessons on use of financial instruments

Use **financial instruments** to de-risk project and increase return on investments

- Integrating with the policy context
- Tailoring concessionality
- Transparency of public financial incentives
- Planning an exit strategy

Examples

Bangladesh: Infrastructure Development Company channels international finance and offers grants and soft loans for green projects

Brazil: national development bank offers energy efficiency credit line

Morocco: employing equity investments to support emerging green businesses

South Africa: green fund using guarantee & insurance mechanism to attract private investment

Questions and Discussion

Interested in Your Feedback on Value and Use of Findings

- **What elements of the assessment will be of greatest value to you?**
- **How do you envision using the findings?**
- **What can GGBP do to support broad use of relevant results by you and others?**
- **What topics deserve further research?**

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