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On the Eve of Rio+20, Countries Accelerating Plans for a Transition to a Green Economy

Beijing, 16 November 2011 – A new UN report demonstrates that governments and businesses alike are taking steps to accelerate a global shift towards a low-carbon, resource-efficient and socially inclusive green future.

From China to Barbados, Brazil to South Africa, countries are developing Green Economy strategies and activities to spur greater economic growth and jobs, environmental protection and equality.

In a statement issued on the release of UNEP's flagship report, *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication*, UN Secretary General Ban Ki Moon said: "With the world looking ahead to the Rio+20 UN Conference on Sustainable Development in June 2012, the UNEP Green Economy report challenges the myth that there is a trade-off between the economy and the environment. With smart public policies, governments can grow their economies, generate decent employment and accelerate social progress in a way that keeps humanity's ecological footprint within the planet's carrying capacity."

Key Messages

The report, a result of a three-year global research effort involving hundreds of experts, underwent a three-month public review before being unveiled today. It confirms that an investment of two percent of global GDP across 10 key sectors is what is required to kick-start a shift from the current brown, polluting and inefficient economy to a green one.

- The report estimates that such a transition would grow the global economy at around the same rate, if not higher, than those forecast, under current economic models.
- But without rising risks, shocks, scarcities and crises increasingly inherent in the existing, resource-depleting, high carbon 'brown' economy, says the study.
- In addition to higher growth, an overall transition to a Green Economy would realize per capita incomes higher than under current economic models, while reducing the ecological footprint by nearly 50 per cent in 2050, as compared to business-as-usual.
- The Green Economy Report acknowledges that in the short-term, job losses in some sectors - fisheries for example - are inevitable if they are to transition towards sustainability.
- However, it adds that over time the number of "new and decent jobs created" in sectors - ranging from renewable energies to more sustainable agriculture – will, however, offset those

lost from the former "brown economy".

As a result, a growing number of countries are undertaking activities to accelerate this transition.

At the China Council meeting this week, for example, the government's international advisory group is expected to put forward its own study for moving towards a Green Economy.

China is the world's lead investor in renewable energy, overtaking Spain in 2009 and spending US\$49 billion in 2010. Overall, China is committed to spending US\$468 billion over the next five years, more than double the previous five years, on key industries, including renewable energy, clean technologies and waste management.

"China considers the Green Economy to be a strategic choice in an increasingly resource constrained world, and we have made that choice in our development plans," said Mr. He Bingguang, Director General of the Department of Resource Conservation and Environmental Protection in China's National Development and Reform Commission.

"We appreciate UNEP's contribution in promoting a global Green Economy transformation, which holds the potential for all countries to benefit," he added.

Some countries, such as Barbados, Cambodia, Indonesia, the Republic of Korea and South Africa, already have national Green Economy plans that reflect the report's recommendations.

Others such as Armenia, Azerbaijan, Egypt, Kenya, Jordan, Malaysia, Mexico, Nepal, Senegal and Ukraine are focusing on greening priority sectors, such as agriculture, renewable energy, tourism and clean technologies.

Today in Rwanda, East African countries are meeting to explore how laws and regulatory frameworks can help drive a Green Economy at the national and regional level. Participants from Burundi, Kenya, Tanzania and Uganda, as well as Rwanda, will examine case studies and continent-wide initiatives, the latter being led by the African Union.

On the business side, UNEP has teamed up with 285 of the world's leading investors, representing US\$20 trillion in assets, who called on governments to mobilize action on climate change, including investments in emerging industries – like renewables and green buildings. Similar calls have been echoed by the International Chamber of Commerce, which represents hundreds of thousands of businesses in more than 130 countries.

"The elements of a transition to a Green Economy are clearly emerging across developing and developed countries alike. There are now some nations going further and faster than others which is in many ways generating a 'pull factor' that, if maintained, may bring others along over the coming months and years," said Achim Steiner, UN Under Secretary General and Executive Director of the UN Environment Programme (UNEP).

The recent drive in clean investment is not only benefitting emerging economies, but also other developing countries. According to the latest Bloomberg figures, global investments in renewable energy jumped 32 per cent in 2010, to a record US\$211 billion. After the emerging economies of Brazil, China and India, countries in Africa posted the highest percentage increase of all developing regions.

In Egypt, renewable energy investment rose by US\$800 million to US\$1.3 billion as a result of the solar thermal project in Kom Ombo and a 220 megawatt onshore wind farm in the Gulf of Zayt. In Kenya, investment climbed from virtually zero in 2009 to US\$1.3 billion in 2010 across technologies such as wind, geothermal, small-scale hydro and biofuels.

In the California Mojave Desert, one of the world's largest solar-thermal power plants is under construction and others are also being built in Spain and other parts of the United States.

“The Durban climate convention meeting in a few week's time and Rio+20 next year are key opportunities to accelerate and scale-up the Green Economy. Central cooperative actions range from advancing Reduced Emissions from Deforestation and Forest Degradation (REDD+), moving on green procurement to switch national efforts into the sustainability space up to a new indicator of wealth that goes beyond GDP and internalizes the costs of pollution and degradation while bringing the true value of the planet's nature-based assets into calculations of a successful and sustainable economic path,” said Mr. Steiner.

A series of UN-backed regional consultations on the Green Economy have underscored the growing interest in the report. While issues of financing and trade need to be addressed further, there is an acknowledgement that the current economic model, based solely on GDP growth, has resulted in the gross misallocation of capital and inequitable distribution of wealth.

The Report shows that investing the equivalent of two per cent of global GDP into agriculture, energy, buildings, water, forestry, fisheries, manufacturing, waste, tourism and transport would not only shift the global economy onto a more sustainable growth trajectory, but it would actually maintain or increase growth over time compared to the current business-as-usual scenario.

Policy recommendations on each of the 10 key sectors, as well as on finance and enabling conditions, are outlined in the report.

On transport, for example, the report suggests that prices need to take account of the societal costs accumulated as a result of congestion, accidents and pollution, which in some cases amount to over 10 per cent of the national or regional GDP. In Beijing, a 2009 study estimated that the social costs induced by motorized transportation are equivalent to between 7.5 and 15 per cent of the city's GDP.

Globally, the transport sector's impact on natural resources is wide-ranging, from the manufacturing of vehicles, which uses metals and plastics, to its use of fossil fuels, which involves engine oil, rubber and other consumable materials. Between 2007 and 2030, the transport sector is expected to account for 97 per cent of the increase in the world's primary oil

use.

With the number of vehicles in China expected to more than triple during this period, the government is promoting low-carbon, energy efficient cars and related infrastructure. In the city of Shenzhen, home of China's first electric car, plans are underway to build large recharging stations and replace traditional buses with more than 7,000 electric ones in five years time.

Generating Jobs

The Green Economy Report suggests that over time “new and decent jobs” will be catalyzed in these key sectors. A recent study by ILO and the Chinese Academy of Social Sciences (CASS), entitled, Low Carbon Development and Green Employment in China, confirms that this is the case.

It provides a list of likely winners and losers and the scale of direct and indirect impact involved to identify net gains. It concludes that while 800,000 workers in small coal power plants in China are likely to lose their jobs due to climate mitigation actions, some 2.5 million jobs could be created by 2020 in the wind energy sector alone.

Currently, Denmark is home to the world's top wind turbine manufacturer in terms of market volume, and China is in second place, followed by the United States and then another Chinese company. Germany ranks fifth. However, Germany has recently committed to scale up its renewable energy, following a decision to phase out nuclear power by 2022, and has thus set a target to source 35 per cent of its electricity from renewable energies by 2022, instead of the earlier target of 19 per cent.

In Africa, despite recent economic gains, there is increasing interest in creating green and decent employment. Representatives from 11 African countries met in June this year with ILO, UNDP and UNEP to look at case studies in the areas of recycling, sustainable construction and natural resource management. As a result, participants adopted action plans for creating green jobs in fisheries, agriculture and forestry, sectors which represent over 70 per cent of the employment in the region.

In Brazil, the ILO recently helped support the construction of 500,000 new homes with solar heating systems, resulting in 30,000 new jobs. In South Africa, a similar project on water ecosystem restoration created 25,000 green jobs for previously unemployed people, and at the same time, restored vital freshwater sources.

Generating Social Equity

Approximately two billion people live on smallholder farms, and despite making a significant contribution to food security, the majority of these farmers are malnourished and live in poverty. Low prices, unfair trade practice and a lack of transport contribute to their dilemma. The Green Economy Report argues that by moving to more sustainable agriculture practices, these farmers could increase their yields and profits.

Globally, an investment of US\$100-300 billion per year in green agriculture, between now and 2050, could lead to better soil quality and better yields for major crops, representing a 10 per

cent increase over the current business-as-usual strategies. As many of these farmers are also women, any benefits would most likely be shared with their families and communities.

The waste sector is another area that is expected to enhance social equity. Efforts to green the sector are often driven by cost savings, environmental awareness and resource scarcity.

However, the report notes that greening the sector not only requires improving the often sub-standard waste treatment and disposal facilities, it also entails training the workers, providing more equitable compensation and ensuring proper health care protection for them. Decentralizing large scale, capital-intensive waste management operations could also provide more employment opportunities in the community.

Electronic waste (or e-waste) is also a concern, particularly for developing countries. Current estimates suggest 20 to 50 million tonnes of e-waste are generated each year, while trade in waste becomes more prevalent, heightening threats to human health and the environment.

As sales in mobile phones and computers continue to grow in China, India, and across Africa and Latin America, the report finds that resource recovery and recycling offer the greatest potential in terms of contributing to a Green Economy.

Notes to the Editors:

Rio Earth Summit: In 1992 the UN Conference on Sustainable Development, popularly known as the Rio Earth Summit, was convened in Rio de Janeiro, Brazil, to address the state of the environment and sustainable development. In June 2012, there will be the follow up meeting or Rio+20 in Brazil, where one of the main themes governments are expected to address is Green Economy “in the context of sustainable development and poverty eradication”.

Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication can be found on the UNEP website: www.unep.org/greeneconomy

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