



Post-Rio to Post-2015 Background Paper

Green economies for sustainable development

Green Economy was identified as “an important tool for achieving sustainable development,” and Section III of the Rio Declaration has several important features which firmly establish green economy as an important and central driver of sustainability. Key elements of the agreed text include paragraph 59 viewing “the implementation of green economy policies by countries that seek to apply them for the transition towards sustainable development as a common undertaking;” and paragraph 64 which notes the “positive experiences in some countries, including in developing countries, in adopting green economy policies in the context of sustainable development and poverty eradication through an inclusive approach and welcome the voluntary exchange of experiences as well as capacity building.”

The most important outcome, is embodied in paragraph 66 which invites “the UN System, in cooperation with relevant donors and international organizations to coordinate and provide information upon request on: (a) matching interested countries with the partners best suited to provide requested support; (b) toolboxes and/or best practices in applying policies on green economy in the context of sustainable development and poverty eradication at all levels; (c) models or good examples of policies of green economy in the context of sustainable development and poverty eradication; (d) methodologies for evaluation of policies of green economy in the context of sustainable development and poverty eradication; (e) existing and emerging platforms that contribute in this regard.”

The language produced in the Declaration indicates clearly that those countries wishing to push ahead with reform agendas to transform their economies should be supported. This sentiment is captured well by the last paragraph of section III: “We recognize that the efforts of developing countries that choose to implement green economy policies in the context of sustainable development and poverty eradication should be supported through technical and technological assistance.”

Building on existing activities, the Republic of Korea, UNEP and ILO have begun to develop a comprehensive framework for a Partnership for Action on Green Economy (PAGE), and as part of the Rio meetings, consulted the idea with Ministers from donor and recipient countries. Conceived as a response to the call for voluntary support to countries on green economy, PAGE is structured into four components: (i) applied research and policy making, (ii) policy dialogues for high-level government officials, (iii) capacity development and applied practical training as well as (iv) country-driven advisory services.

The partnership will be further developed in the next months, in consultation with other key partners, so it can be officially launched at the UNEP Governing Council in February 2013. Another important element of the Rio follow-up is the Green Growth Knowledge Platform launched by World Bank, UNEP, OECD and GGGI.

The key questions to address in this working group session will be on:

1. How should the UN system engage the Major Groups in implementing the Rio+20 outcomes to achieve “equitable, fair, inclusive green economies”?
2. What are the key issues that Major Groups would like to emphasize as the UN system scales up efforts to assist countries in their green economy transition, in the context of sustainable development and poverty eradication?
3. What roles can the Major Groups play in facilitating a fair and inclusive green economy transition?
4. Specifically, in regard to Paragraph 66, what role can the Major Groups play in creating and implementing policies that will facilitate a fair and inclusive green economy transition?
5. How can dialogues on the social dimensions of green economy be organized in a constructive manner?
6. Building on the green economy principles initiated at the last GMGSF held in February 2012, how can we support civil society’s aspirations for social inclusion?
7. How to link the pursuit of inclusive green economies to a new social contract?
8. How can Major Groups contribute to the increased sharing of knowledge and best practice, particularly in and among developing countries?

Beyond GDP

Para 38. “We recognize the need for broader measures of progress to complement gross domestic product in order to better inform policy decisions, and in this regard we request the United Nations Statistical Commission, in consultation with relevant United Nations system entities and other relevant organizations, to launch a programme of work in this area building on existing initiatives.”

GDP measures the net output of goods and services produced by an economy in a given period. It assesses goods and services at market prices, but public services are often valued at their production costs. GDP has been developed by national accountants to measure overall economic activity. It is not designed to measure well-being or development, although some changes it has undergone have been influenced by the desire to also take into account these limitations. Thus, the level of GDP itself tells nothing about the state of society, the quality of natural environment, safety, etc. GDP does not tackle the evolution of social health (inequality, poverty), or the defensive nature of certain expenditures, leisure time, etc. Generally it does not include activities without market value. The System of National Accounts makes clear that it does not see GDP as a measure of well-being. And the founders of the national accounts were aware that GDP is an indicator of income and does not inform on the state of well-being. GDP as a gross indicator is not able to show depreciation of capital including natural capital. It also makes a wrong valuation of changes in the quality of goods and hardly grasps the value of services that are increasingly complex and difficult to identify and evaluate. GDP is not a measure of development in general, a fortiori a measure of sustainable development. Its use as a development indicator is a misuse. Overall, GDP is not an adequate measure of changes in wealth.

Faced with a multi-dimensional, environmental, economic, social, political crisis, and their inter-linkages, the world is reminded that it is relying on a narrow view of progress. It is calling out for an alternative indicator of progress. There are many existing initiatives seeking to address this need. This work will recognize and build on these other relevant initiatives such as the “Commission on the measurement of economic performance and social progress” (France), the “Beyond GDP” initiative (European Commission), the “Better Life” initiative (OECD), etc.

The key issues to address in this working group session may choose from the following:

1. What has been achieved on better measurement of progress over the last 20 years? What are the lessons learned? How can international activities in this area be coordinated in future?
2. How should we apply the principle of “Common but Differentiated Responsibility” when we discuss the respective roles of GDP in developed and developing countries?
3. What indicators do national sustainable development planners actually need? How are indicators actually used in designing policies? What are the lessons learned from the various initiatives on better measure at the country level?
4. What has been the experience with the development of better measurement at the sub-national level and corporate level?
5. What are the challenges in setting ambitious policy targets and how to overcome them?
6. What can be done in the short term to over data constraints and support policy making on green economy in the context of sustainable development and poverty eradication
7. What are the specific expectations of developing countries for capacity building in the area of indicators?
8. From the perspective of the indicators’ user community, what are the key factors that should be taken into account in new initiatives on indicators? What are the capacity buildings needs of the user community?
9. How should work on indicators make a better use of social networking technologies for improved access?
10. What are the experiences with composite index and what are their pros and cons?
11. To what extent does the ranking of countries/cities matter?