



## **Implementing Inclusive, Green Economy Approaches: Asia Regional Dialogue on Country Experiences and Ways Forward for Economic Decision-Makers**

**Supported by the Netherlands**

**Bangkok, Thailand - Amari Watergate Hotel**

**27-28 September 2012**

### **Summary**

A two-day Regional Dialogue is being organized in Bangkok, Thailand from 27-28 September to share country experiences from Asia on the transition to a more inclusive, greener economy with instruments, tools and indicators to improve implementation targeted at economic-decision makers.

The meeting will bring together a range of countries from the region with ministries of finance, planning and environment, as well as selected UN agencies, development partners and civil society to review experience and identify ways forward where international agencies can provide support.

### **Background**

Many countries have expressed their aspirations and are already making the transition to an inclusive, green economy to achieve sustainable development. Within the diverse Asia region, countries have interpreted “green economy” in different ways. Some have seen it as a new export opportunity and a way to develop new goods and services to provide employment. Other views are more cautious and shaped by concerns that the transition to more resource-efficient, lower-carbon models of growth could be accompanied by financing conditionalities, or non-tariff trade barriers. Debates have also included a related discussion on the need to reaffirm the “common but differentiated responsibilities” (CBDR) principle as set out in the Rio Declaration on Environment and Development, which recognizes the historical responsibility of developed countries and special circumstances of developing countries.

These and other views were raised during Rio+20 negotiations and helped inform the green economy section of the Outcome Document and related text, which is summarized below.

#### **Green economy in the Rio+20 Outcome Document**

The Rio+20 Outcome Document affirms that green economy approaches should:

- serve as tools for reducing poverty and supporting more sustainable development;
- promote inclusive economic growth and create opportunities for employment and decent work for all;
- maintain the healthy functioning of Earth’s ecosystems;
- contribute to the Millennium Development Goals;
- improve the livelihoods and empowerment of the poor and vulnerable groups;
- mobilize the full potential and ensure the equal contribution of both women and men;
- engage all stakeholders and major groups, including civil society and the private sector;
- respect human rights and national sovereignty;
- avoid unwarranted conditionalities on official development assistance and finance;
- not be used as arbitrary or unjustifiable discrimination or a disguised restriction on international trade;
- derive from integrated planning processes, enabling environments, and effective institutions at all levels; and
- be supported by the UN and partners upon request through capacity development and technical assistance.

Some of these views were also reflected in the earlier green growth approach for achieving sustainable development adopted at the 6th Ministerial Conference on Environment and Development in October 2010. This concept of green growth emerged among some countries in the Asia-Pacific region in part as a response to multiple crises and climate change, and as a strategy to help turn resource constraints into economic opportunities that generate a double dividend of higher growth with lower environmental impact.

In practice, if not always labeled as “green economy”, several countries in the region are already planning and implementing policies that can form the building blocks of an inclusive green economy (PEP, 2012).<sup>1</sup> Following the financial crisis in 2007, some fast growing countries in the region have initiated strategies for improving resource and eco-efficiency. These include investments in low-carbon technologies, energy efficiency and renewable energies; integrated water resource management and related agriculture and food security strategies; sustainable transport, more compact city planning, environmental fiscal reform and green accounting; eco-tourism; and payment for ecosystem services.

Some countries, including Bhutan, Cambodia, and Vietnam, have formulated green growth roadmaps and established green growth institutional frameworks. Others, such as Indonesia, are considering green economy options in their regional development and economic corridor approaches, while countries such as China and India have committed significant amounts of investments in renewable energies, recycling and the development of an environmental industry in their five-year national development plans.

One of the most visible of these initiatives is driven by the Republic of Korea, which was the first country to declare low carbon green growth as its national vision in 2008 and now hosts the Global Green Growth Institute. In 2010, Kazakhstan started promotion of a Europe-Asia-Pacific inter-regional green growth partnership through the Astana Green Bridge Initiative, highlighted in the Rio+20 Outcome document<sup>2</sup>.

This Regional Dialogue is one of a series of regional and global events co-organised through a UNEP-DESA-UNDP Green Economy Joint Programme as a contribution to Rio+20 and post-Rio follow-up by facilitating knowledge exchange of inclusive green economy experiences within and across regions. These activities are informed by and feed into the Green Growth Knowledge Platform ([www.ggkp.org](http://www.ggkp.org)). The UNEP-DESA-UNDP Green Economy Joint Programme works at the global, regional, and national level to: 1) enhance political engagement and mobilize public support for post-Rio implementation; and 2) build capacities and strengthen advisory services on inclusive green economy policies, tools and measures.

### **Justification**

As the above country examples demonstrate, there are ways that the transition to more inclusive, greener economies can be made without having to choose between poverty reduction and environmental sustainability. Through careful planning, inclusive, greener economies can be designed in ways that limit any potential harm, while increasing access to new economic investments, reducing inequalities and promoting social well-being. National level assessments using quantitative methods that link the three dimensions of sustainable development to evaluate green economy policies and investments have been attempted in some countries, including China, Indonesia, and the Philippines).

Still, empirical and theoretical evidence on how inclusive green economy or green growth can be planned, implemented and evaluated in different contexts remains limited. Coordination among different stakeholders involved with developing tools and methodologies for planning inclusive green economy requires strengthening. In many Asian countries, different green economy expertise and data is often compartmentalised between institutions responsible for environment, energy, climate change, economic and social areas at all levels. For these reasons, the task of harnessing opportunities afforded by different

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<sup>1</sup> An Inclusive, Green Economy for All: Opportunities and Challenges, <http://www.povertyenvironment.net/files/PEP%20GE4All-Final-logos%20front.pdf>

<sup>2</sup> paragraph 102 on page 20 of The Future We Want , Rio+20 United Nations Conference on Sustainable Development, Rio de Janeiro, Brazil, 20-22 June 2012; A/CONF.216/L.1\*

green economy approaches can be challenging for policymakers and practitioners at all levels even when there is a basic understanding of the potential gains across social, economic and environmental strands.

To ensure that the participatory design, implementation, monitoring and evaluation of integrated green economy approaches are informed by relevant information, decision-makers and partners from civil society and the private sector require access to and understanding of a more advanced yet practical set of policy tools, measures and methodologies that can be adapted and respond to the needs of different country contexts. The Rio+20 Outcome Document recognizes these needs and encourages UN agencies and partners to help meet this demand by coordinating information on tools and good practice to support the implementation of inclusive green economy approaches.

Several initiatives led by Member States, UN Agencies, OECD, MDBs, civil society, and partners have already identified a range of inter-related instruments, tools and indicators to move towards an inclusive, green economy that are particularly relevant for economic-decision-makers.

These can be divided into policy instruments, analytical tools, and measurement frameworks.

- **Policy instruments** to encourage an inclusive, green economy. Such policy instruments include fiscal policies (such as environmental fiscal reforms), social protection (including public works programmes, micro-credit, adaptive social protection and conditional cash transfers for social objectives and environmental objectives such as Reduced Emissions from Deforestation and Degradation or REDD+), public private partnerships and provision of decent and “green” employment and trade policies to promote social or environmental objectives.
- **Decision-making tools** to assess options for an inclusive, green economy. Such decision-making tools include macro-economic modelling of economic, social and environment trade-offs and synergies, for modelling labour market effects of selected policies and assessment tools such as poverty social impact assessment and strategic environmental assessment of selected policies.
- **Measurement frameworks** to track progress towards the social and environmental outcomes of an inclusive, green economy. This can include MDG assessments, State of Environment Reports, green accounting, Human Development Reporting and poverty or climate and environment public expenditure reviews to assess expenditure on social and environmental objectives. Such national indicators are linked to the international debate on Sustainable Development Goals and indicators for the post-2015 Millennium Development Goal targets.

The following table includes more examples of these policy tools, and measurement frameworks.

## ***Selected Policy Instruments, Decision-making tools and Measurement Frameworks to Support Inclusive Green Economy Approaches***

### **Policy instruments**

#### **Green Investment Strategies**

The report "Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication" examines the potential effects on inclusive growth, employment creation and environmental gains of investing 2% global GDP in 10 key economic sectors, comparing such effects with a scenario of Business as Usual. The report offers a range of tools and instruments that can help policy makers identify investment options and policy reforms to advance their sustainable development goals.

Green Economy Report: Synthesis for Policy Makers: [http://www.unep.org/greeneconomy/Portals/88/documents/ger/GER\\_synthesis\\_en.pdf](http://www.unep.org/greeneconomy/Portals/88/documents/ger/GER_synthesis_en.pdf)

Full report: [http://www.unep.org/greeneconomy/Portals/88/documents/ger/ger\\_final\\_dec\\_2011/Green%20EconomyReport\\_Final\\_Dec2011.pdf](http://www.unep.org/greeneconomy/Portals/88/documents/ger/ger_final_dec_2011/Green%20EconomyReport_Final_Dec2011.pdf)

#### **Economic Instruments for Environmental Management**

As natural resources come under increasing pressure and countries face ongoing budget constraints, economic instruments – pollution taxes, user fees and other incentives to improve environmental quality – can provide an important tool to complement command-and-control measures to ensure sustainable development.

Integrated Policymaking for Sustainable Development: A Reference Manual, <http://www.unep.ch/etb/publications/IPSD%20manual/UNEP%20IPSD%20final.pdf>

Integrated Assessment for Mainstreaming Sustainability into Policymaking: A Guidance Manual

<http://www.unep.ch/etb/publications/AI%20guidance%202009/UNEP%20IA%20final.pdf>

Training Resource Manual: The Use of Economic Instruments for Environmental and Natural Resource Management

<http://www.unep.ch/etb/publications/EI%20manual%202009/Training%20Resource%20Manual.pdf>

#### **Environmental Fiscal Reform (EFR)**

EFR refers to a range of taxation and pricing measures which can raise fiscal revenues, increase efficiency and improve social equity while furthering environmental goals.

Global Subsidies Initiative, IISD, <http://www.iisd.org/gsi/>

Environmental fiscal reform, World Bank <http://siteresources.worldbank.org/INTRANETENVIRONMENT/Publications/20712869/EnvFiscalReform.pdf>

[Reforming Fiscal Policies, Low Carbon Green Growth Roadmap for Asia and the Pacific, ESCAP,](http://www.unescap.org/esd/environment/lcgg/documents/roadmap/Roadmap/individual/2.2.2.pdf)

<http://www.unescap.org/esd/environment/lcgg/documents/roadmap/Roadmap/individual/2.2.2.pdf>

#### **Social Protection Instruments**

Social protection instruments are a way to make green growth more inclusive and socially acceptable including by easing the burden of the transition on the disadvantaged. There are a range of social protection schemes including public works programmes, micro-credit and conditional cash transfers. Some of these schemes are now expanded to include climate and environmental aspects now known as "climate adaptive" social protection. Examples of the latter include micro-insurance that takes account of the risks of climate disasters, and conditional cash transfers linked to forest management, known as Reduced Emissions for Deforestation and Degradation.

UNDP and ILO (2011), "Sharing Innovative Experiences: Successful Social Protection Floor Experiences".

<http://www.ilo.org/gimi/gess/ResShowResource.do?ressourceid=20840>.

#### **Low Carbon Green Growth Development Policies**

A comprehensive toolbox of green growth/green economy policies for resource efficiency, including physical infrastructure such as transport, buildings and energy systems, as well as market prices, regulations and lifestyles.

Low Carbon Green Growth Roadmap for Asia and the Pacific, ESCAP, <http://www.unescap.org/esd/environment/lcgg/documents/roadmap/Roadmap/>

### **Decision-making tools**

There are a range of decision-making tools which focus on improving both environmental and social outcomes. Environmental Assessments (SEAs) refer to a range of analytical and participatory approaches that aim to integrate environmental considerations into policies and evaluate the inter-linkages with economic, social, and climate change considerations. They comprise a variety of tools, rather than a single, fixed and prescriptive approach.

World Bank. Strategic Environmental Assessment Toolkit: <http://go.worldbank.org/XIVZ1WF880>

Poverty and social impact analysis (PSIA) involves the analysis of the distributional impact of policy reforms on the well-being of different stakeholder groups, with a particular focus on the poor and vulnerable.

[A User's Guide to Poverty and Social Impact Analysis](#)

There are also examples of modelling approaches such as the analysis of labour market and income effects, where the knowledge of how the transition to a sustainable, low-carbon economy will affect employment, especially underlying job movements, as well as income generation and distribution is vital to informing policy.

ILO (2011) [Assessing Green Jobs Potential in Developing Countries: A Practitioner's Guide](#).

UNDP (2012) [Human Development Impact Assessment of Trade Policy: A Toolkit](#)

### **Measurement Frameworks**

#### **Green Accounting**

Green accounting extends national accounts to include the value of the damage and depletion of the natural assets that underpin production and human well-being. Net saving, adjusted for the depreciation of produced assets and the depletion and degradation of the environment, indicates whether well-being can be sustained.

System of Environmental-Economic Accounting (SEEA), UN Statistical Commission - <http://unstats.un.org/unsd/envaccounting/seea.asp>.

#### **Public Climate and Environmental Expenditure Reviews (PEERs)**

PEERs examine government resource allocations within and among sectors, and/or at national and sub-national levels of government, and assesses the efficiency and effectiveness of those allocations in the context of environmental and social priorities.

<http://www.unpei.org/PDF/budgetingfinancing/Public-Env-Expend-Reviews-PEERS.pdf>

#### **Measuring Progress Towards a Green Economy**

This brochure introduces a framework for the use of indicators in developing and tracking green economy policies. The objective is to provide brief guidance on the use of indicators in major stages of policymaking using environmental issues as an illustrative entry point.

[http://www.unep.org/greeneconomy/Portals/88/documents/research\\_products/MeasuringProgress.pdf](http://www.unep.org/greeneconomy/Portals/88/documents/research_products/MeasuringProgress.pdf)

## **Objectives**

The objective of this dialogue is to offer Member States from the Asia region a space for sharing more detailed experiences on how to plan and implement inclusive, green economy approaches as a means for achieving sustainable development goals. It seeks to enhance knowledge and awareness about different policy instruments, decision-making tools and measurement frameworks. The event will also be used to help plan post-Rio support.

## **Format and Outputs**

The event will include a series of moderated panel discussions with speakers from Member States and invited representatives of major stakeholders groups on green economy in the context of sustainable development and poverty eradication.

Based on these discussions, the workshop will produce:

- recommendations on opportunities for inclusive green economy approaches, including demand for *practical* tools, measures and methodologies to support better *integrated* green economy policymaking and implementation that national policy-makers and partners can adapt to *country context*.
- recommendations for national support by international agencies and UN partners included by the UNDP-UNEP-UNDESA Green Economy Joint Programme;

## **Participants:**

The primary audience includes mid- to senior government economic decision-makers and focal points for green economy and related sustainable development policymaking from ministries of finance/planning/economy and environment from Asia and Central Asia, as well as civil society and private sector representatives.

Other resource experts include the UNEP Regional Office for Asia-Pacific and UNEP Beijing Office; UNDP Regional Bureau/Centre and UNDP CO experts from Asia and Central Asia, including UN RCs/CDs, as well as experts based in Bangkok from sister UN agencies including UNESCAP, ILO, UNWOMEN, etc.

Additional host country participants, including civil society and private sector representatives.

## **Venue and Date:**

The workshop will take place from 27-28 September 2012 in Bangkok, Thailand at the Amari Watergate Hotel: 847 Petchburi Road, Bangkok 10400; Tel: +66 02 653 9000

<http://www.amari.com/Watergate/>



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**AGENDA**

<b>DAY 1</b>	
8:30 – 9:00 am	<b>Registration</b>
MoC Day 1: Stefanos Fotiou, United Nations Environment Programme	
<b>Opening, Introductions</b>	
9:00 - 9:30 am	<b>Welcome and Opening Remarks</b> UNDP Rathin Roy, UNEP Steven Stone, DESA Keneti Faulalo Objectives, Agenda and Expected Outputs
9:30 - 10:45 am	<b>Rio+20 – Implications and Follow-up for Economic Decision-makers</b> Introduction and panel discussion, DESA Facilitation, Thomas Hamlin  Nepal, Purushottam Ghimire, National Planning Commission UNDP Rathin Roy, UNEP Steven Stone  <ul style="list-style-type: none"> <li>- What are the implications of Rio+20 preparations, including National Reports and the Outcome Document on national inclusive green economy approaches sustainable development and poverty eradication?</li> <li>- What post-Rio global, regional and national follow-up activities are planned and how can these support decision-makers to plan and implement green economy initiatives?</li> </ul>
10:45 - 11.00 am	<i>Coffee Break and Group Photo</i>
11.00 - 12:30 pm	<b>Country over-arching strategies for inclusive, green economy approaches</b> Introduction and panel discussion, UNDP Facilitation, Usman Iftikhar  Viet Nam, Nguyen Le Thuy, Ministry of Planning and Investment Indonesia, Laksmi Dewanthi, Assistant Deputy Minister, Ministry of Environment Philippines, Maria Diosa L De Mesa, National Economic and Development Authority  <ul style="list-style-type: none"> <li>- What are the opportunities and challenges in transitions to a green economy, including links to poverty reduction strategies and issues of social equity?</li> <li>- What has been the experience of different countries in formulating strategies, plans and policies for socially inclusive, low carbon, natural resource efficient economy?</li> <li>- Where can market mechanisms support equitable, inclusive, sustainable development, and where do they not have a role?</li> <li>- Role of macro-modelling and other decision-making tools to identify trade-offs and synergies for the transition to an inclusive, green economy?</li> </ul>
12:30 – 1:45 pm	<i>Lunch Break</i>

1:45 - 3:15 pm	<p><b>Indicators and measurement frameworks for inclusive green economy approaches</b> Introduction and panel discussion, UNEP facilitation, Steven Stone</p> <p>Pakistan, Syed Zahoor Ali Shah, Planning Commission Kazakhstan, Bulat Yessekin, Ministry of Environment Thailand, Daniel Clark, Statistics Division, ESCAP</p> <ul style="list-style-type: none"> <li>- What measurement frameworks are needed to inform, track, and assess inclusive green economy approaches?</li> <li>- What is the role of national systems of environment and economic accounting (SEEA)?</li> <li>- What examples are there of “going beyond GNP” to capture the social, environmental, and economy aspects of inclusive green economy?</li> </ul>
3:15 – 3:45 pm	<i>Coffee Break</i>
3:45 – 5:00 pm	<p><b>Fiscal and budget policies for managing natural resources and promoting lower carbon economies</b> Introduction and panel discussion, ESCAP facilitation, Rae Kwon Chung</p> <p>Thailand, Araya Nuntapotidech, Ministry of Natural Resources and Environment Malaysia, Yeong Chee Meng Kelvin, Economic Planning Unit, Prime Minister’s Office</p> <ul style="list-style-type: none"> <li>- How can fiscal policies influence the planning and implementation of inclusive green economy approaches?</li> <li>- What are the implications of different fiscal reform options for subsidies and taxes; cost recovery through fees and charges; and pollution charges?</li> <li>- Which successful experiences exist with reforms of economically distorting, environmentally harmful or socially ineffective subsidies?</li> <li>- How to address the trade-offs of fiscal reforms for different groups and sectors?</li> <li>- What is the role of Public Climate and Environmental Expenditure Reviews?</li> </ul>
5:30 pm	<b>Reception</b>
<b>DAY 2</b>	
<b>MoC Day 2: Paul Steele, United Nations Development Programme</b>	
9:00 - 9:15 am	<b>Recap of Day 1, UNDP Paul Steele</b>
9:15 - 10:30 am	<p><b>Social dimensions of inclusive green economy approaches</b> Introduction and panel discussion, UNWOMEN facilitation, Roberta Clarke</p> <p>Bhutan, Phunstho Wangyel, Gross National Happiness Commission Lao PDR, Phonevanh Outhavong, Ministry of Planning and Investment WOCAN, Jeanette Gurung Bangladesh, Qazi Kholiquzzaman Ahmad, Dhaka University</p> <ul style="list-style-type: none"> <li>- How to ensure that green economy approaches are a means towards poverty reduction and inclusive human development?</li> <li>- What are the re-enforcing links between gender equality and inclusive green economies?</li> <li>- How to ensure that GE green economy approaches improve the livelihoods and empowerment of the poor and vulnerable groups?</li> <li>- What is the role of welfare, livelihood schemes, revenue and benefit sharing?</li> <li>- How to ensure the meaningful engagement of all stakeholders and major groups?</li> <li>- What examples are there of using Strategic Environmental Assessments (SEAs) and Poverty and Social Impact Analysis (PSIA) tools?</li> </ul>

10:30 - 11.00 am	<i>Coffee Break</i>
11:00 - 12:30 pm	<p><b>Employment and green jobs: public works programmes and public-private sector job creation</b> Introduction and panel discussion, ILO facilitation, Vincent Jugault</p> <p>India, T. Chandini, Ministry of Environment and Forests Turkey, Hansin Dogan, Int’l Centre for Private Sector Development</p> <ul style="list-style-type: none"> <li>- What are the challenges and opportunities that green economy transitions bring to jobs and livelihoods in different country contexts?</li> <li>- What is the role of public policy in supporting the creation for green jobs and addressing changing employment and demographic changes?</li> <li>- How can government-employers-workers partnerships and dialogue generate more equitable employment opportunities for all?</li> <li>- What experiences exist with social and environmental entrepreneurship?</li> <li>- What tools are there to support an analysis of labour market and income effects?</li> </ul>
12:30 - 1:30 pm	<i>Lunch Break</i>
1:30 - 3:00 pm	<p><b>Country level follow-up and programming opportunities</b> Break out discussion groups by sub-region comprising national governments, UN agencies, and development partners</p> <ul style="list-style-type: none"> <li>- What are the most promising initiatives that could be replicated and/or scaled up in your country and region?</li> <li>- Considering the themes and tools discussed over the preceding two days, what are the gaps and needs for your countries to work towards more inclusive green economy approaches?</li> <li>- What role can UN agencies, UN Country Teams and other development partners play in addressing these priority areas?</li> </ul>
3:00 - 3:20 pm	<i>Coffee Break</i>
3:20 - 5:00 pm	<p><b>Plenary discussion of country level follow-up and programming opportunities, cont.</b> Facilitation, Indonesia, Laksmi Dewanthi, Ministry of Environment Nepal, Purushottam Ghimire, National Planning Commission Philippines, Angelito Fontanilla, Department of Environment and Natural Resources Mongolia, Batbold, Ministry of Environment and Green Development UNDP Indonesia, Stephen Rodriques</p> <p><b>Final Reflections and Closing</b> UNDP Tim Scott, UNEP Steven Stone, DESA Thomas Hamlin</p>