



Concept Note for a Technical Workshop on Tools and Measures to Inform Inclusive Green Economy Policies

UN Complex, Gigiri, Nairobi, Kenya

Date: 2 to 4 July 2013

Summary and Background

A three day Technical Workshop is being organized in UN Complex, Gigiri, Nairobi, Kenya from 2 to 4 July 2013 to share country experiences from Africa and other regions on inclusive, green economy tools, measures and methodologies. The workshop will bring together policymakers from 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.

Preparations for Rio+20 involved extensive consultations on how to achieve sustainable development at the global, national, and community levels, including through inclusive green economy approaches. These debates have helped highlight different perspectives on green inclusive economy approaches within and across countries, institutions, and stakeholders and their links to the MDGs and post-2015 discussions.

As the Rio+20 Outcome Document notes, inclusive green economy policies can be an important means to reducing poverty and supporting more sustainable development. At the same time, there are different green economy approaches, models and tools available to each country depending on context and needs. The Rio+20 outcome document also invites the UN system to coordinate and provide information upon request on matching interested countries with partners; toolboxes and models of policies on green economy; methodologies for evaluation of policies on green economy; and platforms on green economy.

This Technical Workshop is one of a series of regional and global events co-organised through a UNEP-DESA-UNDP Green Economy Joint Programme funded by the Government of the Netherlands, and in collaboration with the European Commission Africa Green Economy 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). 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 for inclusive green economy policies, tools and measures.

Justification and Country Demand

While there are trade-offs, inclusive green economy approaches do not mean choosing between growth, social progress, or environmental sustainability. With strong planning and policy frameworks, inclusive green economies can be designed in ways that limit potential harm for groups or sectors over time, while increasing access to economic investments in ways that reduce inequalities and promote social well-being.

Many countries have expressed their aspirations and are already making the transition to an inclusive, green economy to achieve sustainable development. Within and across regions, 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, 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.

Inclusive Green Economy Approaches 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;
- be supported by the UN and partners through capacity development and technical assistance.

Empirical and theoretical evidence on how inclusive green economy or green growth can be planned, implemented and evaluated in different contexts, however, remains limited, especially in developing countries. Coordination among different stakeholders involved with developing tools and methodologies for planning inclusive green economy requires strengthening. Expertise and data is often siloed across institutions responsible for environment, energy, climate change, economic and social areas at all levels.

For these reasons, harnessing the opportunities afforded by inclusive green economy approaches can be challenging for policymakers at all levels even when there is an understanding of the potential social, economic and environmental gains. Country contexts differ widely with respect to development starting points and priorities; political will and stability; institutional capacities; technical, financial, and natural resources; economic structure and position within regional and global markets, etc. Depending on these and other factors, there can be many different pathways and policy options for inclusive green economies.

To ensure that the design and implementation of integrated green economy approaches are informed by the most relevant information, government 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.

Several initiatives led by OECD, the Africa Development bank and other MDBs, civil society, UN agencies and partners have already identified a range of inter-related tools and measures to inform green economy policies with respect to diagnostics, enabling frameworks, incentives, investments, inclusivity, and M&E. These efforts have also been recognized and encouraged by the Rio+20 Outcome Document.

These tools and measures include: **Diagnostic and decision-making tools** for integrated environmental, social and economic assessments on best options for trade-offs and synergies; **Policy instruments** including Environmental Fiscal Reform and related Green innovation, industrial and employment policy and Social protection instruments; Financing tools; Tools for stimulating SD behaviours; Capacity development tools; tools for Stakeholder engagement throughout the policy cycle; and **Measurement frameworks**, data and indices to inform diagnostics, as well as to monitor, evaluate, educate, advocate and raise awareness.

Some of these tools and measures, however, look at only one facet of green economy approaches, rather than a higher level of integrated policymaking that allows for a consideration of trade-offs and synergies across sectors and priority themes. In addition, some tools and measures are less likely to be used in certain institutional contexts given their requirements with respect to cost, time, skill sets, and data.

The Rio+20 Outcome Document recognizes these needs and encourages UN agencies and partners to help meet country demand by coordinating information on tools and inclusive green economy good practices. Several initiatives led by Member States, UN Agencies, OECD, MDBs, civil society, and partners have already identified a range of instruments, tools and indicators to move towards an inclusive, green economy that are particularly relevant for economic-decision-makers.

These can be divided into decision-making tools, policy instruments, and measurement frameworks.

- **Integrated decision-making tools** to assess options for an inclusive, green economy. Such decision-making tools include long-term macro-economic modelling of economic, social and environment trade-offs and synergies, e.g. on labour markets and livelihoods, and tools such as poverty social impact assessment and strategic environmental assessment of selected policies.
- **Policy instruments** to encourage more inclusive, green economy approaches. Such instruments include fiscal policies and environmental fiscal reform, budget reviews, social protection including public works programmes, micro-credit, adaptive social protection and conditional cash transfers for social and environmental objectives, e.g. through REDD+, public private partnerships, and provision of decent and “green” employment and trade policies to promote social or environmental objectives.
- **Measurement frameworks** to track progress towards social economic and environmental outcomes of an inclusive, green economy. These can include the System of National Accounts, the System of Environmental-Economic Accounting, MDG assessments, State of Environment Reports, Human Development Reporting including on the poverty-environment nexus, and 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 Integrated Decision-making Tools, Policy Instruments, and Measurement Frameworks to Support Inclusive Green Economy Approaches

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

There are also examples of modeling 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 Institutional Context Analysis methodology for assessing political and institutional factors, and the use of national and external resources.

http://www.undp.org/content/undp/en/home/librarypage/democratic-governance/oslo_governance_centre/Institutional_and_Context_Analysis_Guidance_Note/.

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. 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.

UNEP Green Economy Report: Synthesis for Policy Makers:

www.unep.org/greeneconomy/Portals/88/documents/ger/GER_synthesis_en.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,

www.unep.ch/etb/publications/IPSD%20manual/UNEP%20IPSD%20final.pdf

Integrated Assessment for Mainstreaming Sustainability into Policymaking: A Guidance Manual

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

The Use of Economic Instruments for Environmental and Natural Resource Management

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

UNDP www.undp.org/content/dam/undp/library/Environment%20and%20Energy/Examples-of-Inclusive-Green-Economy-Approaches-in-UNDP's-Support-to-Countries-June2012_Updated-Sept2012.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, www.iisd.org/gsi/

www.unpei.org/PDF/policyinterventions-programmedev/EnvFiscalReform-whatshouldbedone.pdf

Reforming Fiscal Policies, Low Carbon Green Growth Roadmap for Asia and the Pacific, ESCAP,

www.unescap.org/esd/environment/lcgg/documents/roadmap/Roadmap/individual/2.2.2.pdf

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 their efficiency and effectiveness in the context of environmental and social priorities.

www.unpei.org/PDF/budgetingfinancing/Public-Env-Expend-Reviews-PEERS.pdf

[www.environmental-mainstreaming.org/documents/EM%20Profile%20No%2012%20-%20PEER%20\(5%20Oct%2009\)%20\(2\).pdf](http://www.environmental-mainstreaming.org/documents/EM%20Profile%20No%2012%20-%20PEER%20(5%20Oct%2009)%20(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”.

south-south.ipc-undp.org/library/successful-social-protection-floor-experiences.html

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

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,

www.unescap.org/esd/environment/lcgg/documents/roadmap/Roadmap/

www.undp.org/content/dam/undp/library/Environment%20and%20Energy/Climate%20Strategies/UNDP-LECRDS-Guidebook-v17-web.pdf

Measurement Frameworks

System of Environmental-Economic Accounting (SEEA)

The SEEA Central Framework, which was adopted as an international statistical standard by the UN Statistical Commission in 2012, is a multi-purpose conceptual framework that describes the environment and its inter-relationships with the economy. It applies the accounting concepts, structures, rules and principles of the System of National Accounts to environmental information, allowing for the integration of environmental and economic information in a single framework to help monitor green economy and sustainable development initiatives. The SRRA Experimental Ecosystem Accounting provides a complementary approach by focusing on ecosystems, their conditions and flows of services to economic and human activity.

unstats.un.org/unsd/envaccounting/seeanews.asp

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

IUCN: Environmental Accounting: What's It all About? (2001) in

www.unpei.org/PDF/budgetingfinancing/Environmental-accounting.pdf

UNEP: Green Accounting Virtual Resource Center website

www.unep.ch/etb/areas/VRC_index.php

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Workshop Objectives and Outputs

The objective of this “Technical Workshop on Tools and Measures to Inform Inclusive Green Economy Policies” is to bring together the experience of countries, UN and partner agencies to:

- identify criteria for and focus on a sub-set of *advanced yet practical* tools, measures and methodologies to support better *integrated* planning and implementation of inclusive green economy policymaking and implementation that national policy-makers, UN advisors, and partners can adapt to *country context*. These tools would include a stronger focus on the social links of green economy approaches, including costs and benefits to different groups, including impacts to livelihoods of poor men and women;
- discuss each tool’s strengths, weaknesses, and challenges for application., and how these tools and measures can inform the work of the Green Economy Joint Programme and related country activities, including the Poverty-Environment Initiative;
- identify what gaps there are in the availability of tools, measures and guidance to support better integrated and more inclusive green economy policies and implementation across social, economic and environmental strands of sustainable development; and
- offer participants an interactive orientation on some of these tools and measures.

The workshop will include a combination of plenary presentations, discussions, and break-out working groups. Based on these discussions, the workshop will produce:

- recommendations for focussing on a sub-set of tools, measures, and methodologies, with recommendations for what gaps in tools and measures need to be filled over time;
- next step recommendations for applying these tools to national work, including scoping studies, supported under Phase Two of the Green Economy Joint Programme;
- inputs for the Green Economy Poverty Report, expanding on Chapter 5 of the Green Economy Report of the UN Environment Management Group;
- recommendations for related programmes supported by UNEP, UNDP and partners.

These Workshop outputs will also be informed by and feed into the broader work of the Green Growth Knowledge Platform and Green Growth Best Practices Initiative. (www.ggkp.org)

Participants:

The target audience of the Technical Workshop will include:

- Technical government focal points for green economy policy-making from ministries of finance, planning, economy, and environment;
- UNEP, DESA, and UNDP advisors from the Green Economy Joint Programme, Poverty-Environment Initiative, and related initiatives (GLECRDS, Energy, AAP, ICA, GEPMI, etc.);
- Resource experts including from: sister Agencies, African Development Bank, WB;
- Additional host country participants, including experts, and donors.