

SC GE/GG Workshop 5 /10/11 (Conclusions & Recommendations)

The Green Economy Green Growth (GE/GG) Workshop of 4 October 2011 has been a success. Below are Guest Speakers and SC conclusions & recommendations.

GUEST SPEAKERS CONCLUSIONS

Introductory Session: The Historic Perspective

Former Commissioner Mr. Ioannis Palaiokrassas concluded:

- The objective is to restore social and environmental values to at least equal status with financial capital, the 3rd factor of production—A difficult mission.
- Europe is pioneering in green economy and growth, others to follow.
- With the exception of EEA's work and the last Delors' Commission, the environment is considered an "extra" and not a "central" role.
- Public opinion and the Commission see the need for change; however, Governments are reluctant & negative on EU action on green taxes or other management policies.
- Tools used to include mostly legislation, the Burden Sharing Agreement, eco-labelling & eco-auditing, the energy strategy, ETD & ETS, Eurovignette & little else.
- Europe will continue to lead only if it can accept drastic policy shifts and can move earnestly towards a New Development Model.

Session-2.1: The OECD Perspective

Natalie Girouard concluded:

- GG is a subset of Sustainable Development, an operational policy framework that focuses on fostering innovation, investment, and competition, while attending to equity and social issues. Relative decoupling happens but not absolute decoupling (OECD curves).
- Sources of GG are enhanced productivity; innovation, new markets, confidence, stability; avoid negatives by addressing resource scarcity, natural imbalances.
- Human wellbeing would suffer because of scarcities and externalities in the absence of GG; developed countries also affected.
- A policy mix is needed, involving pricing of resources: (i) first set on growth promotion and (ii) second set on greening policies.
- Distributional impacts of green policies must be assessed: corrective measures needed, competition concerns, multilateral coordination, employment effects, labor mobility programmes.
- Resource productivity must be assessed: asset inventory; environmental quality and access; policy measures needed.

In addition:

- *Beyond GDP and where to?* Within a post Stiglitz Commission world, how can the EEA best add value? To leave Beyond GDP to others and focus on which indicators can best be used/developed to monitor progress towards GE, possibly building on the core set and the 20 EEA "criteria for sectoral integration"? And where do the resource/green accounts fit in to the EEA and others activities after 2012/3?
- *Beyond Eco-efficiency and where to?* Limits to Growth re-visited? And where are the "tipping points", "guard rails" etc.? An added value gap for the EEA.

Session-2.2: The UNEP Perspective

Mr. Derek Eaton concluded:

- GG vs. GE have different entry points (sectors vs. policies): role of socially inclusive investments and poverty eradication emphasis differentiate them. Both emphasize growth, implementation of SD, opportunities.

- Green vs. Brown sectors: Agriculture, forestry, energy, industry and waste can all be considered from brown or green viewpoint. Brown sectors economize (efficiency/productivity), green innovate.
- What is driving GE to stronger growth than BaU? More explicit attention to resources, their maintenance and efficient use generates higher growth.
- GE transition policies; ones that prioritize and incentivize green investments; regulations, subsidy reform, public expenditure, taxation and market instruments or schemes of governance.
- Progress measurement; change in green sector investment, employment, output; decoupling and efficiency indicators; progress and well-being indicators, net saving, HDI, GPI, poverty reduction etc.

Session-2: Two Global Perspectives

Session-2 (sub-sessions 2.1 and 2.2) concluded overall:

- Under a GE/GG scenario the growth patterns do not have to be different despite that they look different. More similarities than differences exist between OECD/GG and UNEP/GE. Starting points are different as UNEP models the results of increased investments – what are the implications and then discusses enabling conditions. OECD highlights policies and policy measures/instruments (including investment) which are required for GG
- GG can usefully be understood as an implementation strategy for sustainable development, and Green Economy as its outcome.
- GE is more useful as of its substantive sectoral emphasis, in comparison to policy emphasis of GG. The latter may have more mileage as a guide to implementations.
- Elimination of subsidies as a source of funding for green investments could be highlighted as policy implication; attention to leakages associated with new markets is needed to ensure progress measurement remains correct.
- The underlying basic conditions have changed. The business-as-usual conditions are no more applicable which were based on low prices for natural resources (in particular energy products). This is in particular important for the development path of developing countries, i.e. they cannot follow developed countries growth path.
- Some open questions are: (i) How to measure progress towards a green economy? (ii) What indicators can be used? (iii) Who will propose these indicators? (iv) Which Member States are ready to implement such indicators?

Session-3.1: The French perspective

Prof. Dominique Bureau concluded:

- Upstream of policies and better indicators need tools to document potential bottlenecks in growth, irreversibility, un-sustainability of business as usual, etc. The EEA can substantially contribute.
- Importance of processes: (i) Commitment towards GG/GE to resist the business as usual lobbies, (ii) Integration across policy sectors, (iii) comprehensive process, (iv) Dialogue, involvement of stakeholders, (v) Information requirements to monitor—The EEA is to be aware and contribute to improved processes.
- Complementarity of a dashboard of indicator approach (à la Stiglitz Commission) building on science and Green accounts.
- Need to develop at least three categories of tools to monitor GE/GG: (i) Greening national accounts, (ii) Greening statistical surveys (and link with research on behavior), (iii) Complex set of indicators to allow more systemic approaches to monitor GG/GE (and potential link to modelling)

Session-3.2: On Measuring progress

Mr. Jean Louis Weber concluded:

- Methods and models to quantify and measure GE/GG are to be developed.
- The EEA model (under development) is an innovative approach & must be further developed, tested and validated in the next 2 years.

- Lack of data necessitates the establishment of data and indicators to be collected
- Pilot applications for testing and validation are a must.

Session-3: Measurement & Tools

Overall Session-3 (sub-sessions 3.1 and 3.2) concluded:

- New Tools are required to monitor GE/GG
- Lack of data is an issue to be coordinated with Member States
- Pilot applications must be assumed
- Select Member States may participate into measurement, tools application, and validation procedures, and derive Lesson-Learned in an executive?? document.

Closing Session-4: can Europe become Leader & How?

Former Commissioner Mr. Ioannis Palaiochrassas concluded:

- Europe is and can continue to be Leader in GE/GG (plausible birthplace peoples' attitude, Maastricht, etc.)
- Introducing a new GE/GG Development Model will be similar to the way that the industrial revolution came to pass. It will start somewhere and spread elsewhere.
- Transition to the GE requires extensive research to come up with necessary means for implementation and monitoring.
- For the EU, a new institutional & regulatory framework must be designed and set in place: for (i) Longer term horizons in markets, planning, politics and (ii) Monitoring and enforcement of integration of external costs.
- EEA's role is catalytic in the new era, and the EEA should foster stronger link to parts of the UN, OECD, G-8/20 and other institutions.

"8" SCIENTIFIC COMMITTEE RECOMMENDATIONS (draft, comments by members greatly appreciated)

The SC makes 8 recommendations:

Primary recommendations

The EEA:

1. To stronger & more actively get involved into GE/GG issues, for Europe to maintain leadership in GE/GG; emphasis into ecosystems capital accounts.
2. To accelerate work on aggregated and composite indicators (physical and monetary) for measuring progress using accounting techniques. Development has to be kept compact (e.g., small number) and kept relevant (e.g. water, food and energy foci), and closely involve the SC. At the same time the EEA must conclude, test and validate in the next 2 years its EEA Model (Mr. J-L Weber).
3. Should explore links of GE/GG indicators to the Eye on Earth platform for promoting GE/GG concepts, indicators, knowledge and other data.
4. Shall assume organization of a 2012 international conference on GE/GG (post-Rio) bringing together private and public partners. (Seek funding outside EEA budget with many interested players, and involve the ETCs and the SC)

Secondary

5. The EEA to closer work with selected EU Member-States and produce "Lessons Learned" as examples (for the remaining MS).
6. The EEA to build GE/GG partnerships with the network UNEP-OECD-WB and support its knowledge platform (which EEA should join); Worth considering private partnerships and links with philanthropic organisations in Europe.
7. The EEA must accelerate the analysis of the potential for ETR and the removal of environmental harmful subsidies in Europe and across the world in context of GE/GG. Link to issues of governance and debts.
8. The EEA and its ERC/SCP can assume organization of a 2012 Resource Efficiency Eionet webinar (based information produced at the Oct.13-14 Eionet workshop).