

Joint OECD-WTO Side event
at the Rio+20 Second Intersessional Meeting, New York
15 December 2011, 1:15-2:45pm
Conference Room 7, North Lawn Building

“Implementing green growth: the role of policy action and the multilateral trading system”

In the face of pressing economic and environmental challenges, national and international efforts to promote green growth as a new source of growth have been intensifying in recent years. Building on this momentum can help to accelerate progress towards sustainable development and poverty eradication through, for example, more sustainable use of natural resources, efficiencies in the use of energy, and valuation of ecosystem services.

There is no “one-size-fits-all” prescription for implementing green growth. Greening the growth path of an economy depends on policy and institutional settings, level of development, resource endowments and particular environmental pressure points. Advanced, emerging, and developing countries will face different challenges and opportunities. OECD work shows, however, that all countries stand to benefit from productivity gains, new market and employment opportunities, more efficient technologies and infrastructures, and improved health and well being.

An open and predictable multilateral trading system is an important enabling condition for realising the benefits of green growth globally. Moving to cleaner methods of production and consumption will require access to the latest technologies and related services. Many countries will be able to supply these technologies (or components of them) themselves. Developing countries are becoming part of the global value chains, particularly in intermediate goods, including for renewable energy technologies. But it is unlikely – indeed, undesirable – that each country tries to be self-sufficient in these technologies and services. International trade will play a crucial role in matching supply and demand.

To date, most countries have introduced discrete policy measures that, if extended could form part of the green growth policy mix. There is a need to build on ongoing initiatives and to scale-up and join policy action under well-defined strategies that contribute to poverty eradication, employment opportunities, and a strong and sustainable economy. OECD work on policy tools, sectoral issues and indicators for green growth can provide guidance for policy makers on constructing and implementing green growth strategies, tailored to country-specific conditions and priorities.

The transition to greener economies is often seen as a challenge for trade. As green economy measures are being applied more broadly and their role as determinants of market access is growing, concerns have been raised about the possible use of such measures to justify trade protectionism. Open, stable and predictable markets are a key condition to achieve the transition to greener economies. WTO agreements discipline non-tariff measures while allowing the protection of the environment. The transparency, peer review, and dispute resolution mechanisms of the multilateral trading system provide a valuable platform to enhance co-operation and dialogue, and to avoid the risk of green protectionism.

The purpose of the side-event is to highlight how green growth policy mixes can accelerate progress towards sustainable development in both developed and developing country contexts and to promote a better understanding of the nexus between green economy and international trade. It will include presentations by:

- **Mr. Simon Upton, OECD Environment Director**, will present the key messages of OECD’s work on the sources of green growth, the policy frameworks needed (including for addressing the process of structural adjustment) as well as the indicators that can help measure progress towards green growth objectives.
- **Ms. Vesile Kulacoglu, Director, Trade and Environment Division, WTO**, will focus on the key green economy policy instruments that interact with trade, and the safeguards in the multilateral trading system against the emergence of new green protectionism.
- **Ms. Miyon LEE, Director General, International Cooperation Team, Presidential Committee on Green Growth Representatives, Korea and Ms Kitty van der Heijden, Director for Climate, Energy, Environment and Water at the Ministry of Foreign Affairs of the Netherlands, and Ambassador for Sustainable Development**, will share their countries’ perspective and experience with implementing green growth policies.