SUMMARY RECORD OF THE PRAGUE MEETING ON GREEN GROWTH MEASUREMENT IN COUNTRIES OF EASTERN PARTNERSHIP AND CENTRAL ASIA

5-6 March 2013,
Prague, the Czech Republic
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A draft version of this document was circulated to meeting participants for endorsement through a written procedure. The comments that were received were integrated into the text. The attached document is, therefore, the final Summary record of the meeting.

ACTION REQUIRED: For information.

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Meeting Highlights

- Internationally and nationally applied measurement frameworks that aim at assessing progress towards
green growth were presented by the OECD Secretariat, the European Environmental Agency (EEA), and
the Czech government (hosts of the meeting);

- The participants shared information on the recent efforts of governments in Eastern Partnership and Central
Asia countries to formulate strategies in support of green economy promotion, enhance relevant policy
instruments, strengthen the institutional framework and measure progress;

- Lessons learned from on-going pilot projects to test the OECD set of green growth indicators in several
Latin American countries (implemented jointly with the United National Industrial Development
Organization – UNIDO) and in the Kyrgyz Republic were presented;

- The Eastern Partnership and Central Asia countries re-iterated their interest in measurement frameworks
related to green economy promotion, and identified common challenges, necessary support tools and
regional processes, as well as the feasibility and elements of country-level projects;

- The participants suggested that a Task Team on Green Growth Indicators should be established to ensure
effective networking and input from Eastern Partnership and Central Asia countries;

- The participants underlined that the challenge is to ensure that indicator-based reports be regularly
produced and used in policy making. Further reflection on this is needed;

- The participants stressed the need to base the work on existing sets of indicators, and fully coordinate it with
other measurement frameworks and sets of indicators, e.g. those used by the EEA, the United Nations
Economic Commission for Europe (UNECE), and the United Nations Environment Programme (UNEP).
Introduction

1. The OECD, in cooperation with three other international organisations (UNECE, UNEP, and UNIDO) has started the implementation of a comprehensive regional programme called “Greening Economies in the European Union’s Eastern Neighbourhood” (EaP GREEN). The aim is to support the six countries of the Eastern Partnership (EaP) in their efforts on the path towards greener economies. The EaP GREEN initiative is closely related to the OECD work to integrate environmental and economic policies, carried out under the umbrella of the OECD’s Task Force for the Implementation of the Environmental Action Programme (the EAP Task Force) in countries of Eastern Europe, Caucasus and Central Asia (EECCA). During the EaP GREEN programme’s preparatory phase, and within the framework of the EAP Task Force, countries agreed that changing the development path and moving towards a greener growth requires analytical evidence that resonates both with environmental and non-environmental communities. To generate such evidence, governments need to revisit the set of indicators that they currently use.

2. In this context, the OECD Secretariat convened a regional expert meeting on 5-6 March 2013 (Prague, Czech Republic) aiming to present and discuss the possible use of the OECD set of green growth indicators in the Eastern Partnership and Central Asia countries (see Agenda in document EPOC/ENV/EAP/A(2013)2). More specifically, the meeting’s objectives were to:

   - Take stock of the recent progress in the Eastern Partnership and Central Asia countries on formulating and promoting green growth strategies and discuss demand for green growth indicators;
   - Inform participants of the latest developments in the European Union (EU) towards a green economy and its measurement;
   - Present the overall structure and examples of practical implementation of the OECD set of green growth indicators in several countries; and
   - Identify common challenges, necessary support tools, coordination needs with complementary initiatives, as well as the feasibility and elements of country-level projects, and more generally fine-tune with participants the activities on green growth indicators, proposed under the EaP GREEN programme.

3. The meeting was hosted by the Ministry of the Environment of the Czech Republic. Mr. Martin Frélich (First Deputy Minister of the Environment of the Czech Republic) opened the meeting and welcomed the participants on behalf of the Ministry. The meeting was attended by some 40 participants (see Annex 1 for the list of participants), including experts from the ministries of environment and economy, as well as statistics agencies from nine Eastern Partnership and Central Asia countries (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Ukraine, and Uzbekistan) and the host country. The participants attended the meeting in their personal capacity and were not asked to express the official position of their government. Other invitees included representatives of the NGO community and key international partners, such as EEA, Energy Charter, Regional Environmental Centre of Moldova, UNDP-UNEP Poverty and Environment Initiative in Kyrgyzstan, UNECE, and UNEP. The meeting was financially supported by the European Commission, the Netherlands, Norway and Switzerland. The Government of the Czech Republic provided an in-kind contribution for the meeting’s organisation.

4. As part of the introductory remarks, the OECD Secretariat clarified the meeting objectives and agenda. The EaP GREEN programme was presented as well.
Demand for indicators to measure green economy

5. The meeting participants re-iterated that Eastern Partnership and Central Asia countries see a growing demand for green growth indicators that would support government activities at various stages of the policy-making cycle, i.e.:

- The phase of raising awareness and support among citizens and top level policy-making, which would result in recognition of the need for policy action on green economy;
- Problem analysis and definition of priorities as part of green growth policy planning;
- Monitoring and evaluation of policies in support to green growth, where such policies already exist.

6. The representatives of countries of Eastern Partnership and Central Asia shared information on their latest efforts related to policy planning on green economy promotion, highlighting that:

**Eastern Partnership countries**

- **Armenia** is in the process of revising its Sustainable Development Strategy. The Strategy is likely to create higher demand for green growth indicators in the areas of eco-innovation and introduction of green technologies, organic agriculture, environmental management schemes in business operations, sustainable biodiversity management, and green urban development;

- **Azerbaijan** has recently concluded the implementation of the State Programme on Improvement of Official Statistics for the period 2008–2012. It envisages a closer alignment of environmental investment data with international standards. Further development of the analytical basis for decision-making is necessary, which will also support the government objective to inform better the public of its actions;

- **Belarus** has conducted a review of its existing laws and policies, and decided that, in order to promote green growth, focus will be put on eco-innovation, for which indicators are in high demand. Sectors of high priority are energy and utility services. Such indicators will complement the otherwise developed system of environmental and socio-economic indicators;

- **Georgia** has conducted work to identify business opportunities related to the green economy, created in 2012 a web portal to promote green growth (www.greengeorgia.ge) and established the Technology Transfer Centre of Georgia under the Georgian National Intellectual Property Centre. As in Belarus, indicators for eco-innovation are in high demand;

- **Moldova**’s Ministry of Economy has joined in January 2013 the UNIDO “Green Industry Platform”. New policy instruments for green growth promotion were included in the draft National Environmental Strategy. An important sector is energy with the Energy Strategy 2030 being approved a few months ago to ensure, among others, the environmental sustainability of energy supply. Enhancing the set of indicators of environmental productivity is a priority;

- **Ukraine** has also joined the “Green Industry Platform” and has started the implementation of its new National Environmental Strategy, which sets a broad agenda for policy reform. The country is working towards the development of a Green Economy Concept. Thus, the comprehensive measurement of progress is a high priority, including in relation to contextual changes, which are not only of socio-economic, but also institutional character.
Central Asia countries

- **Kazakhstan** is finalising the development of its National Green Economy Strategy and a set of indicators would be useful to monitor its implementation. Analytical work was done to quantify at least some benefits of greening the economy. This work is important for convincing the general public and policy makers, given that the country’s high pace of economic growth stems from the use of natural resources, in particular oil and gas extraction;

- **Kyrgyzstan** was the first country to test the OECD set and sees clear relations with its latest policy development efforts, in particular the National Sustainable Development Strategy, which was adopted in January 2013. Demand for measuring progress has been growing over the last year, particularly in conjunction with the government focus on demonstrating its value-added and progress towards increasing citizens’ well-being;

- **Uzbekistan** identified the energy sector’s productivity, and resource productivity more generally, as priority goals for greening its economy. Analysis was done to quantify the monetary benefits of energy efficiency for the economy as a whole. Alternative energy is also seen as an answer to regional disparities in access to energy. Accordingly, the country is most interested in indicators of environmental productivity.

**Defining and measuring green economy in the European Union**

7. The participants welcomed the update of the EU’s policies and the measurement framework in the field of green economy, which is developed and applied by the EEA. The participants took note that:

- Through its draft Seventh Environmental Action Programme (EAP), the European Commission (EC) aims to turn the EU into a resource-efficient, greener and more competitive economy, and to protect, conserve and enhance the EU’s natural capital more generally. At the core of the EC’s proposal for the 7th EAP is the twin challenge of improving resource efficiency whilst ensuring ecosystems resilience and undisturbed functioning;

- The recent State of Environment Report (SOER 2010), prepared by the EEA, conveyed the policy message of insufficient progress against the background of important global challenges, including human-made systemic risks and shortcomings of governance;

- The “green economy” is understood in the EU as the way in which society is enabled to use resources efficiently, enhance human well-being in an inclusive manner, while maintaining the natural systems that sustain development;

- Assessment of progress towards “green economy” in the EU is, so far, based on existing environmental indicators; no new green economy indicators have been developed. Pressure indicators are used to illustrate resource efficiency while state indicators illustrate ecosystem resilience;

- The analysis of both trends and progress on achieving targets is needed to interpret the value of indicators in the most effective way.

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1 The Commission’s proposal will be considered through the ordinary legislative procedure by the European Parliament and the Council of the European Union. Once agreed, the new EAP will become EU law.
Presentation of the OECD set of green growth indicators and its practical application

8. The participants took note of the OECD work on measuring green growth, both in terms of process and results achieved so far, including the fact that the OECD set of green growth indicators:

- Constitutes an integral part of the analytical framework developed in support to national-level policy-making and implementation, being delivered by the 2011 OECD Council Meeting at the Ministerial level. Hence, it has strong links with a multi-disciplinary process of reflection on how greening of development, and eco-innovation more specifically, can (i) strengthen the resilience of economies to future shocks arising from natural resource scarcities or imbalances in ecosystems, (ii) sustain growth and give rise to new sources of growth, and (iii) ensure that natural assets continue to provide the resources and environmental services on which our well-being relies;

- Was selected from existing indicator sets and refined to ensure a balanced coverage of “green” and “growth”, and of their elements ranging from resource productivity to innovation and employment;

- Takes account of sets developed and used by other international organisations and OECD Member countries;

- Can be communicated to a non-specialist audience by using the headline indicators;

- Is applied by OECD in national policy surveillance through economic policy reviews, environmental policy reviews, innovation policy reviews, etc., as well as in regional assessments, such as the one prepared for Eastern Europe, Caucasus and Central Asia;

- Can be and was adjusted for national use, e.g. by the Netherlands, Czech Republic, and Korea, as well as non-member countries in Latin America and EECCA;


Use of the OECD set of Green Growth Indicator in the Czech Republic

9. The meeting participants took note that:

- The Czech Republic’s set of green growth indicators was fine-tuned with the country’s Sustainable Development Strategy;

- The Czech Statistical Agency closely interacted on the development of the national set with the Charles University’s Environmental Centre;

- The Government has the intention to collect data on the biennial basis. However, resources are very scarce and this may prohibit them from attaining this goal;

- The Czech government will be interested to continue the dialogue and the experience sharing on green growth indicators with countries of Eastern Partnership and Central Asia.

2 A project on green growth indicators has been implemented in several Latin American countries jointly by the OECD and UNIDO since 2012.
Presentation of the pilot project in the Kyrgyz Republic

10. The meeting participants took note that:

- The major stakeholders of the project in Kyrgyzstan include: the Ministry of Economy and Antimonopoly Policy, the National Statistical Committee, the Agency for Environmental Protection and Forestry, as well as the UNDP-UNEP "Poverty and Environment" Initiative;

- A group of national experts was established to perform the technical work, while a steering group of high-level officials supervises its outcomes;

- Two outputs are planned within the joint project: a capacity assessment paper and an indicator-based report;

- An assessment matrix was filled in and indicator fiches were prepared for the broader set of indicators elected for use;

- A degree of concordance exists between the indicators used in various sets nationally in Kyrgyzstan and the OECD set of green growth indicators:
  - There is high concordance in the area of economic and social statistics, with good progress being made lately on social statistics, including on measuring inequalities;
  - Concordance is lower on the natural assets indicators and indicators of productivity;
  - Some indicators, e.g. on eco-innovation, are totally absent;

- Not all OECD green growth indicators are relevant for the country;

- There is demand for methodological support, particularly in terms of indicator understanding and interpretation, including in relation to international benchmarks;

- Sustained use of the national set of green growth indicators could be hampered by a lack of human resources, although the establishment in 2013 of a new division on environmental indicators within the national Statistical Committee is a positive sign;

- The pilot testing of the OECD set was timely and enabled counterparts in Kyrgyzstan to establish strong links between this work and the development of their National Sustainable Development Strategy.

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3 Since May 2012 the OECD secretariat has been supporting the Kyrgyz Government in preparing the ground for a regular application of green growth indicators
Scoping of further work within the EaP GREEN programme

11. The meeting participants discussed the proposal by the OECD Secretariat to improve the analytical framework for green growth measurement in countries of Eastern Partnership and Central Asia and suggested that activities would ideally include the following elements and outputs:

Regional activities

- Further *awareness-raising among top officials* is necessary regionally. This could include the drafting and wide dissemination of a booklet to briefly explain key concepts and the structure of the OECD green growth indicator set;

- The *regional assessment and benchmarking* element would be important to add, since an independent view on the evolution of policies in Eastern Partnership and Central Asia countries has always been valuable for promoting reform. A first step would be to screen what indicators are already available in these countries so that the collection of relevant information starts as soon as possible. An additional objective of this work would be to reassure countries that the process of transition towards green growth is in their national interests;

- Two out of four groups of the OECD green growth indicators will require particular attention in the Eastern partnership and Central Asia countries: (i) environmental and resource productivity of the economy and (ii) economic opportunities and policy responses, especially the measuring of innovation, technology transfer, and financing;

- The work on headline indicators may need to *start earlier* than planned to enable countries to demonstrate the value of green economy;

- A *Task Team* on Green Growth Indicators should be established with countries that are most interested in this work in order to contribute to the development of specific products and support the OECD Secretariat with their dissemination, continue the collection and sharing of good practices, as well as helping to establish and maintain ties with other relevant bodies, e.g. the UNECE’s Joint Working Group on Environmental Monitoring and Assessment;

- As concerns the *proposed policy reform handbook*, the participants agreed to enhance its contents with a chapter that would provide an overview of relevant analytical frameworks, sets of indicators, progress measurement initiatives and related products, including those produced nationally. This would include, for instance, an introduction to the Shared Environmental Information System whose development was mandated by the Astana “Environment for Europe” Ministerial Conference of 2011. Similarly, relevant UNECE and UNEP work will need to be explained and considered. A focus should be put on helping countries to interpret information. Consideration to trans-boundary issues as part of contextual analysis is needed. A more detailed annotated outline should be circulated for comments by countries.

National-level work

- National-level projects should start with *training activities* that would aim to raise awareness and clarify key concepts to all stakeholders;

- National-level *working groups* involving all relevant stakeholders should be established;
Several countries expressed interest in the pilot use of the OECD set of green growth indicators. The OECD Secretariat asked that countries express formally their interest to host pilot projects, after they receive the letter announcing the EaP GREEN launch;

- Particular attention should be paid to the identification of measures that would lead to the sustainable use of green growth indicators nationally and their integration into policy-making processes. Possible ways include the integration of such indicators into the mandatory “State of the Environment” reports, statistical yearbooks, including sector-specific ones, and other products of statistical agencies (e.g. on-line databases with time series of specific indicators).

Other issues

12. Following questions from the floor, the OECD Secretariat provided further details about the EaP GREEN’s inception phase. The participants welcomed the proposal from the Energy Charter to join forces on the identification of environmental productivity indicators. Gratitude was expressed to the Czech Ministry of the Environment for hosting the meeting.
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