

Green Growth and Developing Countries

Report for OECD Green Growth Strategy

**Consultation Meeting – Rio de Janeiro, 17th of June,
2012**

Earnán Ó Cléirigh

Development Co-operation Directorate

OECD

What is the OECD?

Intergovernmental organisation

- 34 members – mostly industrialised countries
- Policy think tank – “better policies for better lives”
- Forum for collaboration and consensus
- Evidence and Peer Review

Not

- a representative body of its members
- a regulatory or standard setting body
- an arbitrator

Green Growth

Green Growth Strategy in OECD

- **Focussed on OECD and Emerging Economies**
 - Significant carbon footprint – mitigation a major objective
 - Resources for investment and sources of innovation – public and private
 - Policy capacity – formulation, funding and delivery
- **What kind of recommendations**
 - Influence prices through pricing environmental costs
 - Fiscal policy to drive private behaviour – consumers and producers
 - Tax bads and incentivise goods
 - Innovation as a driver of growth and green jobs
- **Recognition of limited relevance to most developing countries**
 - Mandate to produce a report on Green Growth and Developing Countries
 - Green growth can only be achieved globally
 - Context for green growth is different

Green Growth in Developing Countries

What is different?

- **Natural capital is greater**
 - 24% of pc wealth in LICs, 12% in MICs and 2% in OECD
 - Source of livelihoods and jobs
 - Different benefits, costs and trade-offs
- **Large informal economies**
 - 75% of jobs in SSA and more than 2/3 in south and south east Asia
 - Policy reach is limited
 - Economic structure, poverty and inequality require complex policies
- **Political feasibility**
 - Who benefits?
 - Long term benefits versus short term opportunity costs
 - Economic incentives are critical
 - Must deliver growth and poverty reduction

Green Growth in Developing Countries

What will green growth look like?

- **Need to bring benefits into the short to medium term**
 - Adaptation for resilient livelihoods
 - Efficient technologies reducing costs
 - Management and value addition of renewable resources
 - Capturing and investing rents from non-renewables
- **Environmental services need to be a major sector**
 - Comparative advantage and export sector
 - From pricing of environmental costs to payment of services
 - Ownership, jobs and livelihoods
- **Governance will be critical**
 - New economic opportunities = competition for assets
 - Political settlement and institutions are an issue
 - Policies need to focus on equity and distributional issues

Green Growth and Developing Countries Report

1. **How can greening the development pathway accelerate economic growth and poverty reductions in developing countries?**
2. **What policy frameworks and instruments are needed and are practical in developing country contexts?**
3. **How can the international community support developing countries to develop and deliver their own green growth strategies?**

What we would like to know from you:

- **Are the policies we discuss relevant and practical? Are there other ones that we should include?**
- **Do you have suggestions for more evidence or case studies on what works?**
- **Would work on some of these be useful in your countries? Are there opportunities for collaboration?**