

A light blue world map is centered in the background of the slide. A horizontal line is drawn across the middle of the map, separating the top and bottom halves of the slide.

The OECD Green Growth Strategy

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For a stronger, cleaner, fairer world economy



Why Green Growth?

- Recognition that current environmental challenges and resource use pose problems for long-term economic growth
- Cost of inaction

Why Now Green Growth?

- Global crises (economic, climate, oil, food) have highlighted the need to look for a new growth paradigm
- OECD Green Growth Declaration (June 2009, Finance Ministers)
- G8, G20

OECD Green Growth Strategy?

Help countries to:

- Promote economic growth while reducing GHG emissions, pollution and inefficient use of resources, and maintaining biodiversity
- “Decouple” economic growth and environmental impacts
- Shift in paradigm
(agriculture → industry → service → green)

Elements of OECD Green Growth Strategy

- A policy framework for Green Growth
- An expanded growth accounting model
- Toolkit of policies and approaches that countries can use to better balance economic efficiency, environmental effectiveness and social equity



Policy Priorities

- New Growth Accounting Framework
- Industrial Restructuring
- Employment
- Social Equity



Growth Framework

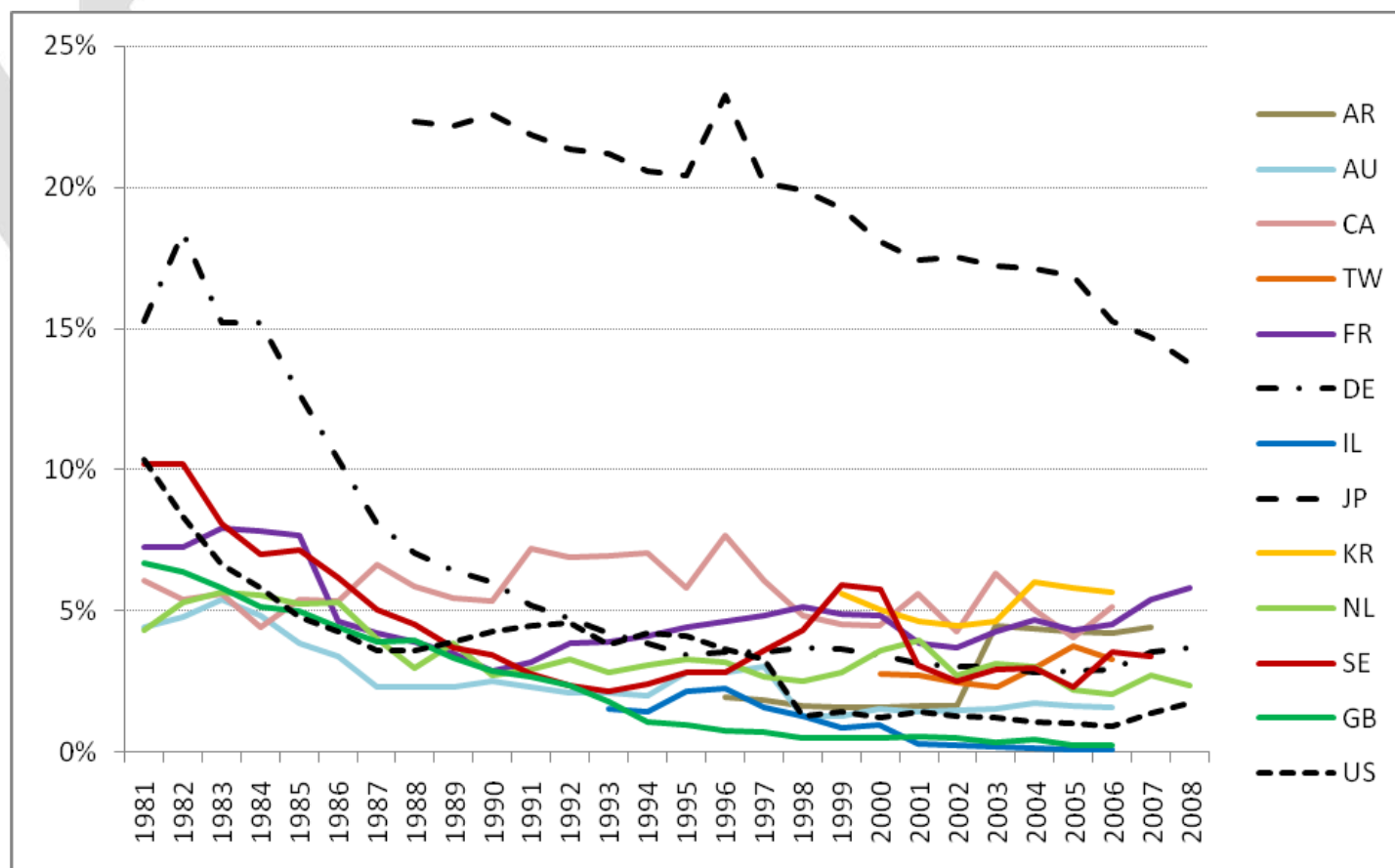
- Include Environmental Capital/Services in Production Accounting
- Measure of Income to Take into Account Depreciation of Stock of Environmental Capital
- Quality of Life/Well-Being Considerations

Industrial Restructuring

- Greener Technology
- Greening Key Sectors – maximising opportunities
 - Energy - Energy efficiency and renewable energy
 - Transport
 - Agriculture
 - Fisheries
 - Industries
 - Tourism

Percentage of Government R&D expenditures directed at 'Rational Utilisation of Energy'

3-year moving average. Source: OECD





Employment

- Greener Jobs
- Winners/Losers/Trade Offs
- Skills Development
- Labour Market Balance



Social Equity

- Labor and social policies
- Distributional impacts
 - Income groups
 - Skills categories
- Global Poverty Reduction



Ancillary Benefit: Fiscal Consolidation

- Green Taxes
- Removal of Environmentally Harmful Subsidies



A Toolkit for Reform

- Internalizing Externalities – Getting the Prices Right
- Framework Conditions
- Innovation
- Development
- Indicators

Getting the Prices Right

- Carbon price
- Taxes, Environmentally harmful subsidies, Emission trading systems
- Valuation of Ecosystem services
- Address market failures - regulation

Framework Conditions

- Greener Investment and Policy Framework for Investment
- Liberalisation of trade of green goods and services (Export credits)
- Greener Production (MNE Guidelines)
- Greener Consumption – Information
- Greener Public Procurement
- Multilayer Governance
- International transfer of technology



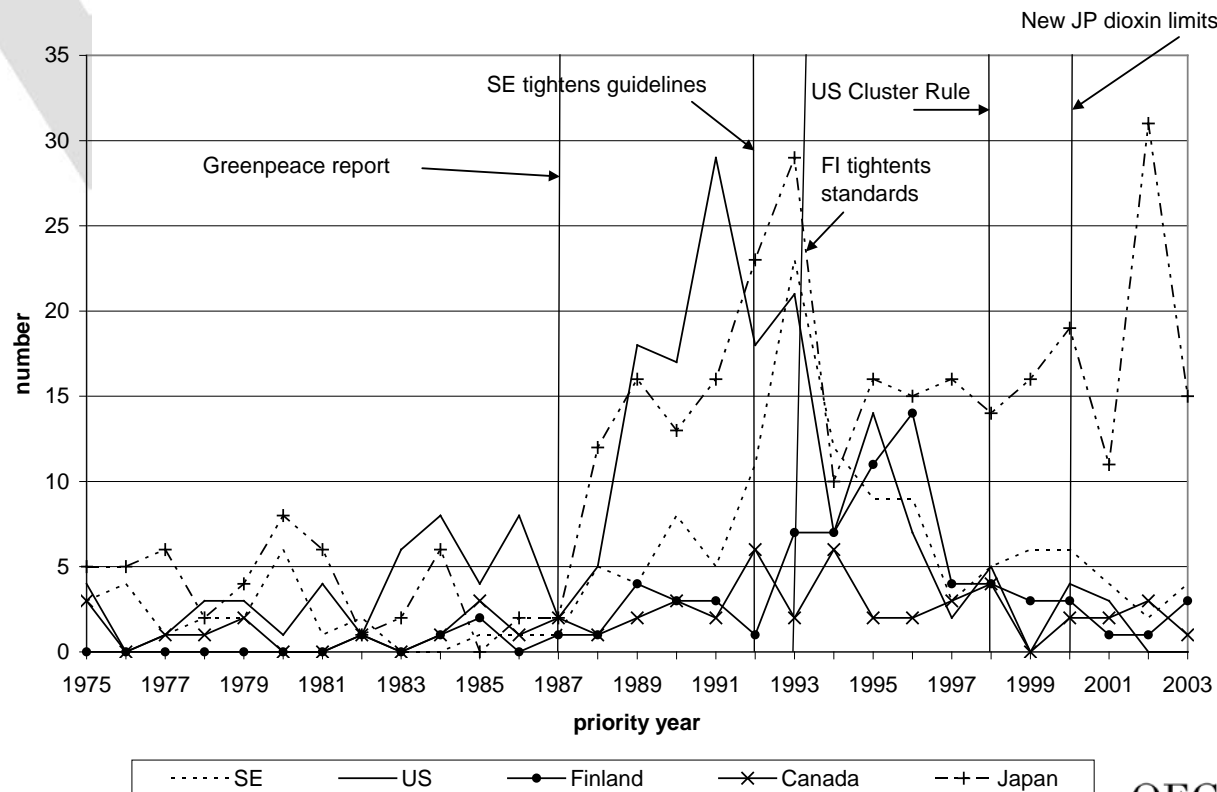
Innovation

- R&D Support
- ICT
- Eco-innovation
- Technology Transfer and Dissemination
- Policy recommendations in the OECD Innovation Strategy

Lessons from empirical analysis

Public concerns can spur innovation

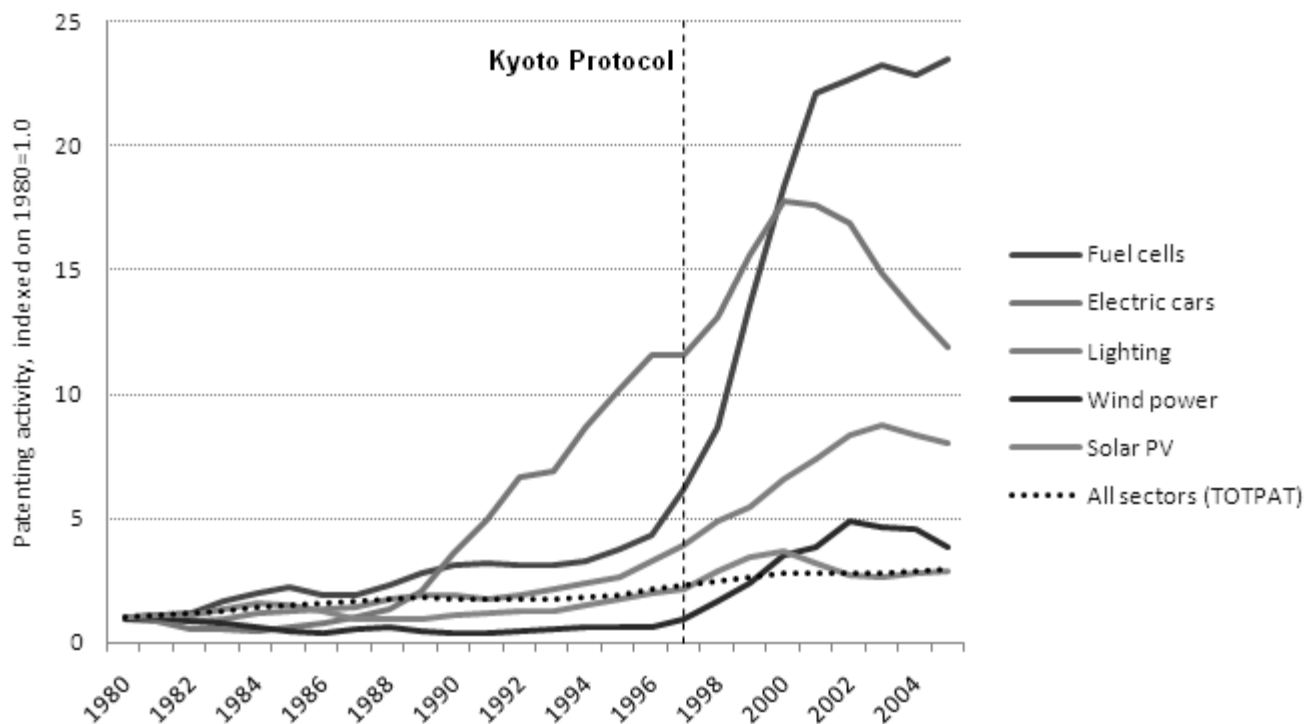
Abatement technologies for wastewater effluent from pulp production. By country



Lessons from empirical analysis

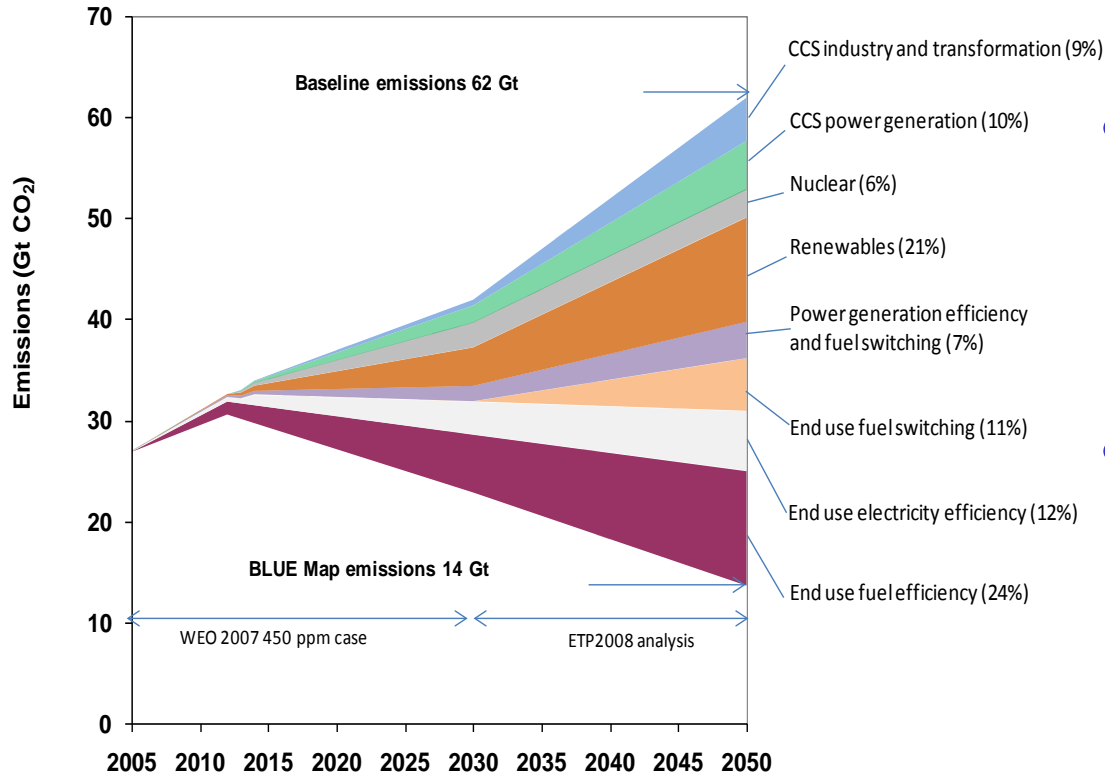
Targeted support for renewable energy induces innovation

Patenting activity in Annex 1 ratification countries, 3-year moving average, indexed on 1980=1.0



Global challenges changing the drivers

Potential technological contributions to CO₂ emission reductions



- Demand-pull is a major feature of innovation ...
- ... such as with the demand for climate change related technologies.
- Combination of getting the prices right and stimulating innovation requires attention to demand and supply policies.

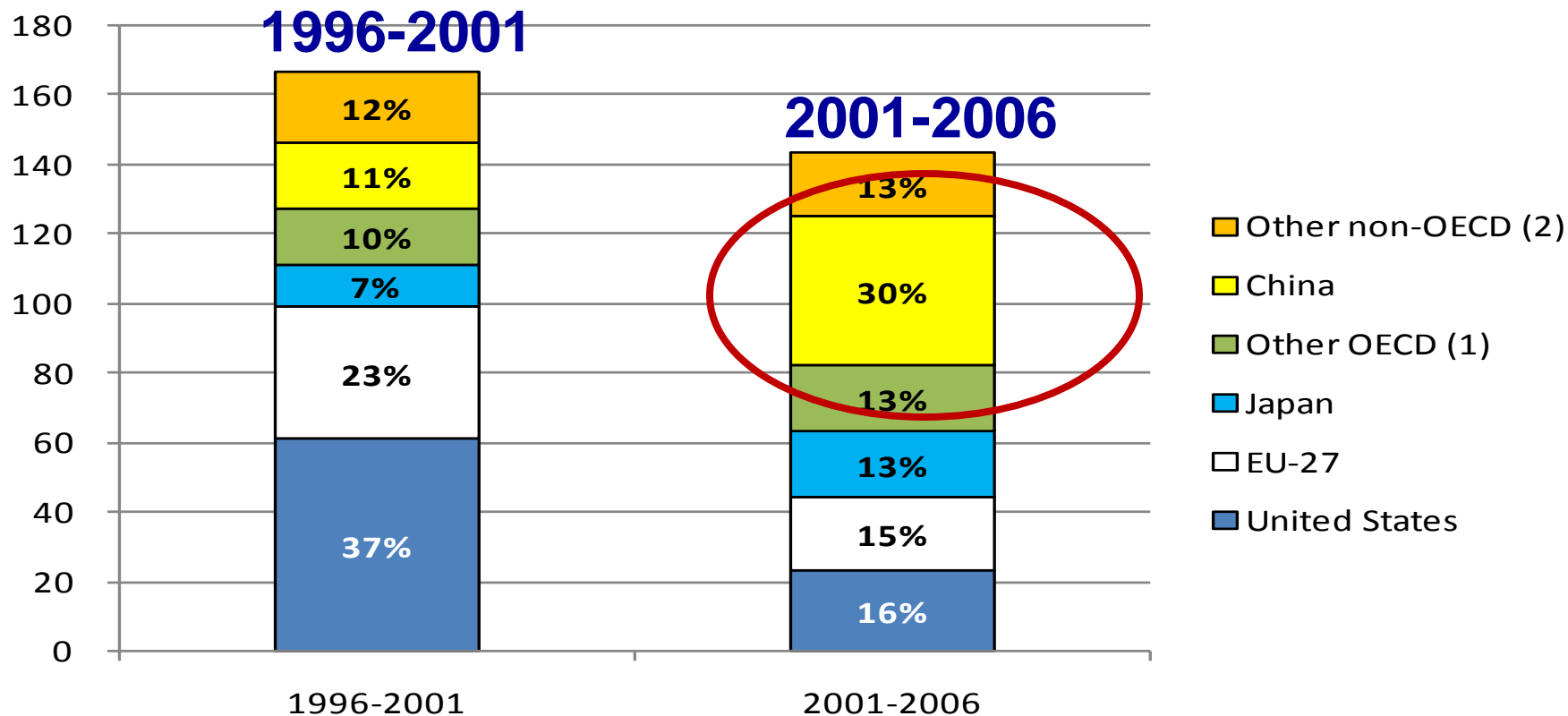
Source: IEA.

Development and Green Growth

- Health Benefits
- Technology Transfer and IPR
- Green Protectionism
- Integrate Green Growth in Development Co-operation

... with the rise of China and India

Contributions to growth in global R&D (in billion constant US PPP and %)



Note: (1) Australia, Canada, Iceland, Korea, Mexico, New Zealand, Norway and Turkey

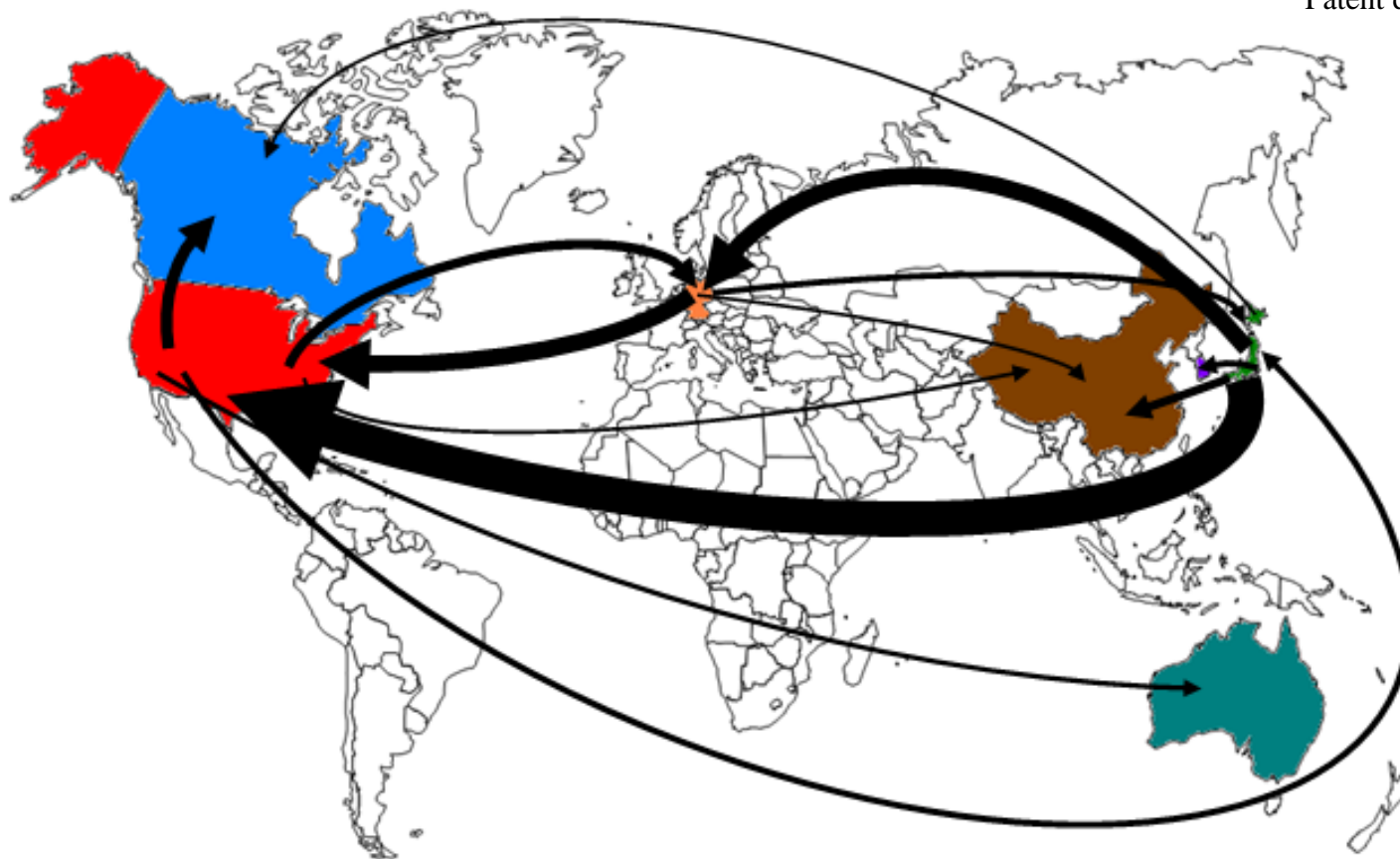
(2) Argentina, Brazil, India, Israel, Russian Federation, Singapore, South Africa, Chinese Taipei

Source: OECD.

International Transfer of Environmental Technologies

Air pollution abatement & control

Patent data - 1990-2005

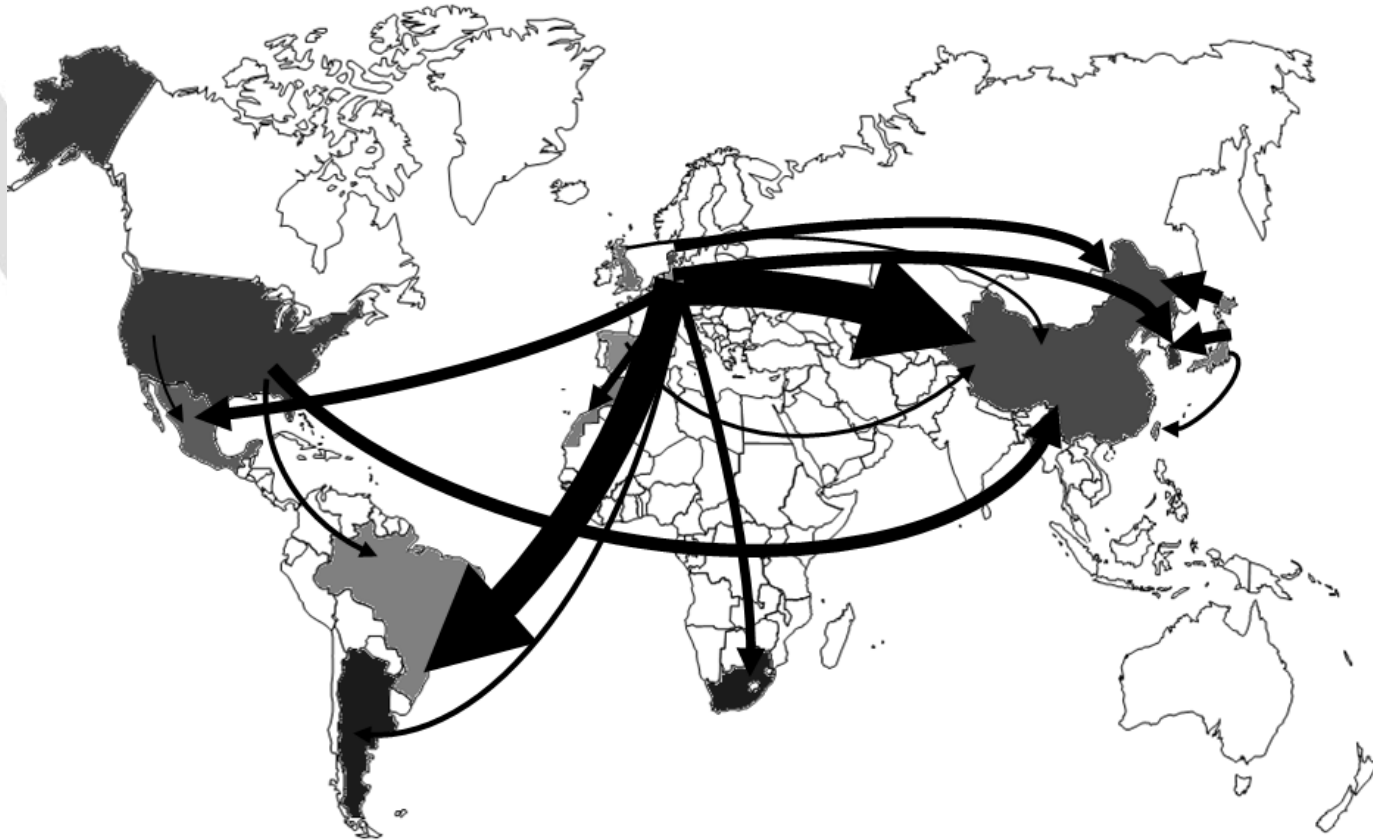


International Transfer of Climate Mitigation Technologies from Annex 1 to non-Annex 1 Countries IGCC + CCS

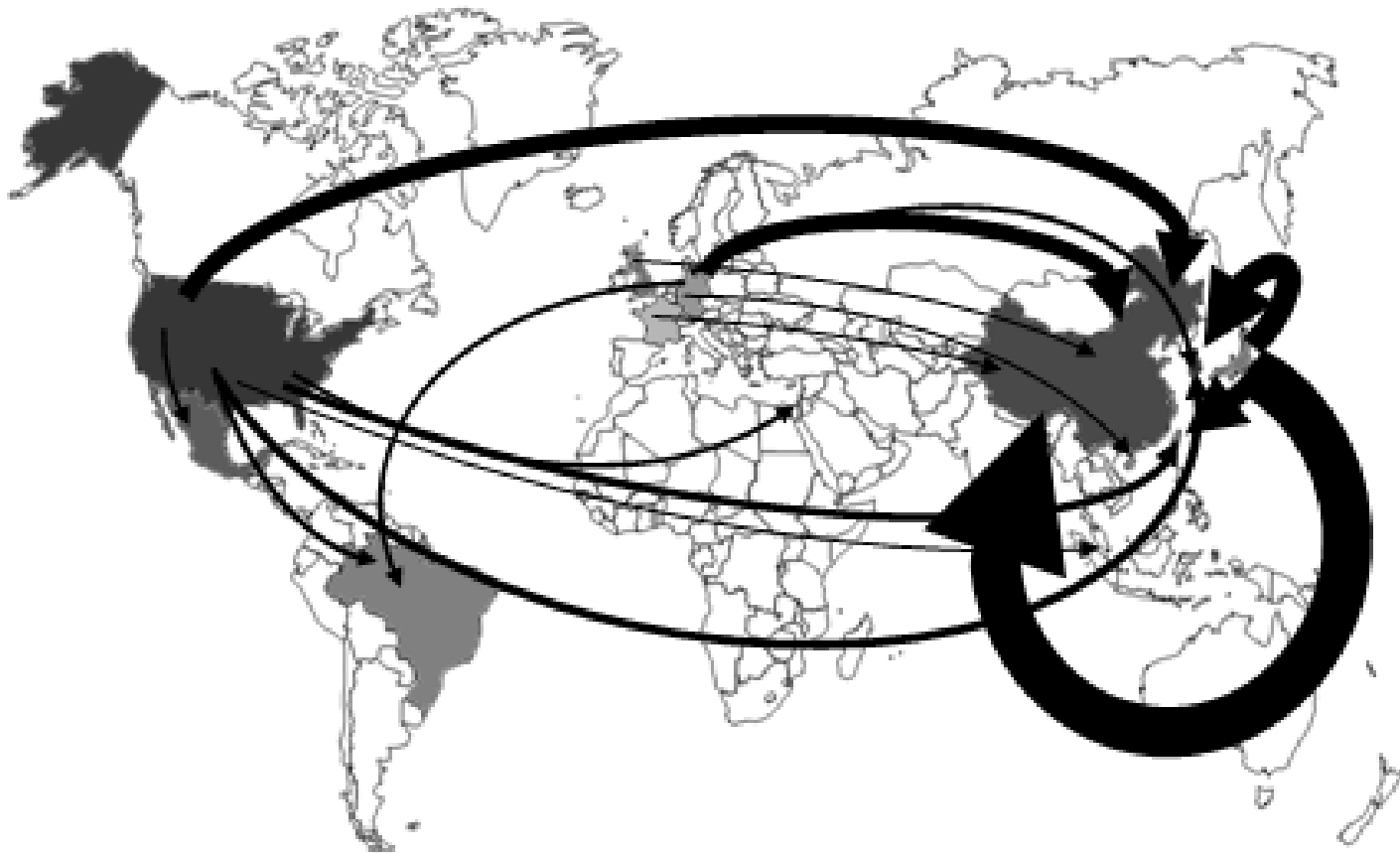


International Transfer of Climate Mitigation Technologies from Annex 1 to non-Annex 1 Countries

Wind power



International Transfer of Climate Mitigation Technologies from Annex 1 to non-Annex 1 Countries Solar photovoltaics



Measuring Green Growth

- Beyond GDP
- Resource Efficiency
- Environmental Aspects
- Environmental Impacts of Consumption
- Well-being – Stiglitz/Sen Commission



OECD Contributions

- Analysis
- Policy Framework
- Toolkit
- Peer Reviews
- Best Practices
- Indicators

Involvement Beyond OECD

- Enhanced Engagement Countries
(Brazil, China, India, Indonesia, South Africa)
- Other Non-Members
- Stakeholder (business and industry, trade unions, environmental and consumer NGOs)
- IGOs (UNEP, WB, ILO)



OECD Horizontal Project

- All Directorates Involved
- IEA, NEA, ITF
- 25 Committees



Schedule

- May 2010 – Interim Report to MCM with Preliminary Analysis
- May/June 2011 – Final Report on Green Growth Strategy to MCM

Conclusion

- The Green Growth Strategy is not the end, but the beginning of efforts for greening the economic model
- GreenGrowth@oecd.org