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Organisation de Coopération et de Développement Économiques
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Round Table on Sustainable Development

STRATEGIES FOR GREEN GROWTH: FRAMING THE ISSUES

Annotated Agenda for the 26th meeting of the Round Table on Sustainable Development

Paris
13-14 December 2010

English - Or. English

26TH ROUND TABLE ON SUSTAINABLE DEVELOPMENT

**STRATEGIES FOR GREEN GROWTH:
FRAMING THE ISSUES**

OECD Headquarters
Château de la Muette, Paris
13-14 December 2010

13 December – George Marshall Room

19:30 Aperitif

20:00 Dinner

Speakers:

Reflections on Business, Government and Environmental Risk
Mr. John McCall MacBain, McCall MacBain Foundation

A Perspective on Growth
Mr. Eric Beinhocker, McKinsey Global Institute

14 December – Room C

09:30 Meeting commences

11:00 Coffee break

11:30 Meeting resumes

13:30 Meeting concludes

13:30 Buffet Luncheon (Room Roger Ockrent) hosted by the Korean Government

QUESTIONS FOR DISCUSSION

This meeting of the Round Table will discuss Green Growth and debate how the broad concept should be articulated to be of practical use. The accompanying paper considers how the OECD is framing Green Growth and what that holds for measuring progress towards it; how far governments can and should go in realising opportunities from Green Growth; and how to deal with the challenges of reform.

Green Growth is conceived first and foremost as growth strategy. For this approach to work, we have to bring together policy agendas that have not always talked well to one another. The OECD is articulating this as a conscious attempt to augment the ‘standard’ model of economic growth. This involves identifying environmental and economic policies that complement one another in delivering growth as we have traditionally understood it as well as maintaining environmental services and improving human well-being. This is a pragmatic approach – not a radical new paradigm. It recognises that trade-offs exist but it does not emphasise them in light of fundamental uncertainties.

1. *Does this approach make advocacy of Green Growth policies any easier?*
2. *What sort of indicators set alongside GDP would make this pragmatic approach easy to understand?*

Many governments have already implemented policies to promote cleaner production, green business and green innovation. Others are considering whether they should join this “green race” or adopt a “fast follower” strategy. In all cases, there is a desire to discover and articulate the opportunities arising from Green Growth policy.

The most robust advice we can offer in this regard is that delivering environmental improvements and sustained growth demands relatively “hands-off” market-based policy instruments which embed policy signals into every day market decisions. This means the use of price based instruments such as taxes or tradable permits. Yet we also recognise that some governments have had a hard time implementing this kind of advice. Other policy approaches may have greater political appeal and could be important for facilitating the kinds of innovation and the technical and system-wide changes needed for Green Growth. But there is a balance to be struck.

3. *What priority should be given to “getting the prices right”?*
4. *The OECD has consistently counselled against governments directing technical change or, in the extreme, “picking winners”. Yet we know that most countries do precisely that and not without good reasons. Is OECD caution on the pitfalls of “picking winner” strategies likely to be welcomed? Could the OECD develop advice in a way that is more helpful? Implicit in this, what alternative strategies might be implemented in terms of directed public support to clean technologies?*

The politics of reform and the prospect of adjustment costs are a major constraint on policy change. One reaction to this may be to devote considerable thinking to the issues underlying the political economy of adjustment and ways to help assist reform. But, as much as strategies and policy advice can shed light on how to deal with these issues, there will always remain an element of “political courage” in any response.

5. *What sort of analysis and advice in the Green Growth Strategy would be most useful to help unlock the case for reform?*