



The Global Green Economy Initiative

The global economy is in a crisis, characterized as the most significant since the Great Depression of the 1930s, bringing down major companies and threatening millions of jobs. This financial crisis is compounded by fuel and food crises that have put 950 million people worldwide at risk of hunger and malnutrition.

Smarter investment

In the midst of this gloom, a unique class of investments promise growing and lasting value over the next few decades -- investments for economic and environmental sustainability.

These are the investments that should underpin post-crisis reconstruction of the global economy. The Green Economy initiative seeks to identify and promote those investments.

The initiative offers a new compass for delivering genuine wealth creation. It will provide ways to re-balance, re-focus and re-direct investments and markets in ways that deal with the challenges and potential benefits for the North and the South.

A just transition for businesses and workers

The Green Economy initiative will make recommendations for greening national economies, for creating new green jobs and greening existing jobs, and for a just transition from a brown to a green economy for enterprises and workers.

UNEP announced its Green Economy initiative in London on 22 October 2008, with an inaugural meeting scheduled for Geneva on 1 and 2 December 2008.

“It is not about cutting growth,” emphasises UN Under-Secretary General Achim Steiner, Executive of UNEP, “but about more intelligent and sustainable growth that captures the true value of human and nature-based capital and not just financial and industrial.”

Six focus areas

The initiative focuses on six promising areas of green economy:

- Clean and efficient technologies
- Renewable energy
- Ecosystem Infrastructure
- Biodiversity-based businesses such as organic agriculture
- Waste management
- Green cities, buildings, and transport

Barriers to green economies

At least five barriers face efforts to usher in a global green economy:

- Subsidies that favour fossil fuels over renewable energy;
- Clean and environmental-friendly technologies have to prove their reliability above traditional technologies;

- Lack of economically and politically favorable frameworks for long-term investment in low-carbon enterprises;
- Lack of knowledge about the possible diverse paths to achieve a sustainable and clean growth in all sectors and geographical areas;
- Lack of informed policy-makers, qualified entrepreneurs and skilled workers to carry out the required measures.

The answer: guidance, communication and capacity building

The project will provide guidance to policymakers and other stakeholders on how to overcome these challenges, highlighting the important role of the government in the march towards a green economy.

In addition, the project will make and communicate the economic case for proactive investments and active labour market policies in key components of ecosystem management, such as water, forest, soil, and marine resources. The underlying aim is to head off the environmental causes of conflicts, disasters, and poverty.

In its third component, the project will help in capacity building for stakeholders concerned with combating climate change.

The initiative is founded on the conviction that “greening the economy is not a burden on growth...it is an engine for growth.”

Creating jobs

A UNEP-sponsored report presented in New York on 24 September 2008 pointed out:

- Clean technologies are already the third largest sector for venture capital after information and biotechnology in the United States. Green venture capital in China has more than doubled to 19 percent of total investment.
- 2.3 million people have found new jobs in the renewable energy sector in recent years, and the potential for job growth is huge. Employment in alternative energies may rise to 2.1 million in wind and 6.3 million in solar power by 2030.
- Renewable energy generates more jobs than employment in fossil fuels. Projected investments of \$630 billion by 2030 would translate into at least 20 million additional jobs in the renewable energy sector.
- In agriculture, 12 million could be employed in biomass for energy and related industries.
- A worldwide transition to energy-efficient buildings would create millions of jobs, as well as "greening" existing employment for many of the estimated 111 million people already working in the construction sector.
- Investments in improved energy efficiency in buildings could generate an additional 2-3.5 million green jobs in Europe and the United States alone, with the potential much higher in developing countries.
- Recycling and waste management employ an estimated 10 million in China and 500,000 in Brazil today. This sector is expected to grow rapidly in many countries in the face of escalating commodity prices.