PAGE PARTNERSHIP FOR ACTION ON GREEN ECONOMY

INDICATORS FOR AN INCLUSIVE GREEN ECONOMY

INTRODUCTORY COURSE

UN environment ILO UNDP UNIDO unitar United Nations Institute for Training and Research

Why this course?

- To introduce indicators for an Inclusive Green Economy (IGE) and discuss their role in policymaking
- To describe various frameworks to structure a set of IGE indicators, particularly the framework of the Green Growth Knowledge Platform
- To explore establishing an indicator framework and selecting indicators

Overview of the course

1. Introduction to concepts
2. Choosing appropriate frameworks
3. Approaches to measurement
4. Selecting green economy indicators

Group exercise

UN Environment definition of Inclusive Green Economy

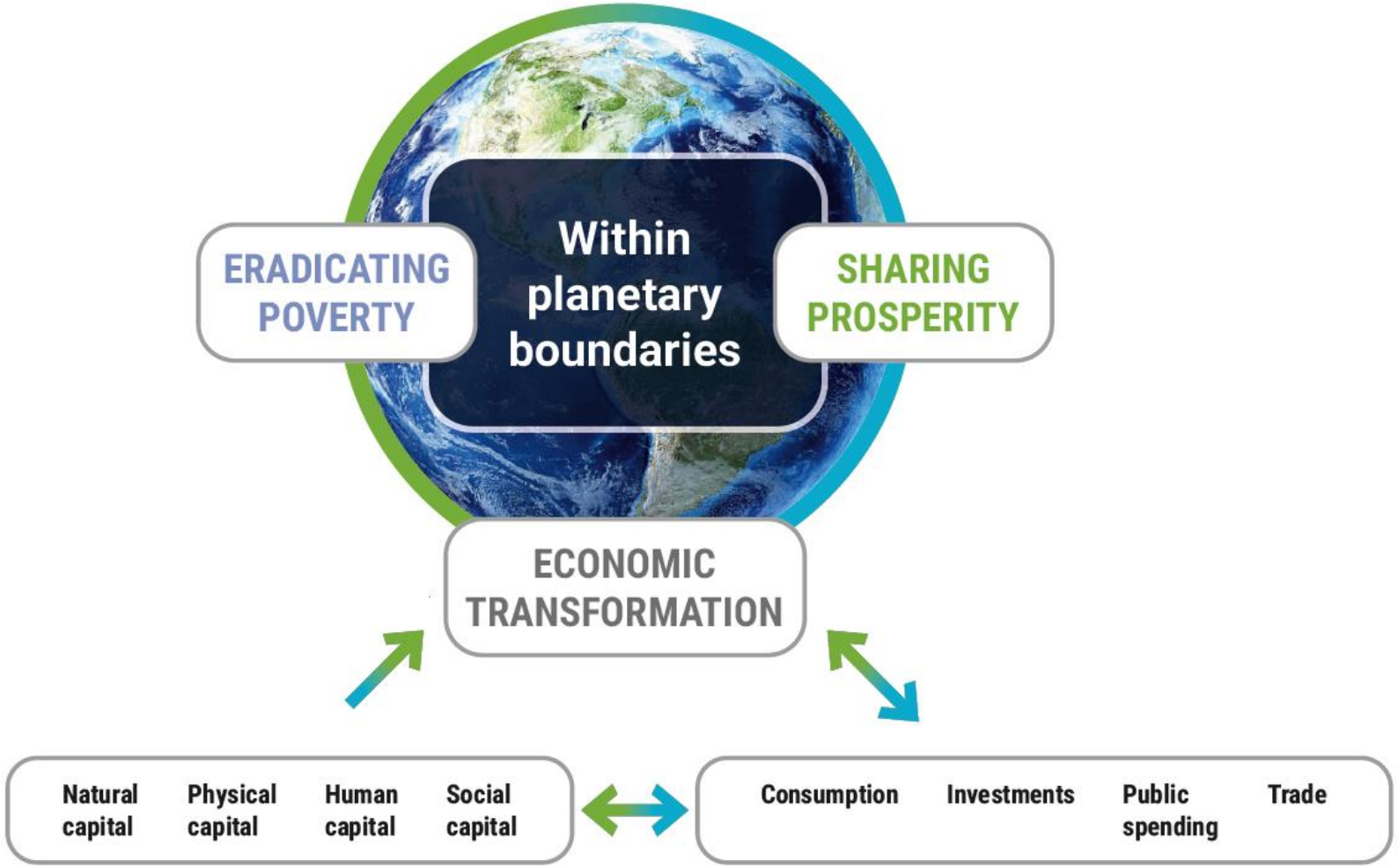
"an economy that results in improved human **well-being** and **social equity**, while significantly **reducing environmental risks and ecological scarcities**"

Session 1- Introduction to concepts

Key points

- An Inclusive Green Economy addresses:
  - (1) persistent poverty
  - (2) overstepped planetary boundaries
  - (3) inequity in the sharing of prosperity
- An Inclusive Green Economy decouples economic growth from resource use and environmental impacts
- Green economy indicators support the policymaking cycle

An Inclusive Green Economy addresses 3 global challenges: eradicating poverty, sharing prosperity equitably, staying within planetary boundaries



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A new generation of assets produces goods and services in an environmentally friendly manner

Natural capital | Physical capital | Human capital | Social capital

Consumption | Investments | Public spending | Trade

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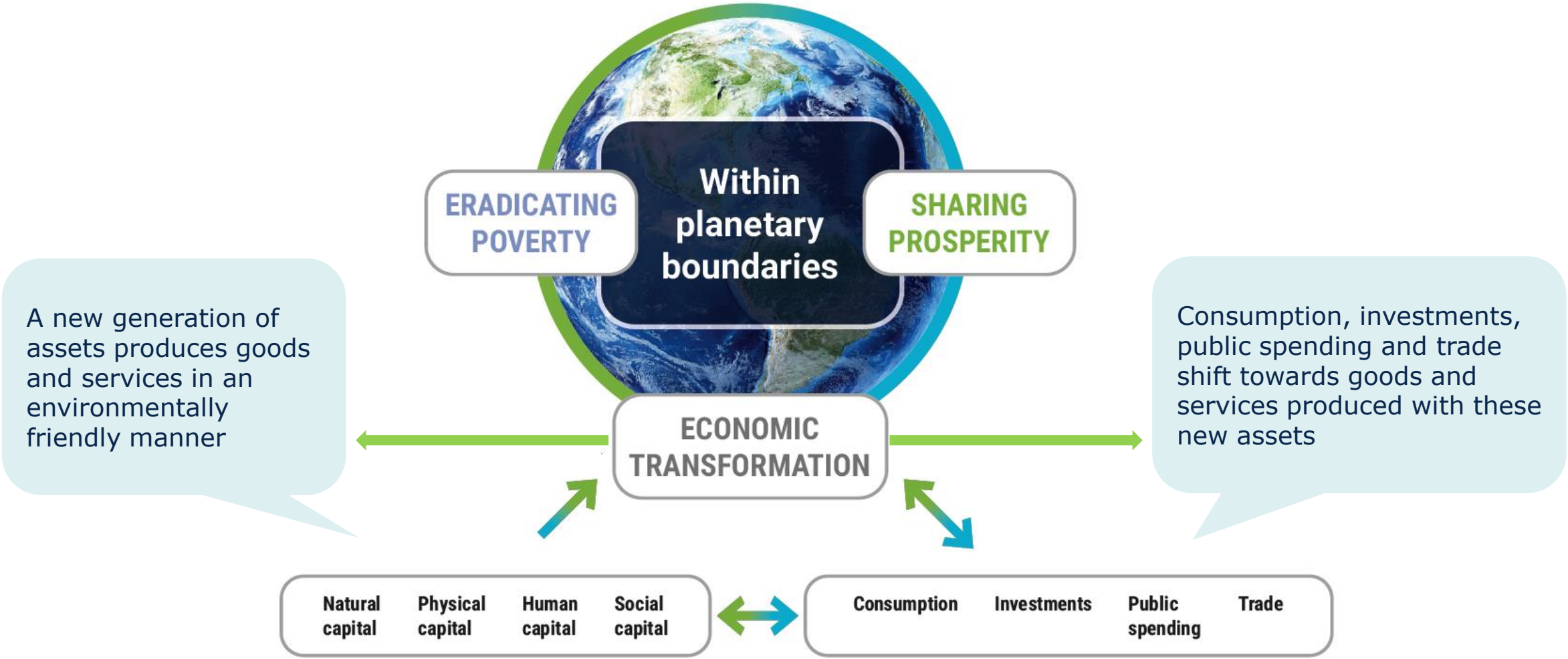

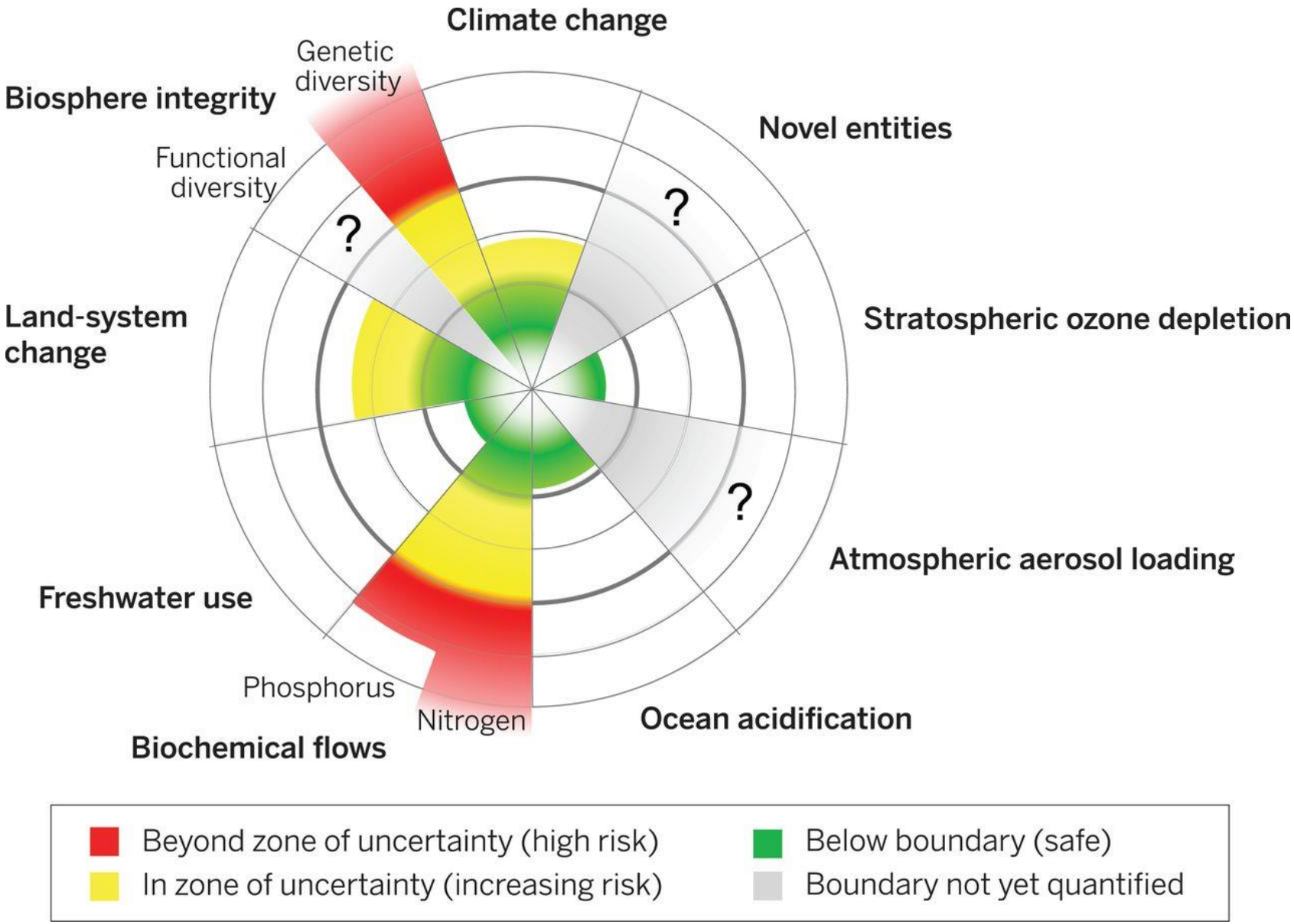

Planetary boundaries

are global environmental limits. Crossing them could destabilize the earth system that supports human societies.

Source: Steffen et al., Planetary boundaries: Guiding human development on a changing planet. Science 379(6223). 2015. http://dx.doi.org/10.1126/science.1259855

Green Trade
Export of environmental goods (% of total export)

Environmental Patents
Measure of green technology innovation (% of total patents)

Renewable Energy
Share of renewable energy supply (of total energy supply)

Energy Use
Energy use (kg of oil equivalent) per USD 1,000 GDP

Palma Ratio
Ratio of the richest 10% of the population income over income of the poorest 40%

Access to Basic Services
Access to improved water sources, electricity, sanitation (% of total population)

Air Pollution
PM2.5 pollution mean annual exposure (micrograms per cubic meter)

Material Footprint
Raw material consumption of used biotic and abiotic materials (tonnes/person)

Protected Areas
Sum of terrestrial & marine protected areas (% of total land area and territorial waters)

Gender Inequality Index
Inequality in gender across reproductive health, empowerment, & the labour market

Pension Coverage
Share of population above statutory pensionable age receiving a pension

Mean Years of Schooling
Average number of years of education received by people ages 25 and older

Life Expectancy
Life expectancy by contribution and sex

The Green Economy Progress Measurement Framework has 14 direct links to 10 of the 17 SDGs

What will it take to achieve an Inclusive Green Economy?

- private and public investment
- fiscal policies
- better market access for sustainable technologies
- green industrial policies
- generation of green jobs
- promotion of social inclusion
- use of trade opportunities from new markets and technological innovation

What will it take to achieve an Inclusive Green Economy?

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Progress will have been achieved only if improvements in human well-being are **sustainable**.

Why are indicators important?

Robust indicators make it possible to:

identify major issues

⬇

formulate appropriate policy responses

⬇

assess potential impacts of policy

⬇

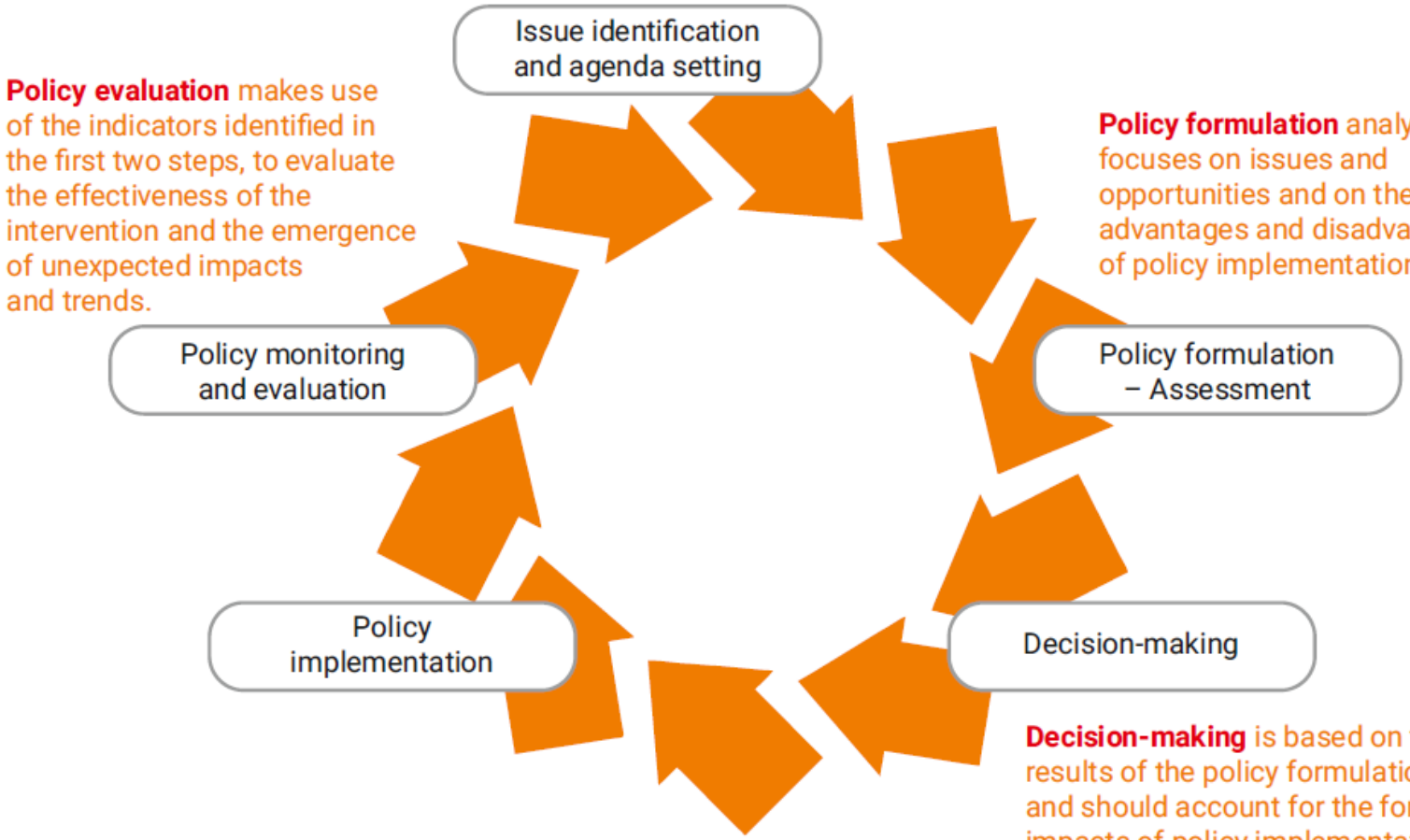
track implementation

⬇

monitor impacts

…capturing the nexus of economic performance, environmental status and social dynamics

Issues and related policy goals can be of a general nature, or they can be social, economic and environmental (with the latter being more relevant for UNEP).



Policy formulation analysis focuses on issues and opportunities and on the broader advantages and disadvantages of policy implementation.

Policy evaluation makes use of the indicators identified in the first two steps, to evaluate the effectiveness of the intervention and the emergence of unexpected impacts and trends.

Decision-making is based on the results of the policy formulation stage, and should account for the forecasted impacts of policy implementation on the environment, the economy and overall well-being of the population.

STAGE 1

Issues identification: “What is the problem?”

Identify and prioritize challenges and opportunities, and set an agenda

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Identify and prioritize challenges and opportunities, and set an agenda

Key steps

- Scan a broad range of data for potential problems and adverse trends
- Assess environmental, social and economic ramifications of these issues
- Analyse underlying causes

STAGE 1

Issues identification: “What is the problem?”

Identify and prioritize challenges and opportunities, and set an agenda

Examples of indicators

- rate of deforestation
- incidence of environmentally related diseases
- per capita fresh water withdrawal
- percentage of workforce in green jobs

STAGE 2

Policy formulation: «What should we do?»

Design potential solutions by defining the investments needed

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Design potential solutions by defining the investments needed

Key steps

- Determine desired outcomes and define objectives.
  Set targets.
- Identify intervention options and their intended outputs.
  List potential investment and policy instruments.
  Assess current and past policies and their impacts.

STAGE 2

Policy formulation: «What should we do?»

Design potential solutions by defining the investments needed

Examples of indicators

- share of energy from renewable resources
- share of population with safe drinking water
- per cent of agriculture mechanized
- number of hotels with waste water treatment

STAGE 3

Policy assessment: «What will be the impacts?»

Evaluate the effectiveness and effects of each option in social, economic and environmental dimensions

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Evaluate the effectiveness and effects of each option in social, economic and environmental dimensions

Key steps

- Estimate potential social, economic and environmental impacts – positive and negative
- Analyse impacts on overall well-being of the population – for example, inclusiveness, wealth, growth, employment
- Consider short-, medium- and long-term consequences
- Compare options. Decide on best feasible policies.

STAGE 3

Policy assessment: «What will be the impacts?»

Evaluate the effectiveness and effects of each option in social, economic and environmental dimensions

Examples of indicators

- economic gain due to more reliable supply of electricity
- number of new green agricultural jobs
- improvement in coastal water quality
- revenue from waste taxes

STAGE 4

Implementation: “Are we doing what we planned?”

Monitor whether the intervention is functioning as intended and generating expected outputs

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Monitor whether the intervention is functioning as intended and generating expected outputs

Key steps

Monitor whether:

- administrative procedures are in place
- budget and staffing are adequate
- activities are on schedule
- the kind and quantity of outputs are as planned
- cost per unit of output is as budgeted (efficiency)
- Decide whether and what mid-course corrections to make

STAGE 4

Implementation: “Are we doing what we planned?”

Monitor whether the intervention is functioning as intended and generating expected outputs

Examples of indicators

- volume of waste water treated
- number of marine conservation areas created
- number of public–private partnerships for recycling

STAGE 5

M&E: “How are we performing?”

Assess the outcomes and impacts of the policy intervention

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Assess the outcomes and impacts of the policy intervention

Key steps

- Compare before and after (using indicators from issue identification)
- Measure investment leveraged and assess enabling policies (using indicators from policy formulation)
- Measure impacts across sectors and on overall well-being (using indicators from policy assessment)

STAGE 5

M&E: “How are we performing?”

Assess the outcomes and impacts of the policy intervention

Examples of indicators

- CO2 emissions
- incidence of water-borne diseases
- productivity of agricultural land