


UNITED NATIONS
Economic and Social Commission for Western Asia



UN-ESCWA


Policy Guidelines for a Green Economy

Policy Guidelines to Facilitate the Transition Towards a Green Economy



George J. Nasr,
ESCWA Consultant




UN-ESCWA

Outline

1. Policy Options
 - a. Quantitative Policy Options
 - b. Qualitative Policy Options
 - c. Policy Toolkit
$$\mathbf{a+b=c}$$
2. Recommendations for Coordinated Action
3. Conclusion

26-Feb-13

Policy Guidelines to Facilitate the Transition Towards a Green Economy

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1.a

Outline

1. Policy Options
 - a. Quantitative Policy Options
 - ✓ Environmental Sustainability
 - ✓ Economic Transformation
 - ✓ Progress and Well Being
 - ✓ Policy Response and Means of Implementation
 - b. Qualitative Policy Options
 - c. Policy Toolkit
2. Recommendations for coordinated Action
3. Conclusion

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Environmental Sustainability

1.a

- The ESCWA region is within the world's average.

Environmental Performance Index

Entity	Score
India	36.2
China	42.2
ESCWA	52.3
USA	56.6
Switzerland	76.7

➤ Why is the perception different?

- Indicator issue?
- What other issues remain?
 - water scarcity, Quality of life in cities...

Mapping

- ✓ Environmental Sustainability
- ✓ Economic Transformation
- ✓ Progress and Well Being
- ✓ Policy Response
- ✓ Means of Implementation

CO2 Emissions (Tonne Per Capita)

Entity	Emissions (Tonne Per Capita)
India	4.5
World	4.7
China	5.8
EU	7.2
ESCWA	10.8
USA	17.3
Qatar	44.0

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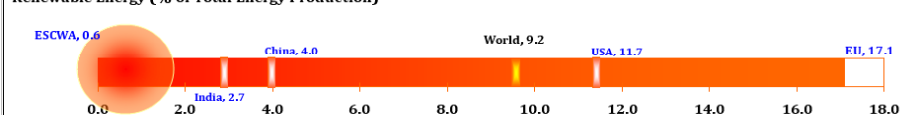
Renewable Energy



1.a

- Oil-exporting countries: More oil for export
- Oil-importing countries: Hard currency
- **Leverage local geographic advantage to develop new industrial sectors?**
 - Promote more "value added" in industrial activity,
 - "reverse" technology transfer

Renewable Energy (% of Total Energy Production)



Mapping

- ✓ Environmental Sustainability
- ✓ **Economic Transformation**
- ✓ Progress and Well Being
- ✓ Policy Response
- ✓ Means of Implementation

Economic Transformation



1.a

- Enhance productivity
- **What incentives to promote enhanced productivity?**
 - Agriculture: Focus on local livelihoods vs agribusiness (no substitution)
 - Services: wastewater treatment, water productivity
 - Industrial: Move towards less water-intensive activities, Renewable Energy...
 - General: harmonize list of accepted chemicals
 - Prevent "waste dumping"
 - But avoid "Green protectionism"
 - "In sector" focus

Country	Wealth Generated by Water (USD/m ³)		
	Agriculture	Industry	Services
Bahrain	0.61	315.15	
Egypt	0.96	18.58	685.53
Iraq		207.00	
Jordan	1.91	1,887.69	360.10
Kuwait		69.92	237.57
Lebanon	0.69	209.00	154.88
Libya	0.48	109.66	516.30
Morocco	1.47	389.47	2,036.30
Oman	0.45	653.57	
Palestine	9.89	492.18	
Qatar	0.53	22.60	
Saudi Arabia	0.81	53.04	411.07
Sudan	0.52	183.74	
Syrian Arab Republic	2.18	149.05	1,512.00
Tunisia	2.90	400.00	
United Arab Emirates (UAE)	1.16	315.15	
Yemen	1.77	18.58	

Source: Beaumont, 2000.

Mapping

- ✓ Environmental Sustainability
- ✓ **Economic Transformation**
- ✓ Progress and Well Being
- ✓ Policy Response
- ✓ Means of Implementation

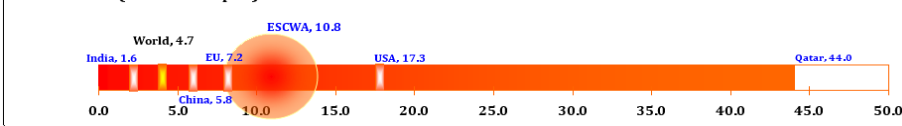
Progress and Well Being



1.a

- Promote Green Building initiatives:
 - Leverage Local knowledge
 - Sustainable Transportation

CO2 Emissions (Tonne Per Capita)



- **Common sense "applied"?**
 - Does it make sense to build glass towers in hot climates?
 - Does it make sense to import gas guzzlers when others are investing in hybrids?

Mapping

- ✓ Environmental Sustainability
- ✓ Economic Transformation
- ✓ **Progress and Well Being**
- ✓ Policy Response
- ✓ Means of Implementation

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Policy Response



1.a

- Address "Policy Uncertainty";
 - A "clearing" for economic policies before they are enacted
 - Strategy to "wean out" import-substitution
- "Lighten the load":
 - Decrease heavy government involvement:
 - Fix government share of GDP to a specified low level
 - Ensure that women employment is not endangered, as women tend to favour government sector in many countries
 - High cost of doing business, address:
 - Inefficient judicial systems
 - High business transactions costs
- Encourage private sectors growth
 - Focus on SME?
 - Develop capital markets
 - Ensure supply of capital for private sector and SME growth is not constrained
 - Formal credit?
 - Enhance Risk financing, without falling into "exotic" products...

Mapping

- ✓ Environmental Sustainability
- ✓ Economic Transformation
- ✓ Progress and Well Being
- ✓ **Policy Response**
- ✓ Means of Implementation

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Means of Implementation



1.a

- "Green Financing"

➤ How can Financing mechanisms specifically targeted to either "Green Growth" or "Green the Brown"?

– Maybe similar in structure to CDMs or Adaptation Funds

Mapping

- ✓ Environmental Sustainability
- ✓ Economic Transformation
- ✓ Progress and Well Being
- ✓ Policy Response
- ✓ Means of Implementation

Means of Implementation



1.a

- Clean Development Mechanisms (CDM)

Country	Number of Validated Projects	Emissions reductions (1,000 Tonnes of CO ₂)
Egypt	N/A	5,750
Iraq	N/A	3,125
Jordan	N/A	1,219
Kuwait	N/A	1,407
Lebanon	N/A	104
Libya	N/A	454
Morocco	N/A	3,115
Oman	N/A	836
Qatar	N/A	1,464
Saudi Arabia	N/A	638
Sudan	N/A	275
Syrian Arab Republic	N/A	839
Tunisia	N/A	1,221
United Arab Emirates (UAE)	N/A	2,480

Note: Data as of January 2013

➤ How can policies motivate to "do more"?

Mapping

- ✓ Environmental Sustainability
- ✓ Economic Transformation
- ✓ Progress and Well Being
- ✓ Policy Response
- ✓ Means of Implementation

Means of Implementation



1.a

- “Third Party Financing” (TPF)
 - Funding by an external Energy Service Company (ESCO) that fully undertakes the financing, design, development and operation of the project, their investment being fully reimbursed by payments related to the performance of the technology.
- Concept implemented in Egypt and Tunisia,
- Lebanon’s Central Bank has mechanisms in place to facilitate financing for some limited renewable energy projects.

Mapping

- ✓ Environmental Sustainability
- ✓ Economic Transformation
- ✓ Progress and Well Being
- ✓ Policy Response
- ✓ Means of Implementation

Means of Implementation



1.a

- R&D Spending closer to high-income countries (2.47%)
- 8% Spending on Education
 - Spilt 80/20 between school, university

Country	Education Spending ⁽¹⁾ (% of GDP)	R&D Spending ⁽²⁾ (% of GDP)
Bahrain	2.9	
Egypt	3.8	0.23
Jordan		0.34
Lebanon	2.0	
Morocco	5.6	0.64
Oman	4.3	
Qatar	2.5	
Saudi Arabia	5.6	
Sudan		0.29
Tunisia	6.3	1.02
United Arab Emirates (UAE)	1.6	
Yemen	5.2	

(1) Data for the year 2008, except Oman (2009); World Bank.

(2) Data for the year 2007 (Stevenson, 2007; ARF, 2009)

Mapping


- ✓ Environmental Sustainability
- ✓ Economic Transformation
- ✓ Progress and Well Being
- ✓ Policy Response
- ✓ Means of Implementation



1.b **Outline**

- 1. Policy Options**
 - Quantitative Policy Options
 - Qualitative Policy Options
 - ✓ Reinforcing Drivers
 - ✓ Empowering Enablers
 - ✓ Addressing Challenges
 - Policy Toolkit
2. Recommendations for coordinated Action
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1.b **Reinforcing Drivers**

"Drivers" exert different types of pressure to change, and provoke a response that differs among the various economic and social actors.

- "pull" towards participation in the emerging green sectors,
- "push" away from "brown economy" models

➤ **How can we:**

- **"Grow the Green"?**
...eco-innovation, Green market creation...
- **How can we "Green the Brown"?**
...Established practices, business models...

➤ **What response times do we expect / need?**

➤ **What is the right "mix" of Push/Pull?**

Mapping

- ✓ Environmental Sustainability
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Empowering Enablers



1.b

Actors or factors that permit, allow, promote, or empower the transition to the Green Economy.

- Enhancements in processes are improvements in communications or new development in technology.
 - How do we ensure that technology can act like a “vehicle” through which the “drivers” can enact change
 - How do we ensure that communications can seamlessly spread knowledge?
 - Implications of IP Laws, Laws on EGS...
- Changes in the environment in which companies operate, be it social, political, or legal.

Mapping

- ✓ Environmental Sustainability
- ✓ Economic Transformation
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Addressing Challenges



1.b

Factors that can hinder the transition to a Green Economy. In the context of the ESCWA Region, the challenges faced are in 4 main areas;

- **What are the specific challenges in:**
 - Governance and society
 - Knowledge and education
 - Economic sectors; Private/Public
 - Resource Production and Consumption

Mapping

- ✓ Environmental Sustainability
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1.c **Outline**

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1.c **Policy Toolkit**

- Conceptualize policies as an "integrated set of tools"
 - No "cherry picking"
 - Guidelines for Donor projects
 - the pitfalls of "Donor Defined"
 - Grass-roots feedback
 - Focus on livelihoods:
 - Local empowerment, gender equity
 - Untapped benefits of traditional knowledge

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Recommendations for Coordinated Action

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- Coordinated policies:
 - Arab Fund to support SMEs.
 - “South-South” technology transfer
 - ESCWA Technology Centre to help knowledge transfer and raising awareness.
 - Green Production Help Desks,
 - Hosted respectively by the Association of Lebanese Industrialists (ALI) in Lebanon, the Ministry of Environmental Affairs in Egypt, and the Ministry of Commerce and Industry in Oman.
- Coordinate Action on Climate Change:
 - Advocacy/Activity on Mitigation efforts by high-emission countries,
 - Coordinate adaptation activities,

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Conclusion

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- The transition towards a Green Economy:
 - Current "tech lag" is not a hindrance:
 - Unencumbered by "old tech"
 - No entrenched "bad habits" in industry
 - An opportunity to "leap forward" into new technologies

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Thank you for your attention

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