

Brown Bag Dialogue Series

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TOWARDS A green economy: WHITHER ZIMBABWE?

The landmark Rio+20 Conference on Sustainable Development provided a unique opportunity for experts, diplomats and policy makers to reflect on the topical issue of the 'green economy' in Zimbabwe and in sub-Saharan Africa more generally. But what exactly does this concept mean, and what are its implications for our continent?

Should sub-Saharan African countries adopt what UNDP's Udo Etukudo describes as an "Afro-centric perspective" in interrogating green economy issues? An important consideration for questions of green economy is the fact that most African governments need to borrow in order to grow, and have focused mainly on ensuring economic expansion for revenue

generation, at the expense of efficiency gains and technological improvements.

These are some of the ideas that formed the basis of a brownbag discussion entitled "Green Economy: Whither Zimbabwe?" that took place in Harare on 18 May, 2012. The event was organized by the UNDP in collaboration with the Ministry of Economic Planning and

Investment Promotion and the Ministry of Environment and Natural Resources Management. The emphasis of the event on sustainability and the green economy was extremely topical, as the brownbag discussion occurred in advance of the Rio + 20 Conference, held from 20-22 June 2012 in the Brazilian city of Rio de Janeiro.

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According to the United Nations Environment Programme (UNEP) 2011 Report, a green economy is one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.

Beyond the definition, there remains a divergence of opinion on how developing countries, particularly in sub-Saharan Africa should respond to the phenomena both singularly and collectively.

As one expert puts it, is it necessary for Africans to pollute in order to grow?

In Zimbabwe, the country's development blueprint, known as the Medium Term Plan (MTP), subscribes to the implementation of policies that promote a green economy. "Over the plan period, Government will encourage sustainable development by optimising the use of natural resources, and minimising irreversible environmental damage, waste production and pollution," noted the Permanent Secretary in the Ministry of Economic Planning and Investment Promotion, Dr. Desire Sibanda.

In terms of timelines and policy targets, the MTP stipulates that a National Climate Change Strategy and Policy must be developed by the end of 2013; a National Action Plan for Adaptation and Mitigation should be developed by the end of 2012; and that there must be increased integration of climate change adaptation and mitigation strategies in economic and development activities and policies at national and sectoral level by the end of 2012.

The "greening the economy-poverty eradication" nexus is crucial to the country's development agenda and the realization of this multi-sector approach "entails a whole range of issues from green jobs, low carbon production and consumption patterns which will have significant impacts, not only on the environment, but on trade patterns as well," said the Secretary for Environment and Natural Resources Management Florence Nkhairo. Experts say that this approach is commendable.

"You cannot talk of green economy without linking it to sustainable development," said Godwell Nhamo, a professor and programme manager for the Exxaro Chair in Business and Climate Change hosted by the University of South Africa. Similar remarks were echoed by Martim Maya, the UNDP Deputy Country



TOP: From left to right - James Wakiaga, Martim Maya, Permanent Secretary Dr. Sibanda, South Korean Ambassador His Excellency Lew Kwang-chul. LEFT - Professor Nhamo; RIGHT - Rodger Mpande and Udo Etukudo (Photo UNDP)

Director (Programmes). In a green economy, he said, "there is no trade-off between development and environment quality since global economic growth under 'business as usual' will be constrained by scarcity of resources and energy."

Inevitably, the push for a global green economy presents opportunities for low hanging fruit investments in renewable energy, energy efficiency, green agriculture, carbon markets etc that leads to (green) job opportunities and growth.

But there are also inherent regulatory, reputational and financial risks involved with the adopting of a green economic model. For example, issues like aid for carbon, Foreign Direct Investment for carbon, trade for carbon, carbon border adjustment taxes, among others, will have to be reconsidered if the green economy regime takes effect.

Therefore, many experts suggest that attention should shift to establishing sound regulatory frameworks, prioritizing government investment in areas that stimulate greening of economic sectors, limiting spending in areas that deplete natural resources, and employing market based instruments to shift consumer preferences and promote green investment and innovations. Investment

in capacity building and strengthening international governance are also key elements of a green economy model.

One of the countries that successfully harnessed the potential of the green economy is South Korea. In August 2008 President Lee Myung Bak declared Low Carbon, Green Growth as the new paradigm for national progress and the driving engine for creating jobs based on green technology and clean energy. Some of the measures taken to fast-track the transformation to a green economy include the enactment of the Framework Act on Low Carbon, Green Growth and formulation of the Green Growth National Strategy and a five-year plan including detailed strategies and policy directions. All these efforts have paved way for the transition into the green era. Furthermore, in January 2009 the Korean government announced plans to implement the "Green New Deal," a four year policy with a budget of 50 trillion Korean won (about US \$ 42 billion), to create 956, 420 new jobs.

During the Brown Bag discussion, the Ambassador of South Korea to Zimbabwe, His Excellency Lew Kwang-chul, observed that his government has set a national goal to reduce green house gas (GHG) emissions by 30% compared to Business As Usual (BAU) by 2020.

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Sustainability and equity in the context of a green economy

Though the Rio+20 conference on sustainable development may be over, but as a concept, sustainable development has never gained more currency in recent memory, thanks to the conference.

Adding to the growing global debate on Green economy issues, the 2011 Human Development Report, whose theme Sustainability and Equity: a Better Future for All echoed widely held sentiments about the importance of human-well being as the focus of national economic advancement. The report emphasizes that the sustainability of the earth's resources must be approached as a matter of basic social justice, for current and future generations alike.

In that regard, it makes the recommendation for more resources to be devoted globally to tackling global environmental threats, and at the same time help poor countries gain access to development finance.

One key element in the green economy debate is a UN-backed initiative that seeks to provide solar, wind and other renewable energy electricity services to 1.5 billion people world-wide, about 45 percent of them in Africa. According to experts, such an exercise could be achieved with investments as little as one-eighth of the amounts currently spent on subsidies for fossils fuels. The 2011 Human Development Report also called on countries to increase funding for low-carbon development and climate change mitigation and adaptation initiatives.

"Concerns with sustainability and equity are similar in one fundamental sense: both are about distributive justice.

Inequitable processes are unjust, whether across groups or generations," says the report.

In remarks made during the launch of the Report in Zimbabwe earlier this year, UN Resident Coordinator Alain Noudehou echoed a similar theme, saying: "Overall, the report highlights the positive synergies which exist between greater equity and sustainability. For example, evidence has shown that investments in access to renewable energy, clean water, and improved sanitation will advance equity, sustainability, and human development."

Zimbabwe's Medium Term Plan (MTP), premised on ensuring sound management of the environment to ensure sustainable development, subscribes to the implementation of policies that promote a green economy.

The Government Blue print sets out the role of state in achieving national goals

in greening the economy: The State regulates, sets standards and targets and provides direction and although the major part of funding/investments in greening the economy will come from the private sector it is the duty of government to protect country's natural resources for national development.

"In a green economy, growth in income and employment should be driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services," said the Permanent Secretary for Economic Planning and Investment Promotion, Dr Sibanda, during the brownbag discussion.

As the example of Korea demonstrates, the success of the green economy lies in attitude change from all sectors of the economy and all green growth initiatives should be all inclusive.

According to UNDP Economic Adviser, Udo Etukudo, "Green economy initiatives support the broader agenda of sustainable economic development by seeking to make qualitative improvements to national economies. However, the key question is "what is preventing developing countries make the necessary qualitative changes to their economies?" Part of the answer to that question, in his view, lies in the fact that the technologies essential for pursuing a green economy agenda tends to be too costly, combined with the fact that there is insufficient innovation in production techniques in developing countries. "These challenges could be rectified with deeper integration into the global economy through trade and investments, and adequate and sustained Government financing for better public services delivery."

In "The Future We Want," the outcome document of Rio +20, green economy is perceived as contributing to eradicating poverty as well as sustained economic growth, enhancing social inclusion, improving human welfare and creating opportunities for employment and decent work for all, while maintaining the healthy functioning of the Earth's ecosystems.

Rio+20 recognized that urgent action on unsustainable patterns of production and consumption remains fundamental to addressing environmental sustainability, and promoting conservation and sustainable use of biodiversity and ecosystems, regeneration of natural resources, and the promotion of sustained, inclusive and equitable global growth.

Rio +20: Creating a new architecture for sustainable development

Some 40,000 people – including some 100 heads of state and government and representatives from NGOs and the private sector – attended Rio+20, seeking to shape new policies to promote global prosperity, reduce poverty and advance social equity and environmental protection. Over 50 million people from all over the world took part in Rio+20 through social media platforms.

The Member States renewed their commitment to sustainable development; agreed to establish universal Sustainable Development Goals (SDGs) SDGs; affirmed the importance of gender empowerment, the right to water and food, and the need to address poverty; adopted a 10-year framework on sustainable consumption and production; and acknowledged the potential for greening economies.

The outcome document calls for a wide range of actions including the following;

- Beginning the process of establishing sustainable development goals that are action-oriented, concise and easy to communicate, limited in number, aspirational, global in nature and universally applicable to all countries while taking into account different national realities, capacities and levels of development and respecting national policies and priorities.
- Detailing how the green economy can be used as a tool to achieve sustainable development by contributing to eradicating poverty as well as sustained economic growth, enhancing social inclusion, improving human welfare and creating opportunities for employment and decent work for all, while maintaining the healthy functioning of the Earth's ecosystems.
- Strengthening the UN Environment Programme (UNEP) in its capacity as the leading global

environmental authority that sets the global environmental agenda, that promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and that serves as an authoritative advocate for the global environment

- Promoting corporate sustainability reporting measures and encouraging industry, interested governments and other relevant stakeholders with the support of the UN system, to develop models for best practice and facilitate action for the integration of sustainability reporting, and paying particular attention to the needs of developing countries, including for capacity building.
- Developing a strategy for sustainable development financing by establishing an intergovernmental process under the United Nations General Assembly, with technical support from the UN System, and in open and broad consultation with relevant international and regional financial institutions and other relevant stakeholders. The process will

assess financing needs, consider the effectiveness and synergies of existing instruments, and evaluate additional initiatives with a view to preparing a Sustainable Development Financing Strategy to facilitate the mobilization of resources and their effective use in achieving sustainable development objectives.

- Adopting a framework for tackling sustainable consumption and production for sustainable

“The human development approach can guide policy makers to focus on what matters most – better lives for people. It provides a lens through which governments can think about policies – a lens which highlights linkages between different goals, and helps foster “whole-of-government” solutions to “whole-of-society” challenges. There is no bigger such challenge than that of sustainable development.”

Helen Clark, UNDP Administrator

development. This framework promotes sustained, inclusive and equitable economic growth, which will create opportunities, reduce inequalities, and raise basic standards of living. In order to do so, this framework also promotes integrated and sustainable management of natural resources and ecosystems that supports inter alia economic, social and human development while facilitating ecosystem conservation, regeneration and restoration and resilience in the face of new and emerging challenges.

The document also contains recommendations on increasing gender equity; recognizing the importance of voluntary commitments on sustainable development; and stressing the need to engage civil society and incorporate scientifically sourced data into policy.

Source: Rio+20 Outcome Document (*The Future we Want*)

Green economy and climate change in Zimbabwe

In a largely agriculture-based economy, the linkages between climate change and green economy are increasingly assuming great significance as policy-makers grapple with the manifestations of climate change, such as land degradation, biodiversity loss and droughts. These environmental consequences both directly and indirectly impact on the livelihoods of farming communities and the rural poor.



Climate change affects the environment leading to droughts. (Photo - satagvi (sxc.hu))

These manifestations of climate change have presented ongoing problems for food security. In the Africa Human Development Report 2012 (AHDR) published by UNDP, sub-Saharan African countries are described as being particularly vulnerable to the perils of climate change because they already face semiarid conditions that disrupt agriculture and the fact that climate change is likely to shorten the growing season even more, forcing large regions of marginal agriculture out of production.

The AHDR notes that “climate change will also increase evapotranspiration, which will lead to water shortages at critical peak seasons—especially serious in semiarid sub-Saharan Africa.”

In Zimbabwe, an estimated 65 % of the population lives in rural areas and derives their livelihoods from agriculture, with a significant proportion living in dry and drought prone areas. Therefore, climate change threatens Zimbabwe’s development objectives because natural resource based sectors like agriculture, energy, tourism, forestry and water, are sensitive to climate change.

“To mitigate climate change, the Medium Term Plan (MTP) 2011-2015—the country’s development blueprint—must result in the development of climate-smart policies in all sectors of the economy, particularly agriculture, energy, water, forestry, mining and tourism,” argues Professor Godfrey Nhamo.

He sees the development of a National Climate Change Strategy and Policy under the MTP as a priority.

While acknowledging that climate change poses a significant and complex challenge to social and economic development in Zimbabwe, the MTP notes that agriculture plays a pivotal role in Zimbabwe’s economy and has the potential to significantly reduce poverty, enhance economic growth and entrench economic stability. Stressing the importance of access to regular water supply to avoid dependence on rain-fed agriculture, the MTP propose the need to build more dams as one possible measure to address the low water supply problem.



Jobs galore as the green economy era beckons

In a continent where unemployment remains high, especially among youth, the transformation to a green economy is a potential game changer, providing many job possibilities in both the formal and informal sectors.

The Africa Economic Outlook 2012, published in May of this year, paints a gloomy picture of unemployment situation in Africa. Between 2000 and 2008, despite world-topping economic growth rates, and a better educated youth, Africa created only 16 million jobs for young people aged between 15 and 24.

This “jobless growth” as Mthuli Ncube, Chief Economist and Vice-President of the African Development Bank (AfDB), puts it, is “an unacceptable reality on a continent with such an impressive pool of youth, talent and creativity.”

Co-written by the African Development Bank, the Development Centre of the Organisation for Economic Cooperation and Development (OECD), the United Nations Economic Commission for Africa (UNECA) and the UN Development Programme (UNDP), the Report states that youth are an opportunity for future economic growth.

How can the green economy come to the rescue and utilize these untapped human resources?

According to a 2008 UNEP report, the green economy will create additional

jobs in numerous fields, such as the manufacture of pollution-control devices that will be added to existing production equipment. At the same time, some employment will be substituted, for instance in shifting from fossil fuels to renewable fuels or from truck manufacturing to rail car manufacturing, or from land-filling to recycling. However, other jobs will be eliminated, when for example; production of packaging materials is discouraged or banned.

In addition, carbon trade also potentially offers abundant opportunities, through the Clean Development Mechanism (CDM) of the Kyoto Protocol. The CDM is a unique instrument of international collaboration for addressing climate change and furthering sustainable development. The mechanism stimulates sustainable development and emission reductions, while giving industrialized countries some flexibility in how they meet their emission reduction limitation targets.

Experts say that projects in renewable energy, improved industrial efficiency and industrial processes, fuel switching and municipal solid waste disposal offer the greatest potential for CDM. In sub-Saharan Africa, CDM projects have been implemented in South Africa, Senegal, Tanzania, Nigeria, Zambia, Rwanda, Kenya and Uganda, among others.

Noteworthy is the South African experience, whereby the Kuyasa CDM

pilot project has led to the creation of 85 full-time, skilled, and trained jobs. This project has led to the retrofitting of over 2,300 low-cost homes in the district of Khayelitsha in Cape Town with solar water heaters, ceiling insulation, and energy efficiency lighting.

In addition, the government of South Africa signed the Green Economy Accord in November 2011, billed as one of the most comprehensive social pacts on green jobs in the world. The Accord “builds a partnership to create 300, 000 new jobs by 2020, in economic activities as diverse as energy generation, manufacturing of products that reduce carbon emissions, farming activities to provide feedstock for bio fuels, soil and environmental management and eco tourism.”

However, such initiatives will need the support of local governments to be successful because they have a significant leadership role in helping local communities understand and adapt to climate change, and to take advantage of the opportunities that emissions trading may bring.

“Local government associations have a key role to provide coordinated and relevant support to its members as they engage with the greener economy,” says Professor Godfrey Nhamo, Exxaro Chair in Business and Climate Change hosted by the University of South Africa.

Towards a green economy: Whither Zimbabwe?

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The Government aspires not only to introduce strategies for green economic development and improve the quality of life in Korea but also to function as a bridge between the developed and developing countries. In addition, the Global Green Growth Institute in Seoul was established in 2010 and was designed to develop Green Growth as a national development paradigm into a global agenda.

“Developed and developing countries should break their impasse over climate change and an alternative should be offered to build sustainability of social and economic development compatible with being green,” said the Ambassador, adding that these countries should find development cooperation projects beneficial to all interested parties.

But in Africa there are concerns about the continent-wide lack of awareness about financing tools provided to

encourage green economies, including the Clean Development Mechanism (CDM) that seeks to stimulate sustainable development and emission reductions, while giving industrialized countries some flexibility in how they meet their emission reduction targets. A CDM project activity might involve, for example, a rural electrification project using solar panels or the installation of more energy-efficient boilers.

In conclusion, the experts pronounced several recommendations for moving towards a green economy in Zimbabwe, including the need for a green economy roadmap for Zimbabwe as well as sector-based strategy plans and quality research to inform this strategic planning and thinking. It was further noted that the climate change strategy be done as soon as possible, which will build into the green economy strategy and sector-based green economy action plan.

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“Going forward, there is need to put climate change issues at the centre of development strategies, plans and programmes in all sectors of the economy,” said the Permanent Secretary for Economic Planning and Investment Promotion, Dr. Desire Sibanda, adding: “This will ensure the sustainability of current strategies for social and economic development thus the achievement of set targets as well as their compatibility with international best practices on climate change adaptation.”

According to the Climate and Development Knowledge Network, climate compatible development goes one step further by asking policy makers to consider “triple win” strategies that result in low emissions, build resilience and promote development simultaneously

In a related development, a climate change adaptation symposium was held in Harare from 6-8 June, 2012. Entitled Building Climate Resilient Rural Communities it was facilitated by UNDP’s Coping with Drought and Climate Change Project.

The symposium brought together about 100 people drawn from relevant government ministries, as well as representatives of civil society, academic institutions, and private sector firms involved in the area of the environment and climate change in Zimbabwe.

Brown Bag Dialogue Series

The Brown Bag Dialogue Series is a quarterly publication of the United Nations Development Programme (UNDP) in Zimbabwe. The publication reflects the ongoing exchange or conversation with our key partners, the Government of Zimbabwe, other UN Agencies, development partners, Non-Governmental Organisations and the private sector in seeking lasting solutions to the plethora of development challenges facing the country.



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