

Rio+20 is an opportunity to fast-track the transition to the Green Economy

Title

While significant development progress has been achieved over the past two decades, with almost 650 million people moving out of extreme poverty, nearly 1.3 billion women, men and children have been left behind, living on less than US\$1.25 per day. Even greater numbers suffer other forms of poverty and deprivation, and inequality both within and between countries has increased. The challenge of overcoming poverty and inequality will be greatly compounded by the increasingly interlinked crises of ecosystem degradation, climate change and economic disruption, which disproportionately impact the poor and most vulnerable. A transition to a green economy could lift millions of people out of poverty while addressing the root causes of these environmental crises, such as unsustainable exploitation of natural resources, and dependence on carbon-heavy fossil fuels. But this would need the support of strong policies and public- and private-sector investments. These are the findings of a new report, *Building an Inclusive Green Economy for All*, launched at the Rio+20 summit by the Poverty-Environment Partnership (PEP), a network of bilateral aid agencies, development banks, UN agencies and international NGOs, including BirdLife International. Scaling up current examples of the green economy in action - particularly in developing countries - has the potential to deliver a 'triple bottom line' of job-creating economic growth, environmental sustainability and social inclusion, says the report. Many Least Developed Countries and poor regions of middle-income countries are endowed with the natural resources that would allow them to build green economies that can sustainably reduce poverty. For example, poorer countries are often rich in biodiversity for the development of ecotourism, a sector that is projected to generate revenues of US \$240 billion in 2012. The majority of poor households depend on environmental assets for their incomes and livelihoods. Ecosystem services and other non-marketed goods have been estimated to account for between 47 and 89 percent of the so-called 'GDP of the poor', although these contributions are largely ignored by official statistics. Poor and vulnerable groups are also most affected by climate-related shocks. Investing in ecosystems as part of an inclusive green economy is one of the most important and cost effective means of enhancing resilience to climate change impacts, said Melanie Heath, BirdLife's Head of Policy. Maintaining or restoring natural infrastructure can help reduce vulnerability to storm surge, rising sea levels and changing precipitation patterns. On the international level, the development of Reduced Emissions from Deforestation and Forest Degradation (REDD+) also offers potential for poverty eradication if accompanied by rigorous social safeguards, especially for local and indigenous people. For example, in Indonesia, a

US \$1 billion REDD+ investment by Norway led to a one year moratorium on logging in Kalimantan, and has the potential to safeguard 45 per cent of the province's forests, while providing new livelihood and income opportunities for local people. Many green economy investments have the potential to deliver significant benefits for human health. Investing in cleaner energy for households in developing countries, such as more efficient cookstoves, can reduce dependency on wood fuel and tackle deforestation, while limiting exposure to indoor air pollution. Moving toward an inclusive green economy requires that the interests of poor and marginalized women and men are protected through greater democratic governance, with local communities having greater control over the environmental assets on which they depend for their livelihoods and well-being, including land tenure, water access and forest management. Empowerment and more secure rights over land and resources provide poor people with more control and security, conditions which can help drive long-term poverty reduction, said David Thomas, BirdLife's Head of Communities and Livelihoods. Many of the areas rich in green economy opportunities are also areas with high levels of poverty and governments will need to ensure that any increased returns, such as from production of renewable energy, actually benefit local communities and are invested in poverty-reduction. The report calls on delegates meeting for the Rio+20 Summit to consider five critical building blocks towards an inclusive green economy:

- **National Economic and Social Policies:** Fiscal policies, tax regimes, and green social protection policies and programmes can strengthen a pro-poor transition;
- **Local Rights and Capacities:** Ensuring poor people have rights and tenure over their natural resources backed by the means and the incentives to sustainably manage and benefit from them;
- **Inclusive Green Markets:** New business models are needed to build and expand the poor's access to inclusive markets and supply chains for green products and services, together with access to micro-credit and business development services for small and medium-scale enterprises;
- **Harmonized International Policies and Support:** Higher-income countries need to provide coherent aid, trade and other policies to enable low-income countries to succeed in a green economy transition; and
- **New Metrics for Measuring Progress:** Going beyond the narrowness of GDP to a broader indicator of economic, social and environmental progress and human well-being: this is a key issue on the table at Rio+20.

To put these building blocks into place and move towards an inclusive green economy requires stronger partnerships between civil society, governments and business, working with poor and vulnerable groups and their local organizations in new and innovative ways, said David Thomas. The full report is available at www.povertyenvironment.net/pep. The publication has been prepared by staff from Asian Development Bank, Australia (AusAid); Finland's Ministry of Foreign Affairs; Germany's GIZ; the International Institute for Environment and Development; the International Union for the Conservation of Nature; the Organization for Economic Cooperation and Development; the UN Development Programme; the UN Environment Programme; the World Bank; the World Business Council for Sustainable Development and the World Resourc