

#### Green Growth Indicators: OECD Approach

#### CNIS Paris 12 April 2012 Paul Schreyer (OECD)



# 1. OECD Green Growth Strategy



# Background

- Mandate to OECD in 2009
- Report to Ministerial meeting in 2011
  - Green Growth Strategy
  - Green Growth Indicators
  - Tools for Delivering on Green Growth
  - Special reports on
    - Agriculture
    - Energy



#### ...to start with, a definition of Green Growth

Green growth is about fostering economic growth and development while ensuring that the natural assets continue to provide the resources and environmental services on which our well-being relies. To do this it must catalyse investment and innovation which will underpin sustained growth and give rise to new economic opportunities.



# ...what's different from Sustainable Development?

- SD provides important context for GG
- GG: more narrowly focused and with a strong policy component
- Green growth:
  - Emphasises *flows* and greening of growth
  - Emphasises economic opportunities: fostering innovation, investment and competition that can give rise to new sources of economic growth
  - Takes an 'optimistic' stance about of growth and resilient ecosystems



# Sources of green growth

#### Green growth can **open up new sources of growth**

#### through:

- Enhanced productivity
- Innovation
- New markets
- Confidence
- Stability

# and also **reduce risks of negative shocks to growth from:**

- Bottlenecks from resource scarcity
- Imbalances in natural systems

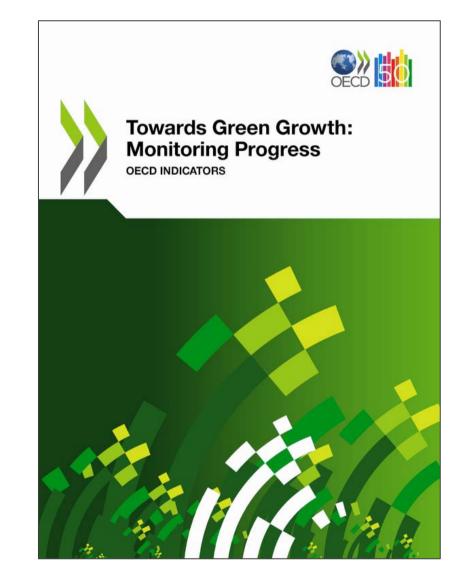




#### 2. OECD Green Growth Indicators



# ... indicators report





#### Four dimensions

- Low-carbon, resource-efficient economy: *Indicators of environmental and resource productivity*
- ->IS GROWTH BECOMING GREENER?
- Rising productivity is not enough: often, an *absolute* decline in environmental pressures is needed to *keep the natural asset base intact*
- ->IS THERE A RISK OF FUTURE SHOCK TO GROWTH?

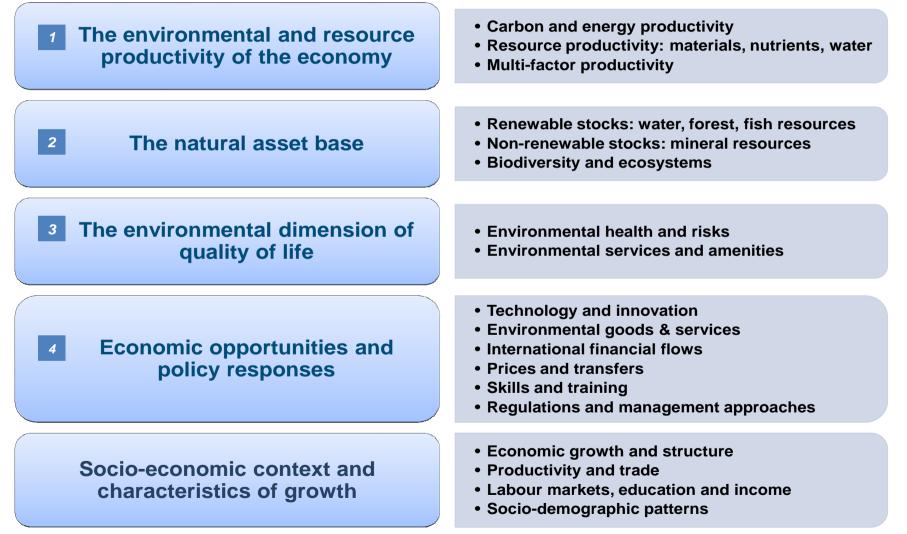


#### Four dimensions

- Capturing the direct interaction between people and the environment : *indicators of environmental quality of life*
- → HOW THE ENVIRONMENT AFFECTS PEOPLE
- *Economic opportunities* from environmental considerations and *policy responses*
- ->HOW GREEN HELPS GROWTH & EMPLOYMENT



#### Indicator groups and topics





#### ...full list of about 25 indicators (extract)... with considerable gaps

Group/theme	Proposed indicators	Туре	R	S	М
Environmental and resource productivity					
Carbon & energy productivity	<ol> <li>CO<sub>2</sub> productivity</li> <li>1.1. Production-based CO<sub>2</sub> productivity</li> </ol>	M	1	1	S
	<ul> <li>GDP per unit of energy-related CO<sub>2</sub> emitted</li> <li>1.2. Demand-based CO<sub>2</sub> productivity</li> <li>Real income per unit of energy-related CO<sub>2</sub> emitted</li> </ul>	М	1	2	S/M
	2. Energy productivity 2.1. Energy productivity (GDP per unit of TPES)	М	2	1	S
	2.2. Energy intensity by sector (manufacturing, transport, households, services)	Μ	2	1	S/M
	2.3. Share of renewable energy in TPES, in electricity production	Μ	1	1	S
Resource productivity	<ul> <li>Material productivity (non-energy)</li> <li>3.1. Demand based material productivity (comprehensive measure; original units in physical terms) related to real disposable income</li> </ul>	М	1	3	M/L
	<ul> <li>Domestic material productivity (GDP/DMC)         <ul> <li>Biotic materials (food, other biomass)</li> <li>Abiotic materials (metallic minerals, industrial minerals)</li> </ul> </li> </ul>	Ρ	1	2	S/M
	3.2. Waste generation intensities and recovery ratios By sector, per unit of GDP or VA, per capita	Μ	1	1	M/L
	<ul> <li>3.3. Nutrient flows and balances (N,P)</li> <li>Nutrient balances in agriculture (N, P) per agricultural land area and change in agricultural output</li> </ul>	M P	1 2	3 1	L S/M
	4. Water productivity VA per unit of water consumed, by sector (for agriculture: irrigation water per hectare irrigated)	Μ	1	1	Μ
Multi-factor productivity	5. Multi-factor productivity reflecting environmental services (comprehensive measure; original units in monetary terms)	М	1	2	M/L



## ...qualifier for each indicator

Criteria	Classification
Relevance (R)	1= high
	2= medium
	3= be further reviewed
Analytical soundness (S)	1= good
	2= average
	3= to be further reviewed
Measurability (M)	S = short term
	basic data currently available for a majority of OECD countries; M = medium term
	basic data partially available, but calling for further efforts to improve their quality (consistency, comparability, timeliness) and their geographical coverage (number of countries covered) L = long term
	basic data not available for a majority OECD of countries, calling for a sustained data collection and conceptual efforts.



# 3. Measurement Agenda



### Measurement agenda (1)

- **1. Updating indicator publication**
- 2. Implementing environment-economy accounting framework
- Key for consistent information
- Key for the construction of indicators
- SEEA adopted by the United Nations
- Next: implementation OECD



# Measurement agenda (2)

- **3. Focus: measuring natural resources**
- Accounts on **land**, in particular monetary valuation and volume measures
- Valuation of **other natural resources**, such as non-energy and energy mineral resources, and timber resources



# Measurement agenda (3)

#### 4. Extended growth accounting

- Better capture growth contribution of natural assets
- Are we measuring productivity correctly?



#### Join the discussion!



- International Green Growth
   Dialogue online community
- A secure site for sharing your perspectives and initiatives, and discussing the development of the Green Growth Strategy.
- To register, email your contact details to: green.growth@oecd.org

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Welcome, Catherine JEFFCOA	T (Log out)	
	Iogue Green Growth Dialogue ontent (33) 😪 Discussions (2) 🦲 Documents (31) Set as default tab	
	I version of the Interim Report is now available Show Details	1 2
Latest Documents for Comment or Discussion	Welcome to the International Green Growth Dialogue The OECD Concern Growth Strategy is being developed to address both economic and environmental challenges, with input from multiple disciplines. To succeed, it needs a wide range of perspectives from OECD and partner countries as well as other stakeholders including international organisations, civil society and business.	Actions
What green growth initiatives are being implemented in your country?		Create a document Create an announcement Create a poll
Re: Green Growth Strategy - Interim Report C(2010)48	This website is a collaborative forum for sharing your perspectives and your own initiatives, and discussing the development of the Green Growth Strategy. It complements the discussions that take place in formal OECD bodies.	Create Tag Group
Latest Documents for Information	Read the CECD Green Growth Declaration (25 June 2009)	Receive email notifications
Recent Green Growth events	What's New	
Events	16/06/2010 -	OECD Links
<ul> <li>President Lee Myung-bak Declares Official Launch of the Global Green Growth Institute at East Asia Climate Forum 2010</li> <li>Oclean Green Growth</li> </ul>	15/06/2010 - <u>The Economic Survey of Korea 2010</u> contains a chapter on Korea's green growth strategy: mitigating climate change and developing new growth engines 28/05/2010 - <u>Outcomes of the 2010 Council Meeting at Ministerial Level</u>	OECD Green Growth webpage     OECD Forum 2010     Meeting of the OECD Council at Ministerial
Colour Green Growth Strategy Interim Report C/MIN(2010)5 - Chinese	27/05/2010 - Follow the Forum sessions at Forum 2010 webcasts and OECD Insights Blog. Forum presentations: Overview /	Level 2009     Interim Report



**Green Growth Strategy** 





#### Thank you!

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