



# OECD Green Growth Strategy

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# The OECD Green Growth Strategy

Green Growth is an *opportunity*

Our work starts with the premise is that there is no necessary conflict between pursuing economic growth and doing so in a green way. We need *growth* and it *needs to be green*.

Green Growth gives rise to *new challenges*

“Green growth implies massive structural changes across the economy; it will be all-encompassing. It requires all hands on deck.” Simon Upton, Environment Director, OECD

Green Growth is *multidisciplinary*

- 29 OECD Committees
- Delegates from Ministries of Finance, Economy, Environment, Agriculture, Trade, Development Co-operation, Industry...



# Green Growth Strategy milestones

2009

- Declaration on Green Growth



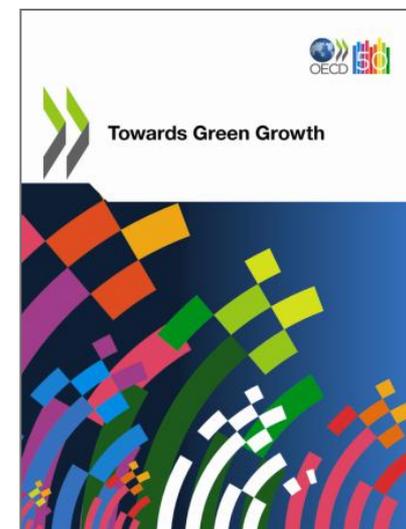
2011

- Flagship Report: *Towards Green Growth*
- Toolkit: *Tools for Delivering on Green Growth*
- Indicators: *Towards Green Growth: Measuring Progress – OECD Indicators*



2015

- Synthesis Report: *Mainstreaming, Policy Advice and Monitoring*

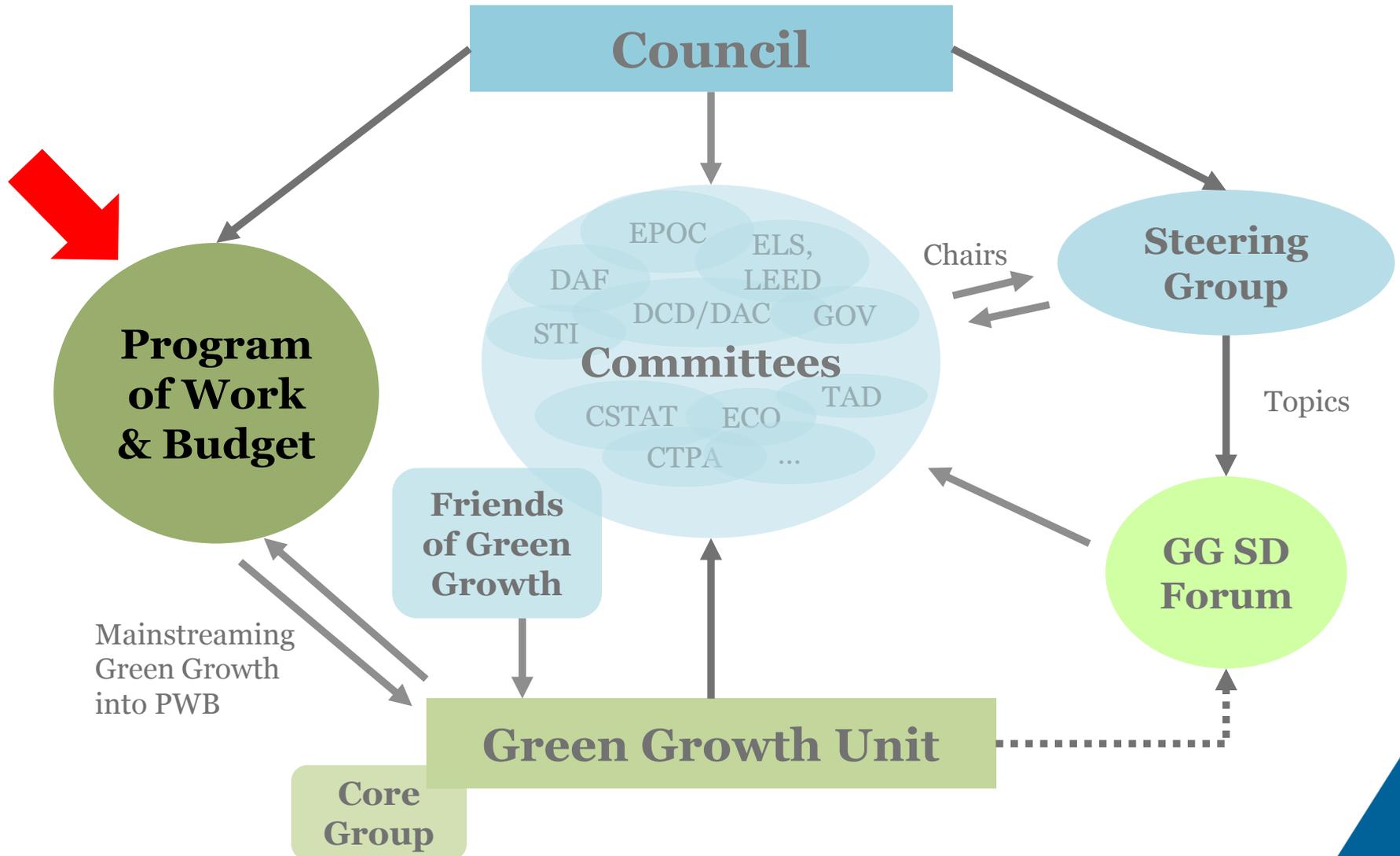




# Mainstreaming in practice



# Green growth governance at OECD





# Green Growth Indicators: Moving from purely economic reviews to integrated GG Assessment

Group	Theme	Proposed headline indicator
Environmental and resource productivity	Carbon productivity	1. CO <sub>2</sub> productivity
	Resource productivity	2. Non-energy material productivity
	Multifactor productivity	3. Multifactor productivity incl. environmental services
The natural asset base	Renewable and non-renewable stocks	4. Index of natural resource use
	Biodiversity and ecosystems	5. Changes in land use and cover
Environmental quality of life	Environmental health and risks	6. Air pollution (population exposure to PM 2.5)
Economic opportunities and policy responses	Tech. and innovation, EGS, jobs, prices, taxes, transfers, ...	+ 1 placeholder: For countries to choose • “Green” is difficult to isolate; Cross-country variation in policies



## OECD Country Reviews – National Policy Surveillance

	<b>Economic Survey</b>	<b>Environmental Performance Review</b>	<b>Investment Review</b>	<b>Review of Innovation Policy</b>
Issues per year	~ 20	~ 4	~ 4	2-4
Cycle	2 years	7 years, midterms	N/A	N/A
Total countries covered	48	38	42	20
First year	1961	1993	1993	2007
Directorate	ECO	ENV	DAF	STI

- 4 core Directorates involved
- Aim: systematically assess GG policy using the indicators
- Move towards benchmarking across countries and tracking across time



# From Mainstreaming to Policy Advice

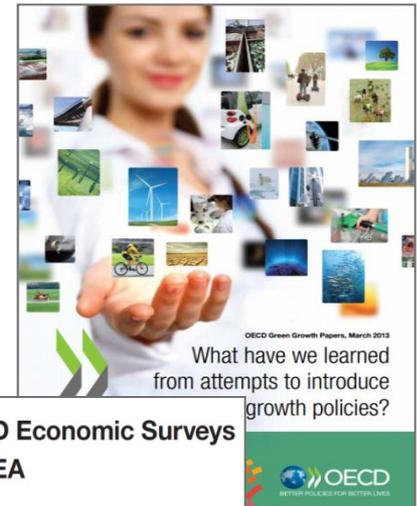
## **Mainstreaming** green growth and **monitoring** progress

- Green growth strategy
- Green growth indicators
- Country policy surveillance



## **Economic policies** to foster green growth

- Investment and finance
- Taxation and regulation
- Reform of fossil fuel support measures
- Trade
- Innovation
- Climate change adaptation
- International agreements
- Policy coordination (e.g. labour market)





# Snapshot of Green Growth Policies

## Make pollution more costly than green alternatives

- Environmental taxes, emissions trading schemes

## Value and price natural assets and ecosystem services

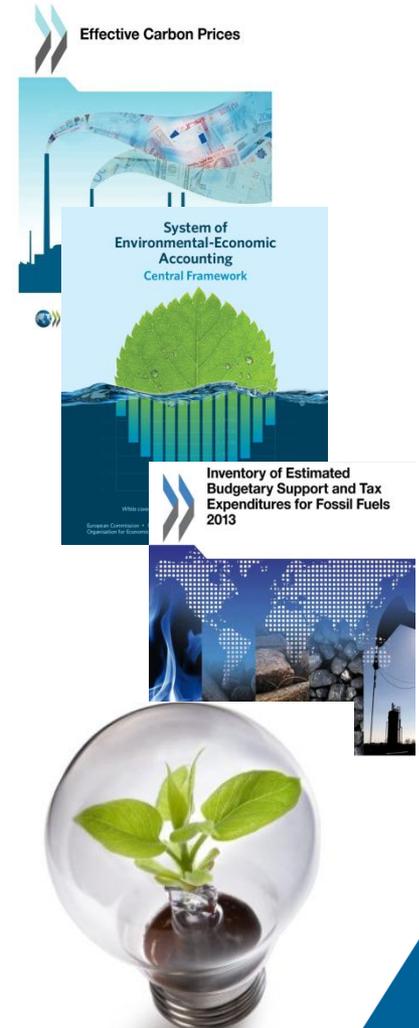
- Water pricing, payments for ecosystem services, natural park charges

## Eliminate environmentally harmful subsidies

- Subsidies to fossil fuels, irrigation water

## Effective policy design to transition underlying policy systems as well as key sectors

- Green innovation, green investment and finance, trade policy





# Sectors and socio-economic contexts matter

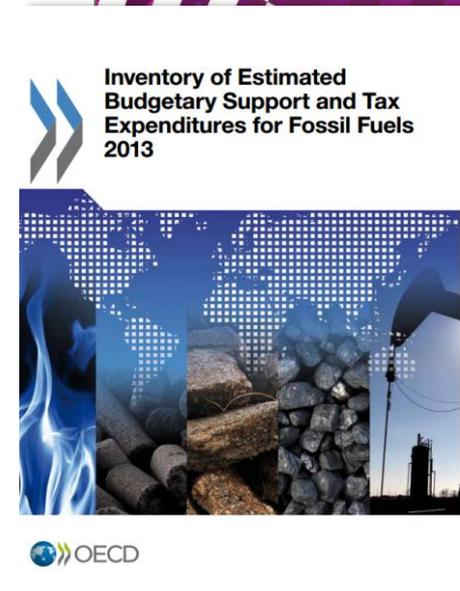
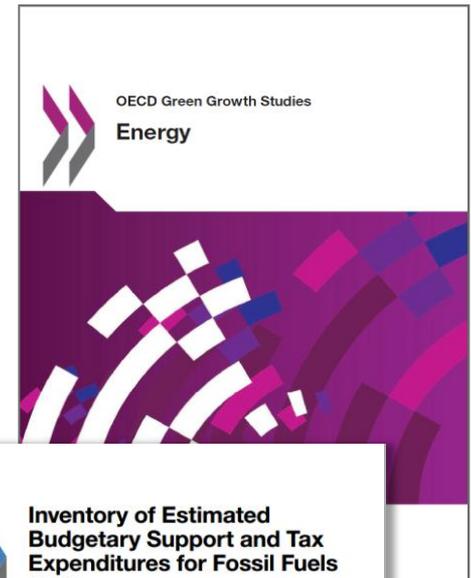
## Green growth at **sectoral level**

- Energy
- Transport
- Agriculture
- Water
- Biodiversity and ecosystems
- Waste

## **Socio-economic** aspects of green growth

- Development
- Distributional impacts (households, skills)
- Behavioural economics
- Education and training
- Energy poverty

## Greening **cities, regions and communities**





# The OECD Green Growth and Sustainable Development Forum



# Green Growth and Sustainable Development Forum

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- **OECD initiative:** a dedicated space for multi-disciplinary dialogue
- **Interactive platform:** brings together experts from different policy fields and disciplines; facilitates discussion
- **Valuable supplement:** for the work undertaken in individual government departments and ministries
- **Meeting point:** for policy makers, academics and experts to exchange experiences, policy tools and best practices

# 2014 GGSD Forum: Addressing social implications of green growth

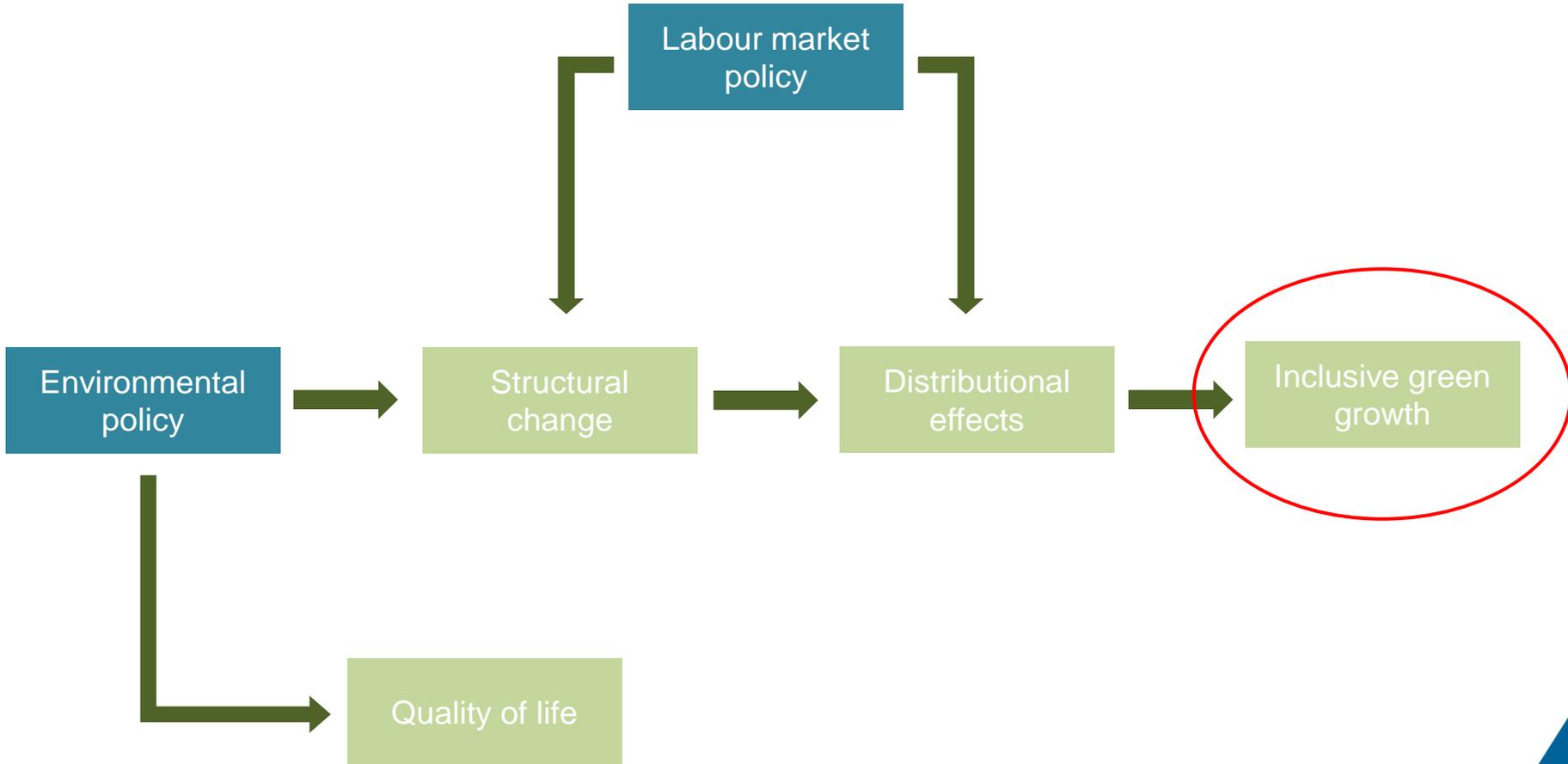
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- **Going for inclusive green growth in an increasingly unequal world**
  - Current trends in inequality and implications for green growth policy
- **Energy sector reform and its impact on households**
  - Social impacts of green growth policies based on experience with the energy sector to date
- **Inclusive labour markets for green growth**
  - Labour market challenges associated with green growth





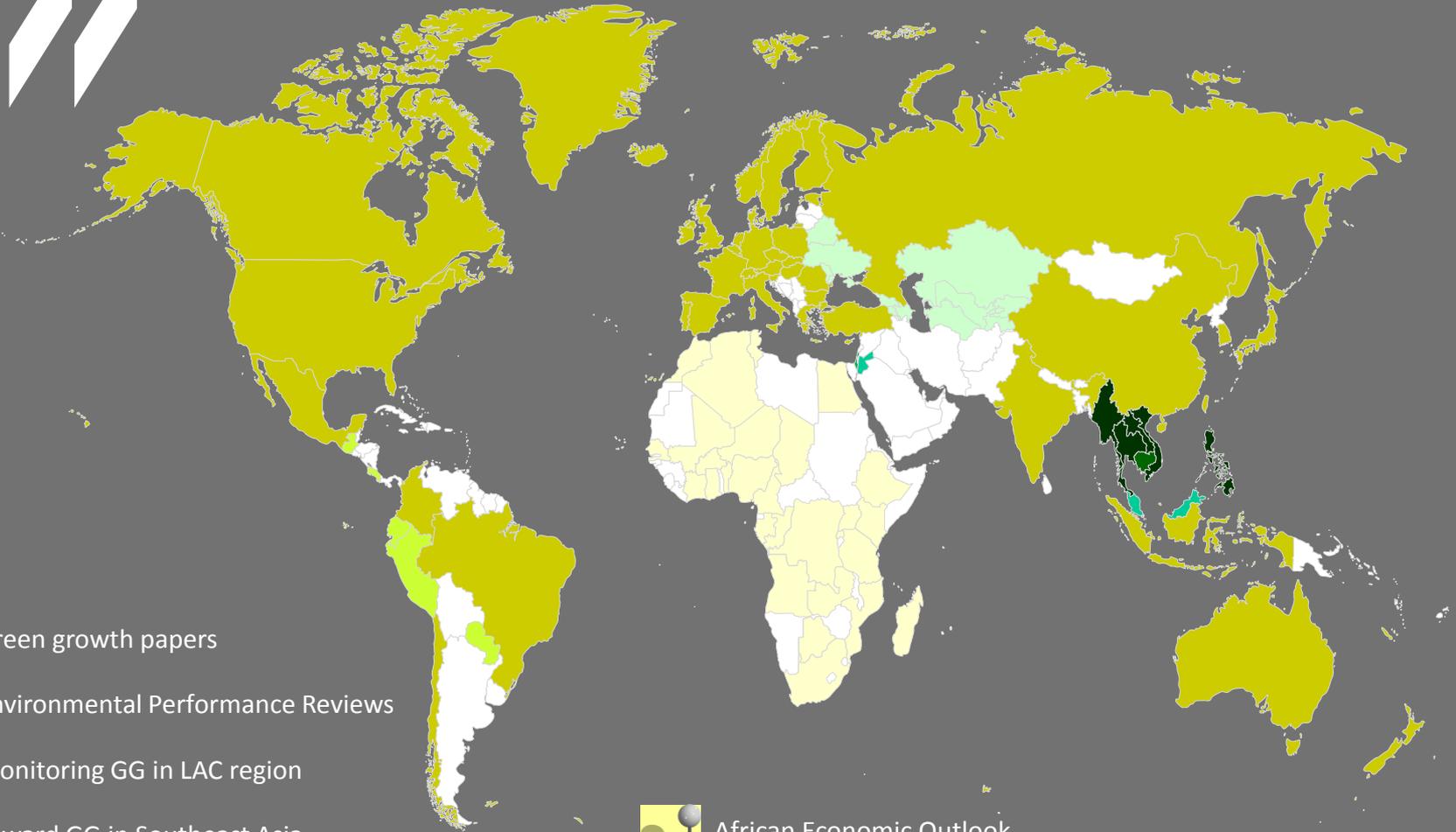
# Labour market and environmental policy





# Moving forward — The 2015 Green Growth Synthesis Report

# Green Growth is global and all-encompassing



-  Green growth papers
-  Environmental Performance Reviews
-  Monitoring GG in LAC region
-  Toward GG in Southeast Asia
-  Investment Policy Reviews with GG chapter
-  Economic Surveys

-  African Economic Outlook
-  GG in the EECCA region
- + GG in cities ...



# Rationale for the Report

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- **Build momentum:** Further mainstreaming GG in OECD publications and committees (economics, environment, statistics, innovation)
- **Synergies / black holes:** Carrying out a systematic review of OECD country reports and their coverage of *indicators, topics and policies related to GG* to identify *priorities for future work*
- **Mainstream use of GG indicators:** Long-term goal to move to an *integrated policy review* and establish Green Growth as a metric for policy success



# The aim of the 2015 Synthesis Report

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- **Overview:**
  - What topics are covered by OECD country reviews?
  - Are GG Indicators used systematically?
  - Is there a follow-up on policy recommendations?
- **Country progress:** Present overarching challenges and case studies in Green Growth policy implementation
- **Surveillance / monitoring:** Explain the need and develop ideas for benchmarking GG policies across countries and tracking them across time



## Preliminary Findings

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- No systematic use of GG Indicators
- Problem of long cycles for tracking
- Too much focus on first-best solutions that are politically not feasible
- Too often only energy sector analysis
- Poor coverage of innovation policies



## Next steps, way forward

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- **Focus on how to accelerate and intensify mainstreaming process**
  - More systematic consideration of green growth indicators in core policy advice?
  - More systematic follow-up of environmental performance in economic reviews?
  - Tracking of cross-country lessons from reviews to assist benchmarking?
- **Aim: more targeted support to government in implementing and tracking green growth**



# THANK YOU!

Contact us and follow up on our work

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