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A Guidebook to the Green Economy

Issue 2: exploring green economy principles

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1. Introduction

The concept of green economy has received significant international attention over the past few years both as a tool to address the 2008 financial crisis as well as one of the two themes for the 2012 United Nations Conference on Sustainable Development (Rio+20). This has resulted in a rapidly expanding literature and emerging international practice as well as new partnerships, coalitions and platforms.

Despite the growing international interest in green economy, negotiations among Member States for Rio+20 were challenging. This was partly due to the fact that the concept was quite new and there was a lack of an internationally agreed definition or universal principles for green economy. Importantly, when the concept was first adopted as a theme for Rio+20, there was also a lack of clarity around the relationship between green economy and internationally agreed objectives such as sustainable development and poverty eradication, as well as a lack of understanding regarding the potential challenges, risks, costs and benefits of implementing green economy policies. The concerns raised early on by a number of governments included the need for any outcome on green economy to address the three dimensions of sustainable development in a balanced manner and fully respect all of the previously agreed Rio Principles.

The adoption of green economy in the context of sustainable development and poverty eradication as one of the two themes for Rio+20 focused international attention and provided the catalyst for new partnerships, consultations and collaborative research that led to the publication of a significant volume of literature. The negotiation of the green economy text in the Rio+20 outcome document, while challenging, also provided an important forum for governments to voice their views and concerns and reach a common understanding on the concept. However, while governments agreed to frame the green economy as an important tool for sustainable development, a degree of uncertainty and ambiguity remains around how governments should now apply this concept.

Following Rio+20, the UN Division for Sustainable Development began publishing a new series of guidebooks on the green economy. These guidebooks provide practitioners and other stakeholders with a series of resource guides to the green economy and related concepts such as green growth and low-carbon development. They aim to enhance our understanding of green economy. To do so, they endeavour to summarise the rapidly expanding literature from experts and practitioners as well as some emerging international experience to shed new light on our understanding of this concept.

Issue 1 of *A Guidebook to the Green Economy* was published in September 2012 and provided a guide to the history and emerging definitions of green economy and related concepts such as green growth and low-carbon development¹. It also included a concise guide to approximately 90 recent green economy publications including reports, policy papers, toolkits and national strategies. It contains numerous different definitions of green economy and green growth published in the recent literature, most of which embraced economic, environmental and social issues. The more recent definitions and interpretations of green economy often broadened the

¹ See *A Guidebook to the Green Economy – Issue 1: history, definitions and a guide to recent publications* <http://sustainabledevelopment.un.org/index.php?page=view&type=400&nr=634&menu=35>

concept to more explicitly encompass all three dimensions of sustainable development, repackaging it in a more balanced way as the ‘inclusive green economy’. The guidebook concluded that, despite the controversy around the concept and competing definitions, a key benefit of the emergence of the green economy concept has been that it has stimulated international attention and renewed global efforts to transform our current economic model into one which better aligns with sustainable development.

Issue 2 of *A Guidebook to the Green Economy* aims to further ‘unpack’ or ‘demystify’ the green economy concept by moving beyond the simple definitions of green economy and providing a brief overview of several sets of green economy principles that were published in the lead up to Rio+20. The paper also compares these sets of principles against the language adopted on green economy in the Rio+20 outcome document as well as the original Rio Principles on sustainable development that were agreed to by governments at the Earth Summit in Rio in 1992. In doing so, it explores the emergence of a more balanced understanding of green economy that integrates all dimensions of sustainable development and highlights some common guiding principles that may be of particular relevance for implementation. Finally, it also attempts to identify some priority areas where the green economy might be expected to deliver added value within the broader context of sustainable development and poverty eradication.

2. Principles for the green economy published in the lead up to Rio+20

The first issue of *A Guidebook to the Green Economy* provided a resource guide to over 90 recent publications on green economy, green growth and low-carbon development, as well as a brief history of these concepts and an analysis of their recent definitions.

The guidebook identified at least eight different definitions for ‘green economy’ and thirteen different definitions for ‘green growth’ from recent publications. From these various definitions it concluded that, while the concepts might imply a strong focus on the intersection between the environment and the economy, many authors were clearly incorporating a social emphasis. More recent publications made this social dimension explicit by broadening the concept to the ‘inclusive green economy’, ‘inclusive green growth’ or other variations².

While these definitions are useful for interpretation of the green economy concept, they provide limited value with regard to application and implementation. In the lead up to Rio+20, a number of publications and papers attempted to move beyond simple definitions of the green economy to define a set of guiding principles. These sets of principles help to provide further clarity around the interpretation of the green economy concept by different international organisations and other stakeholders. They also help to guide practitioners in the application of the green economy concept and address perceived risks and concerns.

² See for example see recent publications by: the World Bank (2012) *Inclusive Green Growth: The Pathway to Sustainable Development*; the UN EMG (2011) *Working towards a Balanced and Inclusive Green Economy: A United Nations System-wide Perspective*; and The Danish 92 Group (2012) *Building an Equitable Green Economy*.

This section provides a brief guide to several sets of green economy principles that were published in the lead up to Rio+20 including those published by the Green Economy Coalition, Stakeholder Forum, the International Chamber of Commerce (ICC) and the International Trade Union Confederation (ITUC). The summary also draws green economy “characteristics” from the text of two key publications that were released in the lead-up to Rio+20. The first is the publication by the United Nations Environment Management Group (UNEMG) which provides a system-wide perspective on the characteristics of a green economy that works for the poor (UNEMG, 2011). The second is the report published by the UN Secretary-General’s High-Level Panel on Global Sustainability, which was a key input into the Rio+20 negotiations and included information and recommendations relating to the green economy.

2.1. The Green Economy Coalition (2012): Nine Principles of a Green Economy

The Green Economy Coalition is a diverse set of organisations including NGOs, research institutes, UN organisations, businesses and trade unions working to accelerate the transition to a green economy. In early 2012 the Green Economy Coalition worked with various organisations to draft nine principles of a green economy, which were further refined through various consultation processes. The principles build upon the work of the ITUC, the ICC, the Northern Alliance for Sustainability (ANPED), Stakeholder Forum/Bioregional, and the Earth Charter Initiative.

Nine principles of a green economy:

1. It delivers sustainable development
2. It delivers equity – The Justice Principle
3. It creates genuine prosperity and wellbeing for all – The Dignity Principle
4. It improves the natural world – The Earth Integrity, Planetary Boundaries and Precautionary Principle
5. It is inclusive and participatory in decision making – The Inclusion Principle
6. It is accountable – The Governance Principle
7. It builds economic, social and environmental resilience – The Resilience Principle
8. It delivers sustainable consumption and production – The Efficiency Principle
9. It invests for the future – The Intergenerational Principle.



Weblink:

<http://www.greeneconomycoalition.org/updates/9-principles-green-economy-online-consultation>

2.2. Stakeholder Forum, BioRegional & Earth Charter (2012): 15 Principles for the Green Economy

This collection of principles was published by Stakeholder Forum, BioRegional and the Earth Charter Initiative in the lead up to Rio+20. It identifies 15 principles that represent a consolidation of existing international agreements and other forward-thinking proposals, drawing from the Stockholm Declaration, the Rio Declaration, the Johannesburg Declaration, the Earth Charter, the One Planet Living Principles, the Green Economy Coalition, the Trade Union Congress ‘Just Transition’ principles, and the New Economics Foundation.

Fifteen principles for the green economy

1. Equitable distribution of wealth
2. Economic equity and fairness guided by the principle of common but differentiated responsibilities,
3. Intergenerational Equity
4. Precautionary Approach
5. The Right to Development
6. Internalization of Externalities
7. International Cooperation
8. International liability
9. Information, participation and accountability
10. Sustainable Consumption and Production
11. Strategic, coordinated and integrated planning to deliver sustainable development, the green economy and poverty alleviation
12. Just Transition
13. Redefine Well-being
14. Gender Equality
15. Safeguard biodiversity and prevent pollution of any part of the environment.

earthsummit2012

Principles for the Green Economy

A collection of principles for the green economy in the context of sustainable development and poverty eradication

By Hannah Stoddart, Stakeholder Forum
Sue Biddlestone, BioRegional
Miriam Vilela, Earth Charter Initiative



BioRegional
solutions for sustainability

The Earth Charter Initiative

Weblink:

<http://www.stakeholderforum.org/fileadmin/files/Principles%20FINAL%20updated.pdf>

2.3. ICC (2011): 10 Conditions for a Transition Toward a Green Economy

This set of 10 conditions for the transition toward a green economy was prepared by the International Chamber of Commerce (Commission on Environment and Energy) Task Force on Green Economy and was published in late 2011. The publication was developed to provide guidance for governments on key lessons learned by business in building a green economy, including reducing environmental impacts across value chains, increasing energy and resource efficiency, investing in low-carbon and renewable energy and reducing waste.

Ten conditions for a green economy:

Social innovation:

1. **Awareness** – about the depth of global economic, environmental and social challenges as well as new opportunities.
2. Education and skills – are paramount for the “operationalization” of the Green Economy.
3. Employment – decent and meaningful employment

Environmental innovation:

4. Resource efficiency and decoupling
5. Life cycle approach

Economic innovation:

6. Open and competitive markets
7. Metrics, accounting, and reporting – beyond GDP
8. Finance and investment – drives innovation in private and public finance and

Mutually reinforcing and cross-cutting elements:

9. Integrated environmental, social and economic policy and decision-making
10. Governance and partnerships.



Weblink:

<http://www.iccwbo.org/Advocacy-Codes-and-Rules/Document-centre/2012/Ten-Conditions-for-a-transition-towards-a-green-economy/>

2.4. ITUC (2012): Principles for a green economy that meets the needs of workers and their trade unions

The International Trade Union Confederation published this set of green economy principles in January 2012 to inform the Rio+20 negotiations, in particular to ensure that the green economy would deliver in terms of social equity and decent work. The ten principles are supported by the international labour movement to promote a socially-fair and inclusive green economy.

Ten principles for a green economy:

1. Equity between and within countries.
2. Inclusiveness and participation (youth, women, poor and low skilled workers)
3. Transformation of traditional and creation of new green and decent jobs.
4. Respect for the rights of workers and trade unions.
5. Fulfillment of social objectives and satisfaction of human needs in the long term, including universal access to water, food, housing, energy, land, health, education, transport and culture.
6. Based on the efficient use of natural resources, prioritisation of renewable sources, internalisation of social and environmental costs, life-cycle analysis and aiming at being zero carbon and zero waste.
7. Focus on materials' productivity rather than on cutting labour costs.
8. Just Transition for workers and communities that might be affected by change, including widening social protection schemes and developing social dialogue mechanisms on green economy policies.
9. Promotion of democracy.
10. Based on the real economy and be non-speculative.



Weblink: http://www.ituc-csi.org/IMG/pdf/rio_20_ituccontribution.pdf

2.5. ANPED (2012): Principles for a Fair and Green Economy

In 2012 the Northern Alliance for Sustainability (an international not-for-profit organisation representing a network of NGOs in the northern hemisphere) published its principles for a fair and green economy. The publication was the result of a workshop held in early 2011 involving a range of non-government organisations which originally identified seven principles to which an eighth principle was later added.

Eight principles of a green economy:

1. **The Earth Integrity Principle:** The Earth, her natural communities and ecosystems, possess the inalienable right to exist, flourish and evolve, and to continue the vital cycles, structures, functions and processes that sustain all beings. Every human has the duty to protect her.
2. **The Planetary Boundaries Principle:** The Planetary Boundaries Principle clearly establishes that human development is dependent on intact ecosystems and that there are limits to economic growth. Safe economic systems must respect such limits and governments need to set clear long-term targets to maintain a reliable operating space.
3. **The Dignity Principle:** The Dignity Principle upholds that every human being, now and in the future, has the right to livelihood. Poverty eradication and redistribution of wealth should be the main priority of governance and measured in those terms.
4. **The Justice Principle:** The Justice Principle upholds fair sharing of all benefits and burdens. This includes the use of natural resources, access to goods and services, and the responsibility to avoid and compensate for damages. All institutions, corporations and decision-makers need to be subject to equal standards of accountability and personal responsibility for their decisions.
5. **Precautionary Principle:** The Precautionary Principle should be applied to ensure that new products and technologies do not have destructive or unexpected effects on environmental, social, or human wellbeing. The 'burden of proof' lies with the developer or initiator and problem shifting needs to be avoided.
6. **The Resilience Principle:** The Resilience Principle emphasises that diversity and diversification are preconditions for sustainability and quality of life. A diversity of organisational models and governance levels needs to be cultivated, along with diversified economic activity that minimizes commodity dependence.
7. **The Governance Principle:** The Governance Principle states that subsidiary democracy must be upheld and revitalised in accordance with the principle of prior informed consent. All policies, rules and regulation need transparent and participatory negotiations that include all affected people. Structural transformation should be driven by appropriate public investments that guarantee benefit sharing.
8. **The Beyond-GDP Principle:** The Beyond-GDP Principle recognises the inherent limits and distorting effects of using GDP as a measure of progress and welfare. Policy goals and monitoring need to be guided by integrated measures on environmental, social, human and economic wellbeing, taking into account diverse interpretations of human welfare.



Weblink:

<http://www.anped.org/index.php?section=topics>

2.6. The Danish 92 Group (2012): Five Working Principles of an Equitable Green Economy

In 2012 the Danish 92 Group (a coalition of Danish environmental and development NGOs) published a report entitled *Building an Equitable Green Economy*, in which it articulated five key working principles which together form a filter to inform policy and market decisions in progressing an equitable green economy. Drafted by an independent group with representatives from India, Brazil, Tanzania and China, it lays out a southern hemisphere perspective on how a green economy must be designed to contribute to sustainable development.

Five working principles of an equitable green economy:

1. The **equitable** Green Economy, in its ambition, links to policies specifying clear goals for key crosscutting pre-requisites (enabling conditions) to address systemic distortions and dis-functionalities in order to establish the foundation for equitable transformation and achieving sustainable development.
2. The **equitable** Green Economy establishes clear objectives for the necessary means for action to be mobilised (technology, capacity, finance) and defines the approach, nature and profile of these means, e.g. the role of technology within the context of building an equitable Green Economy.
3. The **equitable** Green Economy creates the necessary aligned framework of institutions at all levels with clearly defined roles and mandates to enable them to actively advance an equitable Green Economy.
4. The **equitable** Green Economy is transparent and engages all involved and affected actors, with powerful actors having clearly defined responsibilities and forms of accountability, while making sure other stakeholders are empowered to act both as beneficiaries of and contributors to the Green Economy.
5. Decisions on the **equitable** Green Economy include clear timelines for action to achieve objectives, introduce new systems for measuring progression and success, and integrate the tracking of the well-being of people, places, and the planet.

BUILDING AN EQUITABLE GREEN ECONOMY



Weblink:

<http://www.92grp.dk/cms/images/Fokus%20og%20Nyheder/Greeneconomy.pdf>

2.7. UNEMG (2011): Working towards a Balanced and Inclusive Green Economy

In 2011 the UNEMG published a UN system-wide perspective on the green economy. In this publication, the UN articulated a series of expected 'characteristics' of a green economy that works for the poor. The report was published to facilitate a common understanding of green economy and measures required for the transition in the lead up to Rio+20.

Five characteristics of a green economy:

1. It maintains growth and reduces emissions for the economy as a whole, while promoting the creation of jobs and other economic opportunities in sectors that predominantly employ the poor.
2. It generates adequate amounts of public revenues to allow investment in social protection and quality services with equitable access by the poor.
3. It retains biodiversity and ecosystem services, while seeking to maintain in sustainable ways the livelihoods of the poor who are directly dependent on them.
4. It enhances energy and resource efficiency in the economy, including through the equitable access to energy by the poor and the promotion of its efficient use.
5. It ensures resilience to environmental (and other) risks through developing adaptive capacities.



Weblink:

<http://www.unemg.org/Portals/27/Documents/IMG/GreenEconomy/report/GreenEconomy-Full.pdf>

2.8. Global Sustainability Panel (2011)

In 2011 the United Nations Secretary-General's High-Level Panel on Global Sustainability published its report as a critical input for Rio+20, *Resilient People, Resilient Planet: A Future Worth Choosing*. The publication did not include an explicit set of principles for green economy; however it did provide guidance on the characteristics of green economy (or green growth). For the purposes of this analysis, these key characteristics have been extracted from the text and are summarised below³.

Characteristics of the green economy extracted from text:

1. It is a potential engine for sustainable development and stimulates economic growth needed for poverty eradication. It can provide a comprehensive approach to sustainable development when tailored for different countries, localities or regions based on their needs and situation and complemented with social protection to ensure inclusivity and stability.
2. It takes a long-term perspective and is a resilient growth model capable of withstanding external shocks.
3. It measures progress beyond GDP.
4. It promotes employment, fosters green business and generates green jobs.
5. It emphasizes technology and innovation, cooperation, and institutions.
6. It sends accurate price signals by including social and environmental costs in pricing mechanisms. It ensures that finance is used to lay the foundations for higher sustainable development performance where financial returns are satisfactory.
7. It promotes energy from low-carbon and renewable sources and energy efficiency.
8. It addresses resource scarcity and improves the environment and natural assets, including ecosystems and biodiversity, through improved and enhanced natural asset and resource management.
9. It can facilitate stakeholder involvement, participation and cooperation.



Weblink:

http://www.un.org/gsp/sites/default/files/attachments/GSP_Report_web_final.pdf

3. A guide to common green economy principles

Based on the sets of green economy principles summarised in **Section 2** above, **Table 1** below provides a quick reference guide to the most common principles identified across these various publications. A total of 26 of the more common principles are identified in the table, covering a range of key attributes and characteristics of the green economy, areas of potential concern or risk associated with the green economy, as well as direct references to principles from international agreements.

³ For the source of these “characteristics”, see paragraphs 40 to 42 on green growth, and paragraphs 139 to 142 on sustainable economy in the Global Sustainability Panel report.

Table 1: Summary of most common green economy principles drawn from eight sets of published principles

Common green economy principles:	1. Is a means for achieving sustainable development	2. Maintains economic growth	3. Creates decent work and green jobs	4. Is resilient to risks and shocks	5. Is low carbon, low emissions	6. Is resource and energy efficient	7. Respects planetary boundaries or ecological limits or scarcity	8. Facilitates education and skills development	9. Drives innovation	10. Uses integrated decision-making	11. Measures beyond GDP; indicators/metrics	12. Supports human rights, workers rights	13. National sovereignty	14. International liability	15. Right to development	16. Equitable, fair and just – between and within countries and between generations	17. Protects biodiversity and ecosystems	18. Poverty reduction, well-being, livelihoods and social protection; access to essential services	19. Promotes international cooperation; avoids conditionalities on ODA and finance	20. Common but differentiated responsibilities (CBDR)	21. SCP; sustainable lifestyles	22. Governance - inclusive; democratic; participatory; accountable; transparent; stability; rule of law	23. Effective institutions, regulation, legislation	24. Open and competitive markets; avoid trade restrictions	25. Precautionary approach	26. Internalises externalities
Source:																										
Stakeholder Forum et al (2012)	x					x	x	x		x	x	x	x	x	x	x	x	x	x	x	x		x	x	x	
Green Economy Coalition (2011)	x		x	x	x	x	x	x	x	x	x	x		x	x	x	x	x		x	x	x		x	x	
International Chamber of Commerce (2011)	x	x	x			x	x	x	x	x	x											x	x	x	x	
ITUC (2011)			x		x	x				x		x				x		x				x			x	
ANPED (2011)			x	x			x				x					x	x	x				x		x		
The Danish 92 Group (2012)	x		x						x		x					x			x			x	x			
GSP (2011)*	x	x	x	x	x	x	x		x	x	x					x	x	x			x	x	x		x	
UN EMG (2011)*	x	x	x	x	x	x											x	x			x					
Summary/Total	6	3	7	4	4	6	5	3	4	5	6	3	1	2	2	6	5	6	4	1	4	7	4	2	3	5

*Note: These two publications do not propose formal principles for the green economy. The UNEMG (2011) proposes characteristics for a green economy that works for the poor. The Global Sustainability Panel (2011) provides background text on green growth from which characteristics were extracted.

Based on this table, there is a considerable diversity of principles that have been proposed to enhance interpretation and application of green economy. However, there is also considerable synergy amongst the various publications with numerous principles overlapping. **Box 1** below provides a short list of the eleven most common green economy principles identified in the review (i.e. those principles identified in >50% of publications). Overall most authors framed the green economy in a similar way as “a means for achieving sustainable development”. It is interesting to note that the two most common principles identified relate to the social dimension, that is, the need for the green economy to create jobs as well as to promote good governance through inclusivity, accountability and transparency. Other areas of particular commonality amongst the sets of principles include that the green economy should eradicate poverty, increase equity, enhance resource and energy efficiency, and measure progress beyond GDP.

Box 1. The most common green economy principles identified from a review of eight published sets of principles or characteristics

1. The green economy is a means for achieving sustainable development.
2. The green economy should create decent work and green jobs.
3. The green economy is resource and energy efficient.
4. The green economy respects planetary boundaries or ecological limits or scarcity.
5. The green economy uses integrated decision making.
6. The green economy measures progress beyond GDP using appropriate indicators/metrics.
7. The green economy is equitable, fair and just – between and within countries and between generations.
8. The green economy protects biodiversity and ecosystems.
9. The green economy delivers poverty reduction, well-being, livelihoods, social protection and access to essential services.
10. The green economy improves governance and the rule of law. It is inclusive; democratic; participatory; accountable; transparent; and stable.
11. The green economy internalises externalities.

It can also be seen that the sets of principles appear to address all three dimensions of sustainable development in a fairly balanced way, as well as targeting broader issues relating to institutions, integration and international cooperation. The table in **Appendix 1** provides a comparison among the various principles based on whether they specifically target the economic, social or environmental dimensions of sustainable development. From this analysis, it can be seen that seven of the principles specifically target social issues, six principles specifically target environmental issues, and four principles specifically target economic issues. Overall there would therefore appear to be a slight social emphasis in the various interpretations of the green economy.

This social emphasis is more pronounced if you focus on the short list of the eleven most common principles from **Box 1** above. For example, **Table 2** below provides an analysis of these eleven principles, identifying on which dimension of sustainable development they focus.

Table 2. The balance of economic, social and environmental issues in the top eleven most common green economy principles

Focus – dimension of sustainable development	Economic	Social				Environmental			N/A		
Proposed principles:	Internalises externalities	Creates decent work and green jobs	Governance - inclusive; democratic; participatory; accountable; transparent; stability; rule of law	Equitable, fair and just – between and within countries and between generations	Poverty reduction, well-being, livelihoods and social protection; access to essential services	Protects biodiversity and ecosystems	Is resource and energy efficient	Respects planetary boundaries or ecological limits or scarcity	Is a means for achieving sustainable development	Uses integrated decision-making	Measures beyond GDP; indicators/metrics
Summary	5	7	7	6	6	5	6	5	6	5	6

While the green economy principles encompass all three dimensions of sustainable development, it would appear that the most common emphasis is on the social dimension. This is an interesting development that demonstrates how various organisations and stakeholders are interpreting the green economy. Perhaps this added emphasis on social issues is to compensate for earlier work on green economy that focused on the nexus between economy and the environment. This also supports the general trend in the literature which is re-branding the green economy as the ‘inclusive green economy’.

3.1. Green economy principles and the Rio+20 outcome document

A primary objective of efforts to develop the sets of green economy principles summarised in **Section 2** above was to assist with interpretation of the concept and inform and influence governments during the negotiation of the Rio+20 outcome document. With negotiations for Rio+20 now complete, it can be seen that many of these principles were in fact reflected in the outcome document. **Table 3** below provides a brief summary of green economy “principles” which can be drawn from the outcome document for Rio+20.

Overall, governments agreed to frame green economy in the context of sustainable development and poverty eradication as one of the important tools available for achieving sustainable development. This is a similar framing to that proposed in most of the published sets of principles, which articulated green economy as a means for achieving sustainable development. This recognises that the green economy is not meant to replace the concept of sustainable development, but should be used to contribute to, or progress, this broader agenda.

The outcome document also goes beyond this broad framing to provide guidance regarding the interpretation and application of the concept (in particular, see paragraphs 56 through 63). For example, governments will need to take into account the various costs, risks, benefits and opportunities of different policy options in accordance with their national capacities and

circumstances. They should consider policies that support poverty reduction, human well-being and job creation, whilst also driving resource and energy efficiency, technological innovation and environmental protection. Policies should be developed through an integrated decision-making process that considers the three dimensions of sustainable development, is inclusive and transparent and is supported by effective institutions and regulations. International cooperation should also be promoted, including the provision of means of implementation for developing countries through capacity building, finance and technology transfer.

Importantly, governments agreed that green economy should be guided by and in accordance with all Rio Principles, Agenda 21 and the Johannesburg Plan of Implementation and contribute to achieving internationally agreed development goals, including the Millennium Development Goals. In doing so they ensured that green economy would not jeopardise principles and objectives that had been previously agreed to by governments at a number of major UN summits.

Table 3. Guiding principles for green economy drawn from the Rio+20 outcome document

Green Economy Principles	Reference paragraph
1. It should not be a rigid set of rules. 2. It should contribute 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.	56
3. Green economy policies should be guided by and in accordance with all the Rio Principles, Agenda 21 and the Johannesburg Plan of Implementation and contribute towards achieving relevant internationally agreed development goals, including the Millennium Development Goals.	57
4. Green economy policies should: <ul style="list-style-type: none"> a. Be consistent with international law; b. Respect each country’s national sovereignty over their natural resources taking into account its national circumstances, objectives, responsibilities, priorities and policy space with regard to the three dimensions of sustainable development; c. Be supported by an enabling environment and well-functioning institutions at all levels with a leading role for governments and with the participation of all relevant stakeholders, including civil society; d. Promote sustained and inclusive economic growth, foster innovation and provide opportunities, benefits and empowerment for all and respect of all human rights; e. Take into account the needs of developing countries, particularly those in special situations; f. Strengthen international cooperation, including the provision of financial resources, capacity-building and technology transfer to developing countries; g. Effectively avoid unwarranted conditionalities on official development assistance (ODA) and finance; h. Not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade, avoid unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country, and ensure that environmental measures addressing transboundary or global environmental problems, as far as possible, are based on an international consensus; i. Contribute to closing technology gaps between developed and developing countries and reduce the technological dependence of developing countries using all appropriate measures; j. Enhance the welfare of indigenous peoples and their communities, other local and traditional communities and ethnic minorities, recognizing and supporting their identity, culture and interests, and avoid endangering their cultural heritage, practices and traditional knowledge, preserving and respecting non-market approaches that contribute to the eradication of poverty; k. Enhance the welfare of women, children, youth, persons with disabilities, smallholder and subsistence farmers, fisherfolk and those working in small and medium-sized enterprises, and 	58

<p>improve the livelihoods and empowerment of the poor and vulnerable groups in particular in developing countries;</p> <p>l. Mobilize the full potential and ensure the equal contribution of both women and men;</p> <p>m. Promote productive activities in developing countries that contribute to the eradication of poverty;</p> <p>n. Address the concern about inequalities and promote social inclusion, including social protection floors;</p> <p>o. Promote sustainable consumption and production patterns;</p> <p>p. Continue efforts to strive for inclusive, equitable development approaches to overcome poverty and inequality.</p>	
5. It will enhance our ability to manage natural resources sustainably and with lower negative environmental impacts, increase resource efficiency and reduce waste.	60
6. Countries are encouraged to implement green economy policies in a manner that endeavours to drive sustained, inclusive and equitable economic growth and job creation, particularly for women, youth and the poor.	62
7. It will be important to take into account the opportunities and challenges, as well as the costs and benefits, of green economy policies using the best available scientific data and analysis.	63
8. A mix of policy measures, including regulatory, voluntary and others could promote green economy.	
9. Involvement of all stakeholders and their partnerships, networking and experience-sharing at all levels could help countries to learn from one another in identifying appropriate green economy policies.	64

The language agreed to by governments on green economy at Rio+20 represents a negotiated intergovernmental position and therefore carries significant political weight. It will form an important point of reference for governments, practitioners and international organisations in interpreting and applying the green economy.

When compared against the green economy principles published by various stakeholders in the lead up to Rio+20, it can be seen that the outcome document was quite comprehensive. **Table 4** below provides a brief comparison of the green economy “principles” drawn from the Rio+20 outcome document against the 26 principles identified in **Section 3**. Of this total, 21 principles are reflected in the green economy section of the outcome document. This includes nine of the eleven most common principles identified in **Box 1** above.

However, **Table 4** also highlights some principles proposed by the various international organisations and stakeholders that were not adopted in the Rio+20 negotiated text (see red highlight). The principles that were not referenced relate to planetary boundaries; low carbon development; resilience to shocks and risks; as well as measuring progress beyond GDP. It should be noted, however, that a reference to measuring progress beyond GDP was included in an earlier section of the outcome document (i.e. paragraph 38).

Table 4: Comparison of published green economy principles and the Rio+20 outcome document.

Proposed principles:	Is a means for achieving sustainable development	Maintains economic growth	Creates decent work and green jobs	Is resilient to risks and shocks	Is low carbon, low emissions	Is resource and energy efficient	Respects planetary boundaries or ecological limits or scarcity	Facilitates education and skills development	Drives innovation	Uses integrated decision-making	Measures beyond GDP; indicators/metrics	Supports human rights, workers rights	National sovereignty	International liability	Right to development	Equitable, fair and just – between and within countries and between generations	Protects biodiversity and ecosystems	Poverty reduction, well-being, livelihoods and social protection; access to essential	Promotes international cooperation; avoids conditionalities on ODA and finance	CBDR	SCP; sustainable lifestyles	Governance - inclusive; democratic; participatory; accountable; transparent;	Effective institutions, regulation legislation	Open and competitive markets; avoid trade restrictions	Precautionary approach	Internalises externalities
Summary	6	3	7	4	4	6	5	4	4	5	6	3	1	2	2	6	5	6	4	1	4	7	4	3	3	5
Rio+20 outcome document	x	x	x			x		x	x	x		x	x	x	@	x	x	x	x	@	x	x	x	x	@	x

@ = not explicit in the outcome document, but implicit in reference to all Rio Principles (paragraph 57).

The concepts of ‘planetary boundaries’ or ‘ecological limits’, ‘resilience to external shocks’, and ‘low carbon development’ (as well as methodologies for measuring progress beyond GDP) are all closely associated with the scientific literature⁴. For example, resilience has been defined as the capacity of a system to continually change and adapt yet remain within critical thresholds⁵. At the global scale, these critical thresholds have been defined as nine planetary boundaries, one of which is climate change⁶. These concepts have gained considerable currency in the scientific literature as well as in the development and environmental NGO communities⁷. It is therefore interesting to note the absence of references to planetary boundaries, ecological limits and low carbon development from the Rio+20 intergovernmentally negotiated outcome.

As with the sets of published green economy principles that were reviewed in **Section 2**, the principles extracted from the Rio+20 outcome document encompass all three dimensions of sustainable development. **Appendix 1** also highlights which principles drawn from the Rio+20 outcome document specifically target the economic, social or environmental dimensions. From this analysis, it can be seen that less emphasis was given to the environmental dimension in the green economy text of the Rio+20 outcome document. From this table it can be seen that the social dimension of the green economy was considered particularly important.

4. Areas where the green economy might be expected to deliver added value

From this brief review of green economy principles from published sources and the Rio+20 outcome document, it can be seen that there was generally a balanced coverage of the three dimensions of sustainable development, with the social dimension receiving a particularly strong emphasis. An important outcome from Rio+20 was that governments ensured that the concept of green economy was framed in a way that more clearly reflected all of the three dimensions of sustainable development. Another important outcome from Rio+20 was that governments underscored the need for flexibility in the interpretation and application of the green economy concept, agreeing that it should not be a rigid set of rules but rather that it should be implemented voluntarily in accordance with national circumstances and priorities.

These are important developments in our understanding of green economy. They represent a shift towards the more balanced and holistic concept of ‘inclusive green economy’ that embraces all three dimensions of sustainable development. However, as some commentators have highlighted, if one follows this track, the green economy concept may incorporate so many additional aspects

⁴ For example, see the work of the Stockholm Resilience Centre on resilience and the nine planetary boundaries at <http://www.stockholmresilience.org/21/research/research-programmes/planetary-boundaries.html>.

⁵ See the Stockholm Resilience Centre at: <http://www.stockholmresilience.org/21/research/what-is-resilience.html>

⁶ See article in Nature: <http://www.nature.com/news/specials/planetaryboundaries/index.html>

⁷ See for example Oxfam’s paper which builds on the planetary boundaries to identify a safe and just space for humanity: <http://www.oxfam.org/en/grow/video/2012/introducing-doughnut-safe-and-just-space-humanity>

that it becomes synonymous with the concept of sustainable development itself⁸. This gives rise to an important question: *how might we expect the green economy to deliver added value above and beyond what governments are already doing on sustainable development?*

This section explores the relationship between the inclusive green economy and sustainable development to identify potential priority areas where the green economy might deliver added value. To make this comparison, it uses the list of 26 green economy principles identified from published sources and the Rio+20 outcome document and compares these with the recognised set of 27 Rio Principles for sustainable development that were agreed to by governments at the UN Conference on Environment and Development (UNCED) in 1992.

4.1. Comparison of green economy principles with the Rio Principles on sustainable development

When green economy in the context of sustainable development and poverty eradication was adopted as one of the two themes for the Rio+20 conference, it sparked a prolonged debate on how the green economy should be framed. Throughout the negotiations there was a lively discussion on how the green economy concept should be understood in the context of sustainable development and poverty eradication, with a wide range of views being expressed⁹.

The concerns raised early on by a number of governments included the need for any outcome on green economy to address the three dimensions of sustainable development in a balanced manner and fully respect all of the previously agreed Rio Principles. The negotiations also highlighted the importance of a number of Rio Principles including that it should: avoid risks such as trade protectionism (Rio Principle 12); recognise the right to development (Rio Principle 3); be based on common but differentiated responsibilities (Rio Principle 7); recognise national sovereignty (Rio Principle 2); promote public participation (Rio Principle 10); and use a precautionary approach (Rio Principle 15).

It is therefore not surprising that a number of Rio Principles have been referenced in the published sets of green economy principles reviewed in **Section 2**. In the Rio+20 outcome document governments agreed that the green economy should be implemented in accordance with all of the Rio Principles (but also explicitly referenced a number of specific principles that were considered of particular relevance).

Table 5 below provides a comparison between the list of green economy principles identified in **Section 2** and the Rio Principles on sustainable development. The table identifies areas of synergy or overlap between these two sets of principles, as well as any new issues that were not explicitly addressed in the original Rio Principles. In doing so, it identifies specific Rio Principles that may be considered of particular relevance for interpretation and application of the green economy, as well as some potential new areas where the green economy might be expected to deliver added value.

⁸ For example, see Cozendey (2011) "Green Economy as a programme for sustainable development, in UNCTAD (2011) *Road to Rio+20: For a development-led green economy*, http://unctad.org/en/Docs/ditcted20108_en.pdf

⁹ For example, see: <http://www.twinside.org.sg/title2/sdc2012/sdc2012.100502.htm>

Table 5 – Green Economy Principles

Rio Principles addressed	Green economy principles not explicitly addressed in the original Rio Principles on sustainable development (i.e. areas of potential added value)												Green economy principles addressed in the original Rio Principles on sustainable development														
													2	2, 19	3	3	4	1, 5	5, 6, 7, 9, 27	7	8	10, 13	11, 17	12	15	16	
Green Economy principles:	Is a means for achieving sustainable development	Maintains economic growth	Creates decent work and green jobs	Is resilient to risks and shocks	Is low carbon, low emissions	Is resource and energy efficient	Respects planetary boundaries or ecological limits or scarcity	Facilitates education and skills development	Drives innovation	Uses integrated decision-making	Measures beyond GDP; indicators/metrics	Supports human rights, workers' rights	National sovereignty	International liability	Right to development	Equitable, fair and just – between and within countries and between generations	Protects biodiversity and ecosystems	Poverty reduction, well-being, livelihoods and social protection; access to essential services	Promotes international cooperation; avoid conditionalities on ODA and finance	CBDR	SCP; sustainable lifestyles	Governance - inclusive; democratic; participatory; accountable; transparent; stability; rule of law; democratic	Effective institutions, regulation legislation	Open and competitive markets; avoid trade restrictions	Precautionary approach	Internalises externalities	
Stakeholder Forum et al (2012)	x					x	x	x		x	x	x	x	x	x	x	x	x	x	x	x			x	x	x	
Green Economy Coalition (2011)	x		x	x	x	x	x	x	x	x	x	x		x	x	x	x	x	x		x	x	x			x	x
ICC (2011)	x	x	x			x	x	x	x	x	x											x	x	x		x	
ITUC (2011)			x		x	x				x		x				x		x				x				x	
ANPED (2011)			x	x			x				x					x	x	x				x			x		
The Danish 92 Group (2012)	x		x						x		x					x			x			x	x				
GSP (2011)	x	x	x	x	x	x	x	x	x	x	x					x	x	x	x		x	x	x	x		x	
UN EMG (2011)	x	x	x	x	x	x											x	x			x						
Summary	6	2	7	4	4	6	5	4	4	5	6	3	1	2	2	6	5	6	4	1	4	7	4	3	3	5	
Rio+20 outcome document	x	x	x			x		x	x	x		x	x	x		x	x	x	x		x	x	x	x		x	

4.2. Areas where green economy might be expected to deliver added value

Based on **Table 5**, it can be seen that some of the more common Rio Principles that were identified are those relating to equity (intergenerational as well as between and within countries – in line with Rio Principle 3), governance (inclusive, participatory and accountable – in the spirit of Rio Principle 10), poverty reduction (including well-being, livelihoods and access to essential services – as per Rio Principles 1 & 5), internalising externalities (Rio Principle 16), protecting biodiversity and ecosystems (Rio Principle 4), and environmental regulation and institutions (Rio Principles 11,17). However, it is worth noting that the Rio+20 outcome document affirms that green economy policies should be implemented in accordance with all Rio Principles.

The brief review also highlights that, while many of the proposed green economy principles are nothing new, there are some new areas where we might expect the green economy to contribute added value. These are summarised in **Table 6** below, also highlighting which of these principles were also adopted by governments at Rio+20.

Table 6 – Priority areas where green economy might be expected to deliver added value

The Green Economy should:	Agreed at Rio+20
• Create decent work and green jobs	Y
• Promote resource and energy efficiency	Y
• Measure progress using metrics and indicators that go beyond GDP	N
• Respect planetary boundaries, or ecological limits or scarcities	N
• Use integrated decision making	Y
• Drive innovation	Y
• Facilitate education and skill development	Y
• Be low carbon and low emissions	N
• Be resilient to risks and shocks	N
• Support human rights and workers' rights	Y
• Maintain economic growth	Y

Of course, some of these “new” areas could be interpreted as subsets of Rio Principles and may also be addressed in the more detailed *Agenda 21* which accompanies the Rio Principles. Nevertheless, they provide some additional guidance for the interpretation and application of green economy that may assist governments with identifying priorities for implementation that can build upon what they are already doing in to promote sustainable development.

5. Conclusion

Efforts to further explore the concept of green economy have now moved beyond the simple definition of this term (and related ones) outlined in **Issue 1** of *A Guidebook to the Green Economy*. In the lead up to Rio+20, a range of key stakeholders released principles for a green economy that clearly articulated the need to ensure that the social dimension of sustainable development was

adequately considered alongside the environmental and economic dimensions. These principles aimed to guide governments and practitioners in the interpretation and application of the green economy in a way that addressed perceived priorities, risks and concerns.

This publication has provided a brief overview of several sets of green economy principles that were published in the lead up to Rio+20, along with a comparison of these principles against what was agreed by governments in the Rio+20 outcome document. From this analysis, it can be seen that stakeholders and governments are interpreting the green economy concept in a fairly balanced way across all three dimensions of sustainable development.

While 'green economy' might imply a focus on the nexus between the economy and the environment, this review highlights that there is little evidence of this narrow interpretation. In fact, it would appear that the green economy principles from published sources as well as those extracted from the Rio+20 outcome document place additional emphasis on the social dimension above and beyond the other dimensions of sustainable development.

It is likely that recent articulations of the concept such as the 'inclusive green economy' will become the new norm and future analytical work and international cooperation in support of green economy will incorporate a strong social component.

However, the need to ensure that the inclusive green economy addresses economic, environmental and social dimensions in an integrated way, as well as the need for flexibility in its application, can also give rise to ambiguity. This raises the question of how the inclusive green economy, which encompasses all three dimensions of sustainable development in a balanced manner, in fact differs from what countries are already doing to implement sustainable development.

By comparing the green economy principles outlined in this paper against the original Rio Principles on sustainable development, some priority areas were identified where the green economy might be expected to focus attention or deliver added value. For example, governments may choose to focus their green economy policies on creating decent work and green jobs, the promotion of resource and energy efficiency, using metrics and indicators to measure progress beyond GDP, implementing measures to drive innovation, and facilitating the necessary skills development and education. They may also wish to consider the broader recognition of planetary boundaries or ecological limits and the importance of ensuring environmental, social and economic resilience in the face of growing risks and uncertainties.

Definitions and principles for an inclusive green economy can provide some initial insight into the key elements and characteristics of this concept and a broad framework for policy design and implementation. Ultimately, however, green economy will need to be interpreted and applied by national governments as a suite of policy measures selected and designed in accordance with national priorities and circumstances. The principles outlined in this paper can help to guide this process.

Governments will need to take into account the various costs, risks, benefits and opportunities of different policy options in accordance with their institutional and governance arrangements, level of development, and social, economic and environmental priorities. It is likely that governments will face similar implementation challenges to those faced during the past 20 years of implementation of sustainable development. How governments identify their priorities and

design and implement appropriate green economy policy responses will be critical over the coming years. It will therefore be important that governments learn from this significant experience and build on their successes.

A further exploration of green economy policies and emerging experience in the development of national green economy strategies will form the focus for the forthcoming **Issue 3** of *A Guidebook to the Green Economy*.

Appendix 1: The balance of economic, social and environmental issues across the various green economy principles.

Focus – dimension of SD	Economic				Social								Environmental						No specific dimension							
Proposed principles:	Internalises externalities	Drives innovation	Maintains economic growth	Open and competitive markets; avoid trade restrictions	Creates decent work and green jobs	Governance - inclusive; democratic; participatory; accountable; transparent;	Equitable, fair and just – between and within countries and between generations	Poverty reduction, well-being, livelihoods and social protection; access to essential services	Right to development	Facilitates education and skills development	Supports human rights, workers rights	Protects biodiversity and ecosystems	Is resource and energy efficient	Respects planetary boundaries or ecological limits or scarcity	SCP; sustainable lifestyles	Is low carbon, low emissions	Precautionary approach	Is a means for achieving sustainable development	National sovereignty	International liability	Uses integrated decision-making	Measures beyond GDP; indicators/metrics	Promotes international cooperation; avoid conditionalities on ODA and finance	CBDR	Effective institutions, regulation legislation	Is resilient to risks and shocks
Summary	5	4	3	3	7	7	6	6	2	4	3	5	6	5	4	4	3	6	1	2	5	6	4	1	4	4
Rio+20 outcome document	x	x	x	x	x	x	x	x	x	x	x	x	x		x		x	x	x	x		x	x	x		