

1. Introduction

The Green Economy Coalition¹ (GEC) brings together trade unions, consumer organisations, NGOs, academic institutes, businesses and UN bodies. We represent different constituencies, we specialise in different areas and we come from different parts of the world. Despite our diversity we have come to understand that the multiple crises we face as a global community are not only interconnected, but share the same systemic root causes. We have come together because we share a common vision and a joint mission.

This submission represents the broad consensus across the coalition.

The 2012 UN Conference on Sustainable Development comes at a critical point in history. The time has come to take action and to provide the kind of leadership that for too long has eluded us. We must be able to look back on 2012 as the year when we set in motion a new economic pathway to steer finance back to its true role of serving, not dominating, real economies², in order to restore resilient ecosystems and generate prosperous communities for all.

Our vision is one of a resilient economy that provides a better quality of life for all within the ecological limits of the planet

Our mission is to accelerate a just transition to a green and fair economy

We wish to see the Rio 2012 conference commit to the policies and targets that help build an economy that provides a better quality of life for all within the ecological limits of the planet. The GEC calls on governments to agree to the following targets:

- 1. By 2015, to have agreed on a post MDG framework with clear targets for eliminating poverty and tackling global inequality**
- 2. By 2015, to produce national green economy roadmaps founded on the principles of sustainable development, that include nationally self-identified targets to double the number of 'green and decent jobs' as a result of sustainable investments and decent work policies**
- 3. By 2015, to deliver all ODA commitments on the part of both developed and developing countries**
- 4. By 2015, to have developed relevant metrics to measure societal and environmental 'wealth', beyond GDP and macroeconomics. This should be signed and implemented by all states by 2020**
- 5. By 2020, to mainstream ecosystem values into central banks, International Financial Institutions, national planning and corporate accounting**
- 6. By 2030, achieve the UN's objective for sustainable energy³ to provide universal access to modern energy services, doubling energy efficiency and doubling the share of renewable energy in the world's energy supply**

¹ Development Alternatives, IIED, Vitae Civilis, Mali Folkcentre, Ethical Markets Media, WWF, GRI, IUCN, ITUC, Consumers International, Ecologic Institute, eco-union, FSC, ILO, UNEP, SEED, Global Footprint Network, Philips, IISD, The Natural Step, Eco-Singapore, Global Sustainability Institute, Ecodes, STEPS Centre, World Society for the Protection of Animals.

² 2011 study of global corporate network controls finds 45 out of the top 50 corporations are financial intermediaries. The Network of Global Corporate Control," Vitali, Glattfelder and Battisou, ETH, Zurich, 2011; reported in New Scientist, Oct. 20, 2011

³ <http://www.un.org/apps/news/story.asp?NewsID=39640&Cr=sustainable+energy&Cr1=>

2. Green economy in the context of poverty eradication and sustainable development

Principles

The transition to a green economy will be specific to the economic, political, cultural and environmental context of each country; no 'one size fits all'. To understand these different contexts and visions, the Green Economy Coalition has supported a series of national dialogues in India, Brazil, the Caribbean and Mali⁴. Each process generated distinct conversations, which addressed the particular challenges and opportunities of different national contexts. However, a number of converging themes have emerged across all of the dialogues. Above all there is an acute frustration at the failure of the present economic and financial order to move the world closer to sustainability and shared prosperity.

The national dialogues have emphasised that the transition must be built on the following principles⁵:

SUSTAINABLE DEVELOPMENT

Sustainable development remains the most important and relevant development paradigm for dealing with the converging economic, ecological and climate crises. However, bringing attention to the economic components of development through a focus on 'green economy' is a useful lens and should prompt more sustainable economic management, particularly concerning consumption and production. A transition to a green economy must be a vehicle for achieving sustainable development.

EQUITY

The current financial and economic system has failed to adequately address the immense inequity, both within and between countries. Inequity is a considerable barrier to achieving progress towards more sustainable lifestyles. A green economy must include a more equitable development model. A green economy must eliminate poverty and make the lives of the poor more secure and their livelihoods less precarious. It must generate new opportunities for small and micro-entrepreneurs, including those working in the informal economy, and recognise unpaid, voluntary work and all forms of wealth that are beyond money. It must commit to trade equity by creating new opportunities for developing countries in domestic and foreign markets, rather than setting up standards of production and verification that developing country exporters cannot meet.

RESILIENCE

The means by which governments, businesses and financial institutions have pursued economic growth through unsustainable uses of natural resources and patterns of consumption have left people and the environment vulnerable and exposed. A green economy must build resilience into ecosystems, societies and the economy itself. In order to build resilience into societies and the economy, a green economy must build strong social protection systems including social transfers, income security, health security, child benefits, maternity protection, unemployment benefits, good quality essential public services, adequate nutrition, housing and education. It must make natural resource-dependent sectors productive, durable, respectful of natural limitations and capable of providing employment opportunities. It must generate new jobs and training for all economic actors

⁴ Coordinated by the International Institute for Environment and Development (IIED), in partnership with CANARI (Caribbean region), Development Alternatives (India), Vitae Civilis (Brazil) and the Mali Folkcentre (Mali).

⁵ *Green Economy: Developing Country Stakeholders Have Their Say*, 2011. Can be downloaded at www.greeneconomycoalition.org

including those in the informal sector, young people and women. It must support SMMEs, CSOs, voluntary work and communities.

ACCOUNTABILITY

We will only reach a more equitable and sustainable economy for all actors, including governments, if businesses are made accountable for their actions and decisions. Business models based on externalising costs to taxpayers and future generations must be phased out. Markets must be better regulated, with good practices rewarded and bad practices penalised. Appropriate incentives for the private sector based on full-cost pricing and lifecycle costing need to be generated and enforced, particularly for SMMEs. Economic textbooks and business school curricula must be modernised, and financial asset managers re-trained and re-certified accordingly.

CITIZEN EMPOWERMENT

Economic and financial decision making has been consolidated in the hands of a few powerful stakeholders. Green economies will need to be owned and defined by a range of economic actors that includes workers, consumers, small producers and entrepreneurs, women and young people. This will require an empowered civil society that has the capacity and the knowledge to allow these actors to actively participate, shape and monitor decision making at all levels.

3. Rio 2012 commitments

With these principles in mind, the Green Economy Coalition members urge governments to commit at Rio 2012 to the following areas of change:

- i. **IMPROVING GOVERNANCE AND MEASUREMENT: green economic governance will redefine 'progress' in light of environmental and societal needs, and make governments, businesses and citizens accountable for their actions**
 - **Commit to develop and implement relevant ways of measuring national 'wealth' beyond money, specifically with new indicators on societal wellbeing and environmental health.** Global metrics should build on and develop the work already carried out by NGOs and governments including the Nine Planetary Boundaries, Ecological Footprint, Stiglitz Report, the OECD's Better Life Index and Genuine Progress Indicator, the Canadian Index of Wellbeing, the Millennium Development Goals dashboard and the Calvert-Henderson Quality of Life Indicators, to measure the sustainability of income through access to a range of indicators including health, education, political decision making, security and the fair allocation of resources, all of which should be publically displayed on websites. Beyond the Stiglitz report, GDP itself must subtract externalities and report net incomes per capita. **UNCSD should reach agreement on a deadline to endorse common methods and practices**, with a view to producing global standards, so that nationally defined indicators can be comparable at the international level and with appropriate tools for monitoring and assessment.
 - **Commit to the concept of Sustainable Development Goals, linking to the relevant ways of measuring national 'wealth' on societal wellbeing and environmental health** (including development and environmental objectives such as poverty reduction, energy access, footprint reduction, planetary boundaries, water management, resource efficiency, food production, agriculture and ranching, marine and fisheries). Any agreed set of SDGs should have **universal targets and transparent public indicators** for both developing and developed countries, and involve active participation on the part of all stakeholders.
 - **Commit to global and regional convention(s) as well as national commitments to fully implement Principle 10.**

- **All large private and public enterprises should be required to internalise all external costs, and report on their environmental and social impacts and contribution to wellbeing, or explain why they do not.** We call on governments, international bodies and major groups including business to:
 - *Acknowledge* the growing practice of sustainability reporting, and that improving corporate management and performance, facilitating stakeholder engagement, driving innovation and competitiveness all represent an essential contribution to the transition towards a Green Economy.
 - *Note* that the increased quantity and quality of data available through sustainability reporting helps markets work more efficiently.
 - *Commit* to develop a global policy framework that requires all listed and large private companies to consider sustainability issues and to integrate material sustainability information within their reporting cycle, and in their Annual Report and Accounts – or explain why if they do not. The global policy framework, which could take the form of a Convention, should adhere to three key principles:
 - *report or explain* – establish a report or explain approaches to sustainability reporting policy;
 - *transparency* – enhance transparency by requiring national measures that would mandate the integration of material sustainability issues within the company reporting cycle, in their Annual Report and Accounts;
 - *accountability* – provide effective mechanisms for investors and all stakeholders to hold companies to account on the quality of their disclosures, including for instance an advisory vote at the Annual General Meeting (AGM).
 - *Recognize* the need for a process that builds on data available through sustainability reporting, leading to the development and adoption of macro-level, multi-disciplinary metrics such as the Sustainable Development Indicators that, beyond GDP, would allow a more comprehensive measurement of wellbeing, environmental health and the progress made towards a green economy⁶.
 - UN member states should commit to using their power and influence within international economic bodies such as the World Bank, IMF, and WTO, in order to update their economic and financial models and to enable these bodies to play their full part in the global transition to a green economy.

- **Expand support for certifications that use a balanced multi-stakeholder, science-based approach** and operate with a transparent system allowing for certification and trade of goods, and that come with robust, independent and reliable verification requirements. Further, commit to develop certifications based on these principles for goods that are currently not covered, as well as for carbon trading. Ensure these mechanisms **bring together governments, business, trade unions and civil society** in order to foster certification criteria clearly grounded in science. Ensure that implementation, evaluation and monitoring of certification standards are **open and transparent, inclusive and democratic** in a way that consumers and producers can trust. Develop and enforce mechanisms for supporting achievement of certification by sustainable producers, including smallholders, in the developing world.

- **Governments commit to supporting national and regional multi-stakeholder dialogues for a green economy.** Our work has clarified that there is no one definition of a green economy. In order that green economies both prosper and meet the needs of local conditions they require national civil society and business engagement, action and the new forms of governance this will stimulate. We urge governments to support national multi-stakeholder dialogues and processes. By June 2012, GEC will have supported dialogues and follow-up processes in several countries and regions, from which it is expected that more specific calls for commitment may arise to meet particular needs. These processes and others like them need to be supported.

⁶ Public support for such indicators is in 70-80% range in 12 countries. Ethical Markets-Globescan surveys on Beyond GDP, 2007 and 2010

ii. **DRIVING INVESTMENT AND FINANCIAL FLOWS: a green economy is one that will drive investment and financial flows towards restoring our environment and generating a better quality of life for all**

- **All public procurement contracts should include specifications for labour and environmental sustainability standards.** Well-designed purchasing rules will stimulate a critical mass of demand for more sustainable goods and services, drive innovation across the supply chain and generate green, decent jobs.
- **All financial transactions including foreign exchange transactions and foreign exchange derivatives should be subject to a Financial Transaction Tax⁷ (FTT).** Some funds levied from the tax should be ear-marked for the commitments from UNCSO.
- **Pledge to phase out subsidies that undermine sustainable development.**
- **Support financial market reform to put an end to short term trading, ensure safe and fair financial services for consumers, and ensure that long term sustainability is mainstreamed into all financial services.** In particular via support for newly established international oversight groups such as the Financial Stability Board, as well as the underlying framework contained in Basel III by including protection of ecosystem stability.
- **Introduce fiscal policy, incentives and state owned investment vehicles, bonds and guarantees to drive increases in private investment flows** towards resource efficiency and renewable, reliable and sustainable energy and water supplies in developing countries.
- **Phase out the use of publicly funded communications infrastructure in high-frequency trading, naked credit derivatives and excessive leverage to prevent finance bubbles.**

iii. **INVESTING IN NATURAL CAPITAL: investing in, protecting and building the resilience of our ecosystems and biodiversity, for today and for future generations**

- **Strengthen and invest in government processes responsible for natural resource management and ecological restoration, and particularly in the natural systems on which poor and indigenous communities depend for their livelihoods, including drylands, wetlands, forests, freshwater water bodies and seas:**
 - **Restore and safeguard ecosystems that provide essential services related to water,** including along rivers, around lakes, in mountains and on steep slopes, and in coastal areas such as headwaters, floodplains, flooded forests, wetlands, aquifers' recharge zones, riparian vegetation and mangroves, as set out in Target 14 of the CBD Strategic Plan.
 - **Halt and reverse forest loss.** Paying to preserve forests is a sound investment in order to sustainably provide goods (food, medicine, timber, construction materials) and services (preserving watersheds, stabilising soil and preventing erosion), as well as significantly contributing to greenhouse gas emission reduction.

Investing in the REDD+ mechanism under the UNFCCC, while ensuring the active participation of all affected communities and relevant stakeholders and that all carbon-markets are transparent and verified to prevent fraud and manipulation, offers a unique opportunity towards greening the economy⁸. Any focus on carbon sequestration and storage should not outstrip the wider ecological values of forests, and such payments should not come at the expense of investments in energy efficiency or renewable energy.
 - Comply with Target 11 of the CBD Strategic Plan and use protected areas as a means of preserving the ecosystem services that are enjoyed by people in broader landscapes and seascapes.

⁷ http://www.un.org/wcm/webdav/site/climatechange/shared/Documents/AGF_reports/Work_Stream_5_Financial%20Transaction%20Tax.pdf
<http://www.ids.ac.uk/go/idspublication/is-a-financial-transaction-tax-a-good-idea-a-review-of-the-evidence>

⁸From "Rigged Carbon Markets to Investing in Green Growth," Henderson, Hazel, 2011 <https://rwer.wordpress.com/2011/09/06/rwer-issue-57-hazel-henderson/>

- Prioritize the rehabilitation of degraded, abandoned or underperforming lands rather than farming in new areas.
- **By 2015, significantly strengthen and invest in multi-stakeholder processes responsible for allocation and sustainable management of resources, highlighting the role of indigenous and traditional knowledge of sustainable natural resource management;** for example by standard-setting for forest management certification, and land-, sea- and water-use planning within and between countries, as well as on the high seas.
- **Commit to creating community owned natural resource management, thereby providing decent jobs for all.**
- **Mainstream ecosystem values into economic planning and all accounting systems. Commit to meeting Target 2 of the Biodiversity Aichi Targets:** *"by 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems"*. The Global Partnership for Wealth Accounting and Valuation of Ecosystem Services (WAVES)⁹ offers a strong foundation for further strengthening this important area of work.

Develop appropriate economic and reporting tools, markets, incentives and policies, including Payment for Ecosystem Services (PES), to account for and maintain the benefits of ecosystems and of water, energy and food security for livelihoods and economic development. These should target not only corporations, but also local entrepreneurs, in order to generate new green businesses and 'green' existing ones.

- **By 2015, there needs to be an international agreement on metrics to define a healthy natural system,** involving all relevant stakeholders, and building on and bringing together work on the Millennium Ecosystem Assessment, Nine Planetary Boundaries, the European Parliament and Commission's *Beyond GDP 2007*, ecological footprinting and other measures.

iv. **INVESTING IN PEOPLE: a green economy is one that allocates environmental benefits and costs fairly to achieve a more just and equitable society**

- **Support the establishment of and access to financial assets for rural and urban poor, and for SMMEs,** by means of user-friendly schemes for financial services (such as micro-credit, meso-financing, credit unions, cell phones).
- **Actively promote equitable ownership and workers' rights across the economy, including in emerging industries,** ensuring that social protection and dialogue are integrated into the core of decision-making.
- **Invest in education, training, skills development and capacity building to ensure a just transition for all workers.**
- **Invest in building innovation systems in developing countries so that local capabilities for meeting and exceeding the MDGs can be improved over the longer term.**
- Encourage all countries to include **a comprehensive program of value-based, holistic, interdisciplinary and practical education for sustainable living in their curricula, teacher training, school activities and consumer education activities.**
- **Ensure the implementation of the UN Guidelines for Consumer Protection,** in particular section G on sustainable consumption.
- **Increase investment by at least US\$35 billion worldwide in renewable energy capacity in developing countries,** with international cooperation on the development, transfer and dissemination of technologies designed to facilitate energy-efficient, resource-efficient, low carbon and low-entropy economic development. **Focus on supplying people in rural areas with greater access to reliable, affordable and sustainable energy supplies.**

⁹ For more information, please visit:

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/ENVIRONMENT/0,,contentMDK:22877286~pagePK:210058~piPK:210062~theSitePK:244381,00.html>

- **Commit to providing technical and financial support for public renewable energy systems and projects including community owned ones.** Enhance grid policies to link the urban poor with power supplies from existing sources, while focusing on decentralised and mini-grid systems for the rural poor and villages.
- **Support small sustainable farmers in developing countries through measures that maximise their contribution to food and water security, environmental protection, livestock health and welfare, and climate adaptation.** These measures would include access to markets, knowledge and information, along with well-designed technological assistance to increase the productivity of smallholders.
- **Introduce a Social Protection Floor for the most vulnerable members of society.** Provide the poorest communities with a "protected" income, with social protection systems that can reduce poor families' pressure on natural resources. Recognise and account for unpaid work¹⁰.
- **All countries, both developed and developing, must meet ODA commitments by 2015.** To date, only 10 out of 33 donors from the OECD's Development Assistance Committee have met or exceeded the 0.7 per cent target for ODA. ODA remains the main source of foreign capital in the Least Developed Countries (LDCs) and in turn can help to leverage private investment for the sectors, such as manufacturing and infrastructure that will lead a transformation to a green economy¹¹.

v. **GREENING HIGH IMPACT SECTORS AND SERVICES: a green economy is one that is driven by green economic services and industries that provides decent work, new employment prospects and affordable sustainable consumption alternatives**

- **Commit to producing national green roadmaps, founded on the principles of sustainable development, that generate green and decent jobs for all.** The roadmaps must include a self-identified target to double the number of 'green and decent jobs' thanks to sustainable investments and decent work policies. They must also delineate a clear path to achieving more sustainable patterns of consumption. National green economy roadmaps must target all high impact sectors and systems (**food, housing and cities, transport, energy and infrastructure**), and be made in partnership with all relevant stakeholder groups including workers and their representatives, consumers, young people, the poor and women. Roadmaps should transform informal work into decent work and recognise the role of unpaid work.
- **Commit to the UN's objective for sustainable energy¹²** to provide universal access to modern energy services, doubling energy efficiency and doubling the share of renewable energy in the world's energy supply by 2030.
- **Introduce appropriate fiscal policy and incentives to drive additional increases in private investment flows** towards resource efficiency and renewable, reliable and sustainable energy supplies in all countries.
- **Regulate, encourage and support the transformation of unsustainable agricultural practices, towards those with a greater emphasis on smallholder-based agro-ecological practices and other forms of sustainable, ecological and humane food production.** Governments should, in cooperation with farmers' and peasants' organizations, support small farmers access to land, water, local seeds, local markets, credit, agro-ecological technologies and participatory education schemes.
- **Invest in food security and sustainable small-scale food production** beyond the I'Aquila commitment period, and outline a clear strategy for spending the money to enable the scaling up of proven sustainable approaches. National plans should deliver bottom-up vulnerability assessments and link them with community-level adaptation projects.
- **Task the Committee on Food Security (CFS) to draw-up a set of sustainability trend indicators (including at minimum soil, water resources, biodiversity, food security and nutrition) for selected**

¹⁰ HDI, 1995, which estimated \$16 trillion of unpaid work of women and men was missing from global GDP total of \$24 trillion

¹¹ <http://www.un.org/apps/news/story.asp?NewsID=39640&Cr=sustainable+energy&Cr1=>

crops and farming systems that are most critical to world food security. By 2015, all governments should also have established participatory monitoring and evaluation processes at the local level and compiled by the national level, in order to annually review and report on progress against these sustainability trend indicators to the CFS and/or other global governance bodies as relevant.

- Increase efficiency in the food system by **reducing waste in the production, distribution and consumption of food.**
- Actively promote more sustainable consumption patterns in developed economies, including more balanced diets that are less rich in meat, fish and dairy.
- Make the sustainable consumer choice the easy choice by phasing out high-impact products and services.
- By 2014, establish an institutional framework that will pay for the transition from depleted to recovered fisheries, ensuring the growth of sustainable fishing industries and providing re-skilling, income security and employment opportunities to workers that might be affected by the transition.
- Improve public transport and seek to reduce dependence on the private car.
- Tax aircraft and shipping fuel.
- Regulate misleading and exploitative advertising, and curb advertising to children.
- **Realise water-related commitments under the 2002 Johannesburg Plan of Implementation** including the adoption of integrated water resources management and water efficiency plans, paying special attention to public water utilities, water demand management, and the development and use of more efficient water supply technologies and infrastructure.