

Towards green growth policy frameworks

OECD Green Growth in Developing Countries Report

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Outline

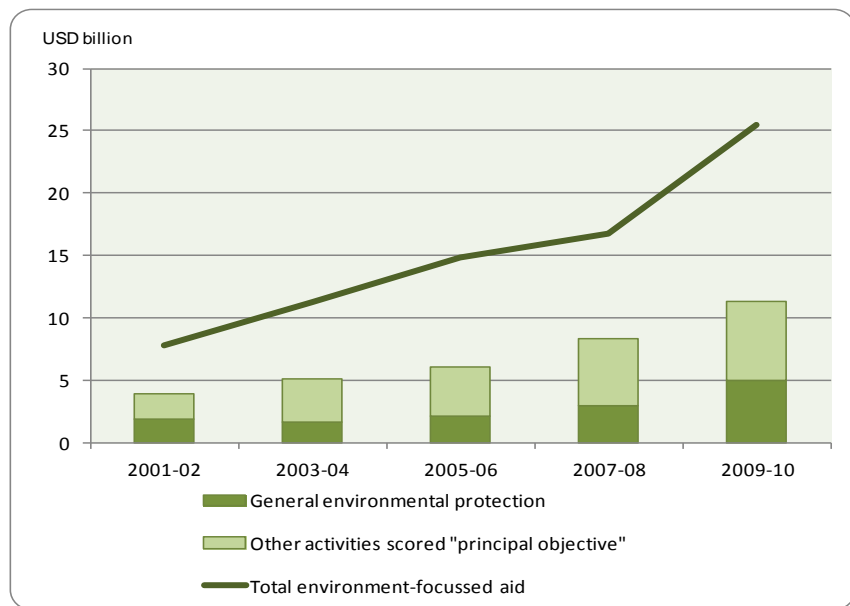
- 1. Background**
- 2. Green Growth and Developing Countries Report**
- 3. A Policy Framework for Green Growth**
- 4. What's Next?**

1. Background: Why Development Cooperation Matters (numbers)

Trends in ODA to the Environment, 2001-2010

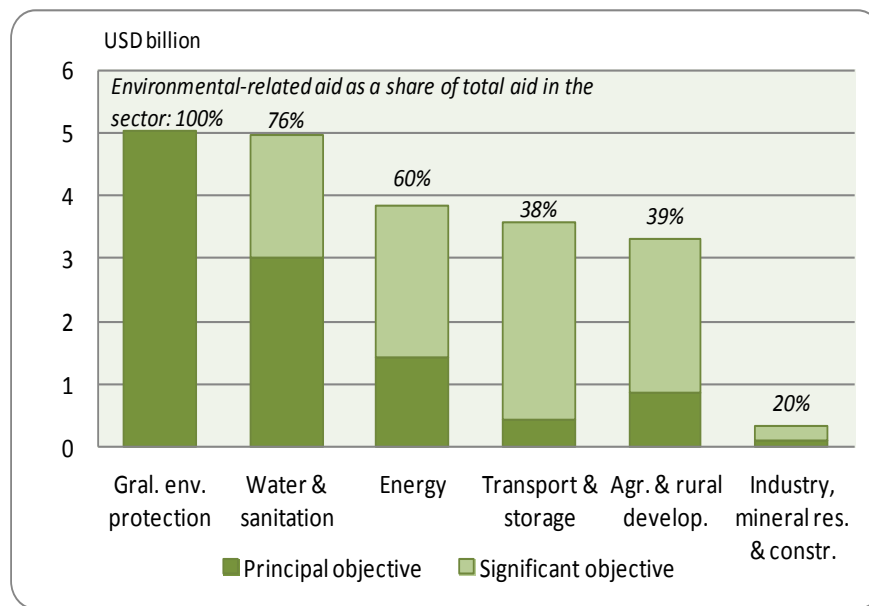
Trends in ODA to the Environment, 2001-2010

Bilateral commitments, annual average, constant 2010 price



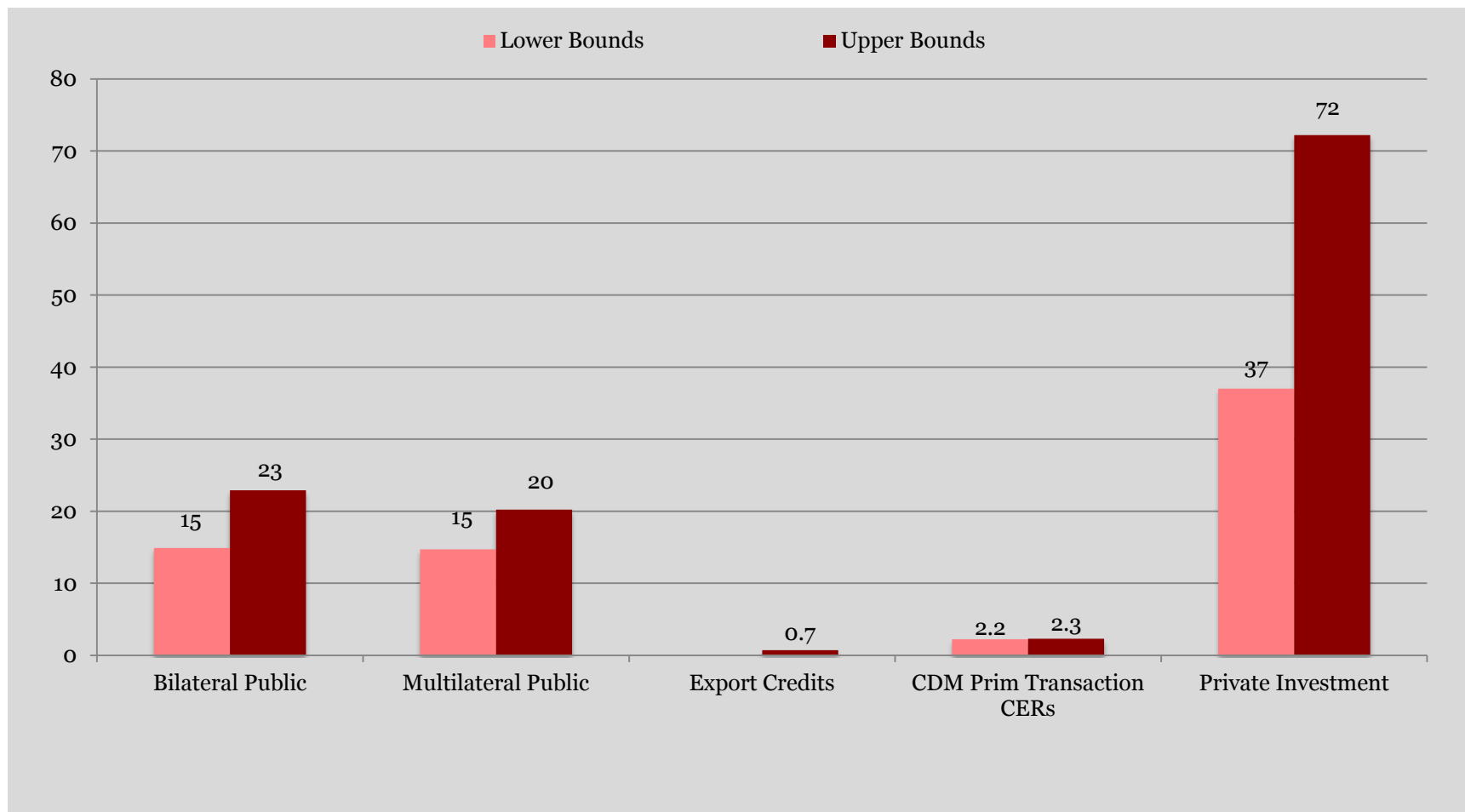
Environmental-related ODA at Sectoral Level, 2009/10 (% share marked as environmental related)

Bilateral commitments, annual average, constant 2010 price



Source: OECD DAC-CRS

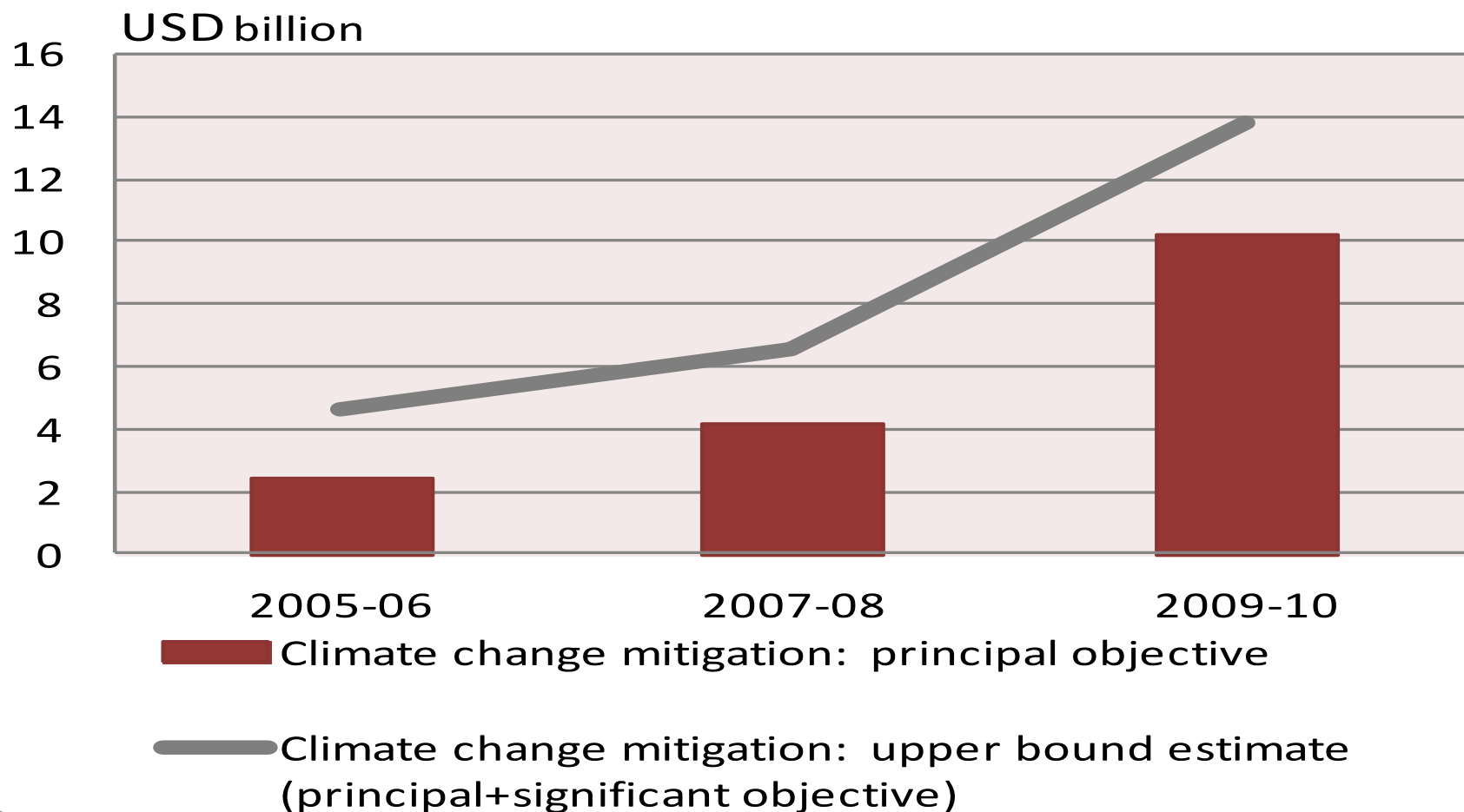
**Estimates of North-South Climate Finance Flows:
(USD 70 – 120 billion per year, latest year estimates 2009-2010, billion USD)
USD billion, constant 2010 prices**



Source: Clapp et al. 2012; www.oecd.org/env/cc/financing

Trends in aid to climate change mitigation, 2005-10

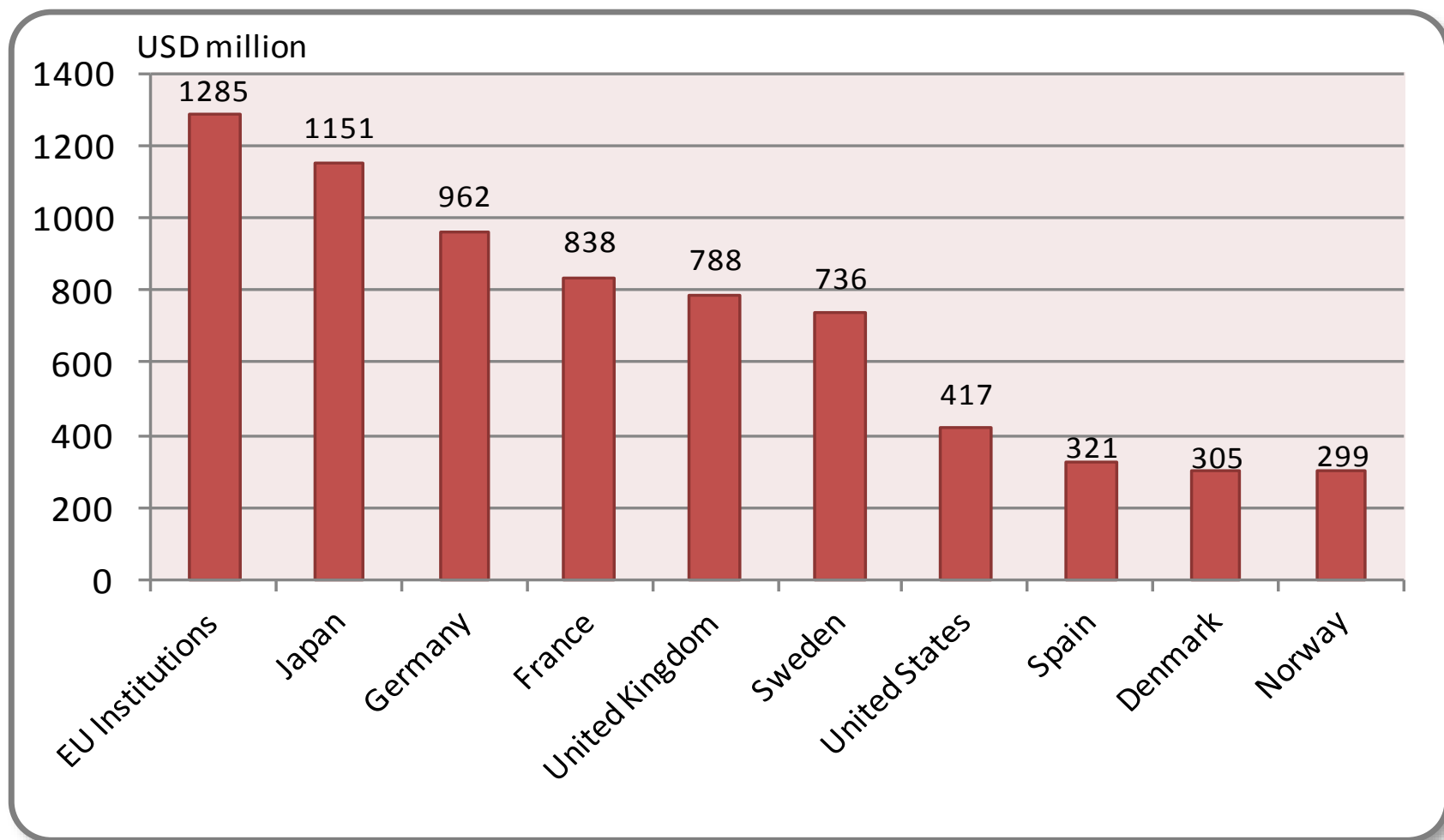
Bilateral commitments, annual averages, USD billion, constant 2010 prices



Source: OECD DAC-CRS

Top DAC donors support to environment in Africa

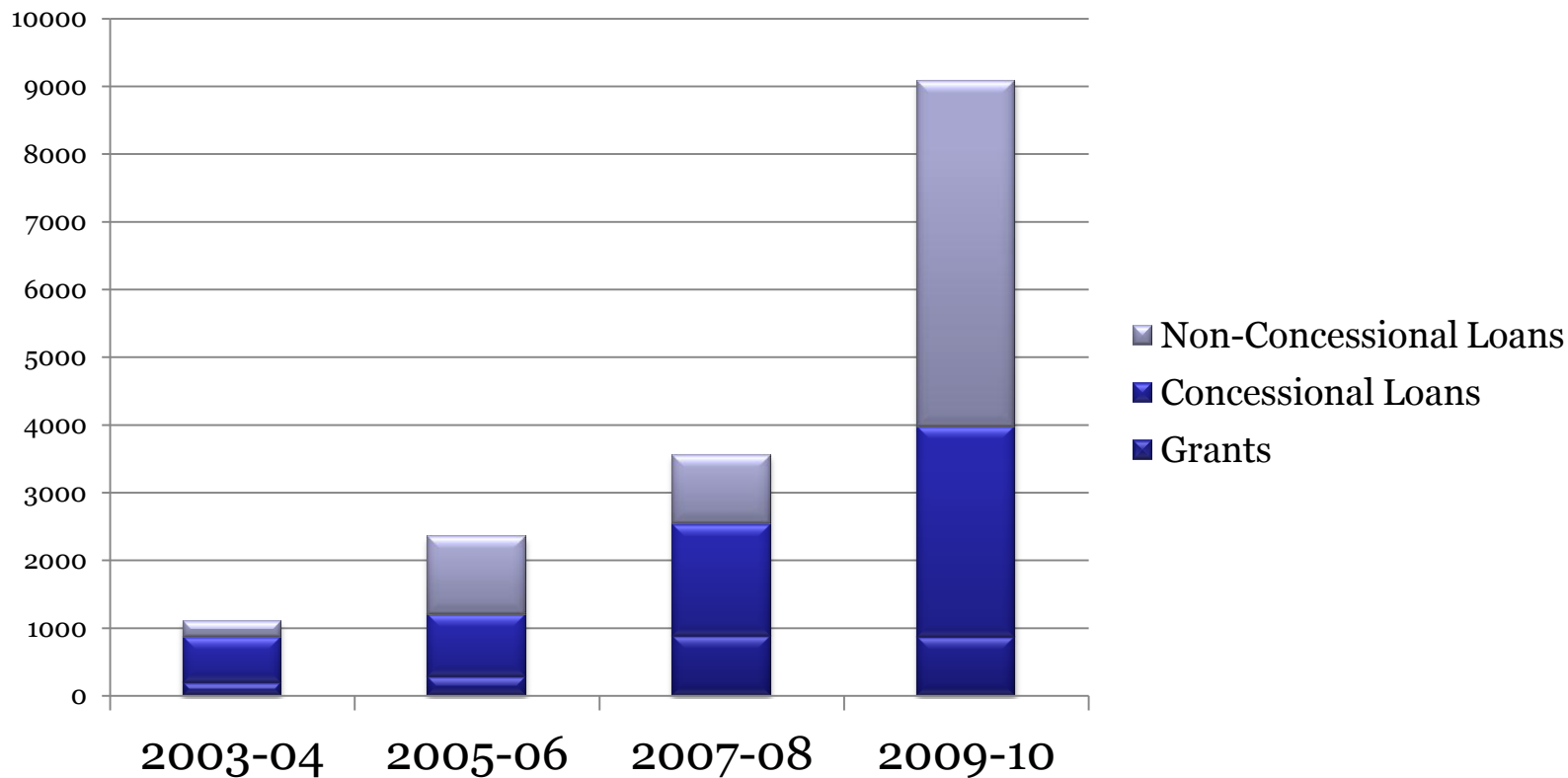
USD million commitments, average 2009-10, constant 2010 price



Beyond ODA... Energy sector in Africa

Grants, concessional and non-concessional loans

Annual average commitments, constant 2010 price, all donors (USD million)



While aid for energy rose, non-concessional energy finance rose even faster.

2. The OECD Green Growth and Developing Countries Report

GG and Developing Countries

Green Growth and Developing Countries – A Summary for Policy Makers



Green Growth and Developing Countries – Consultation Draft



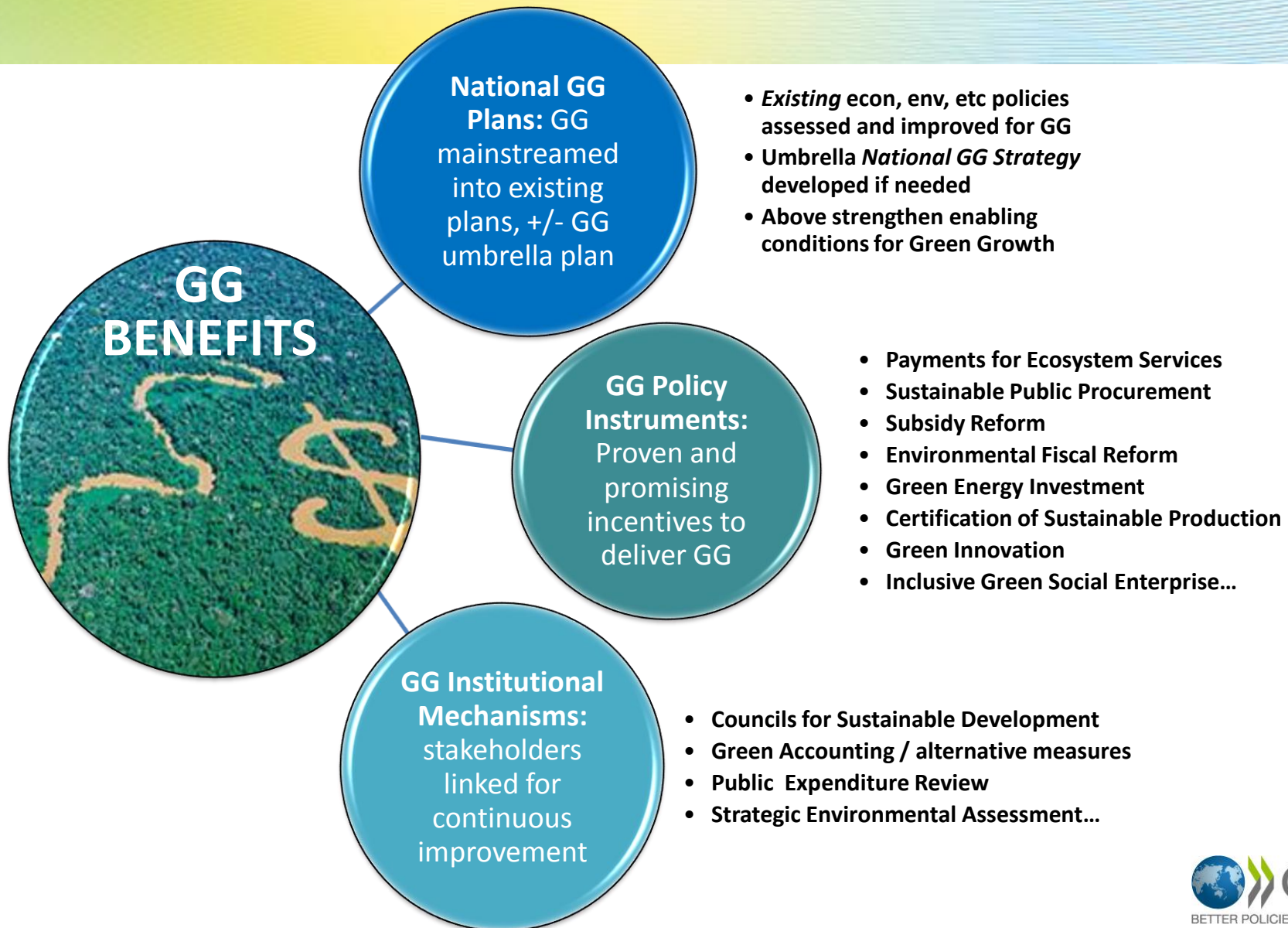
The OECD drafts to date

Context:

- International GG initiatives have *not* fully engaged with developing country stakeholders
- So there is poor information on developing country GG concerns and ideas
- OECD is aiming to improve this
- Draft has some evidence from developing countries:
- Practical experience – case studies where GG policies are being tested and outcomes achieved
- Survey of views on GG – e.g. IIED/GE Coalition country dialogues, Rio+20 inputs
- Consultation at Global GG Summit and Rio +20

3. A Policy Framework for Green Growth

Draft national GG policy framework



The international dimension

Green growth in an interconnected world:

- Planetary boundaries/ global public goods
- Environmental impact of one country on another
- Trade in environmental goods and services
- Technology cooperation
- Governance of the global economy *within* its environmental foundations

Developing countries may require assistance...

How the global community can help



Example: Green Energy Investment Frameworks

Principle:

- open up power generation sector, create investment climate and strengthen financial sector regulation

Instruments in developing countries:

- feed-in tariffs, renewable quota, mandates for installing solar hot water

Impacts, e.g.

- Financial innovation and private sector involvement help to scale up RE uptake

Challenge:

- how to reach out low income households, balance affordability and incentives

Lessons learned:

- need to (i) improve the predictability of green investment flows; (ii) broaden the sources of private green investment; (iii) make it more accessible to the poor.

4. What's Next?

Engagement and Consultation

- OECD cross-directorate collaboration
- External collaboration with IIED and GGGI
- Consultation with developing country partners
 - 1st consultation in Seoul in May 2012
 - 2nd consultation in Rio in June 2012
 - High-level event in Rio in June with Ministers from Colombia, Cambodia, Ethiopia, Rwanda and Norway
 - Two Workshops Africa – early 2013
 - Case studies in Cambodia and Ethiopia with in-country consultations

Next steps: Go national, Go social and Get the political economy right

For more information

<http://www.oecd.org/dac/greengrowth>

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