



Monitoring progress towards Green Growth The OECD approach

OECD-UNECE Seminar on the Implementation of the SEEA
Geneva, 14-15 October 2015

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The green growth strategy



The OECD Green Growth Strategy

- **Initiated in 2009, delivered to Ministers in 2011**
- **Drawing upon long-standing experience with:**
 - Fact-based policy analysis and evaluation & country reviews
 - Environmental policies and economy-environment policy integration
- **Multi-disciplinary inter-governmental process**
 - Involving 25 OECD Committees: delegates from Ministries of Finance, Economy, Environment, Agriculture, Development Co-operation, Industry, etc.
 - International cooperation and partnerships
- **Embedded in OECD work on new sources of growth, new approaches to economic challenges and the new industrial revolution**



Towards Green Growth



Towards Green Growth:
Monitoring Progress
OECD INDICATORS



What do we mean by “green growth”?

Green growth is about fostering economic **growth and development** while ensuring that the **natural assets** continue to provide the resources and environmental services on which our **well-being** relies.

To do this it must catalyse **investment and innovation** which will underpin sustained growth and give rise to new **economic opportunities**.



What is required to move towards “green growth”?

- **Reframing growth and analytical frameworks**
 - Account for the contribution that natural assets and ecosystem services make to growth: in measurement, in analysis, in decision making.
- **An operational and coherent policy framework to help achieve concrete results**
 - Based on a good understanding of the determinants of GG: of the interdependence , synergies and trade-offs between economic and environmental policies
 - Supported with appropriate information and indicators about results obtained
- **Role of measurement tools**





Green growth in OECD policy work

- **Recommendations to help governments identify the policies that achieve the most efficient shift to greener growth**
 - Issue- & sector-specific studies and recommendations
 - Jobs, innovation, technology, financing
 - Energy, agriculture
 - Water management
 - Policy advice tailored to the circumstances & needs of countries
 - Peer reviews and country studies
 - Co-operation with emerging and developing economies
 - Supported with indicators



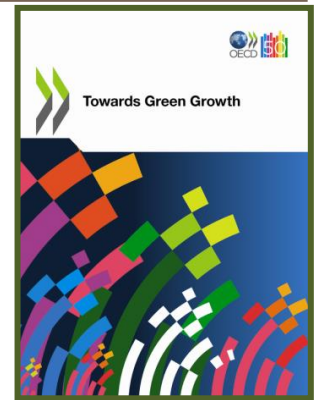


Green growth indicators



Monitoring progress towards green growth OECD approach

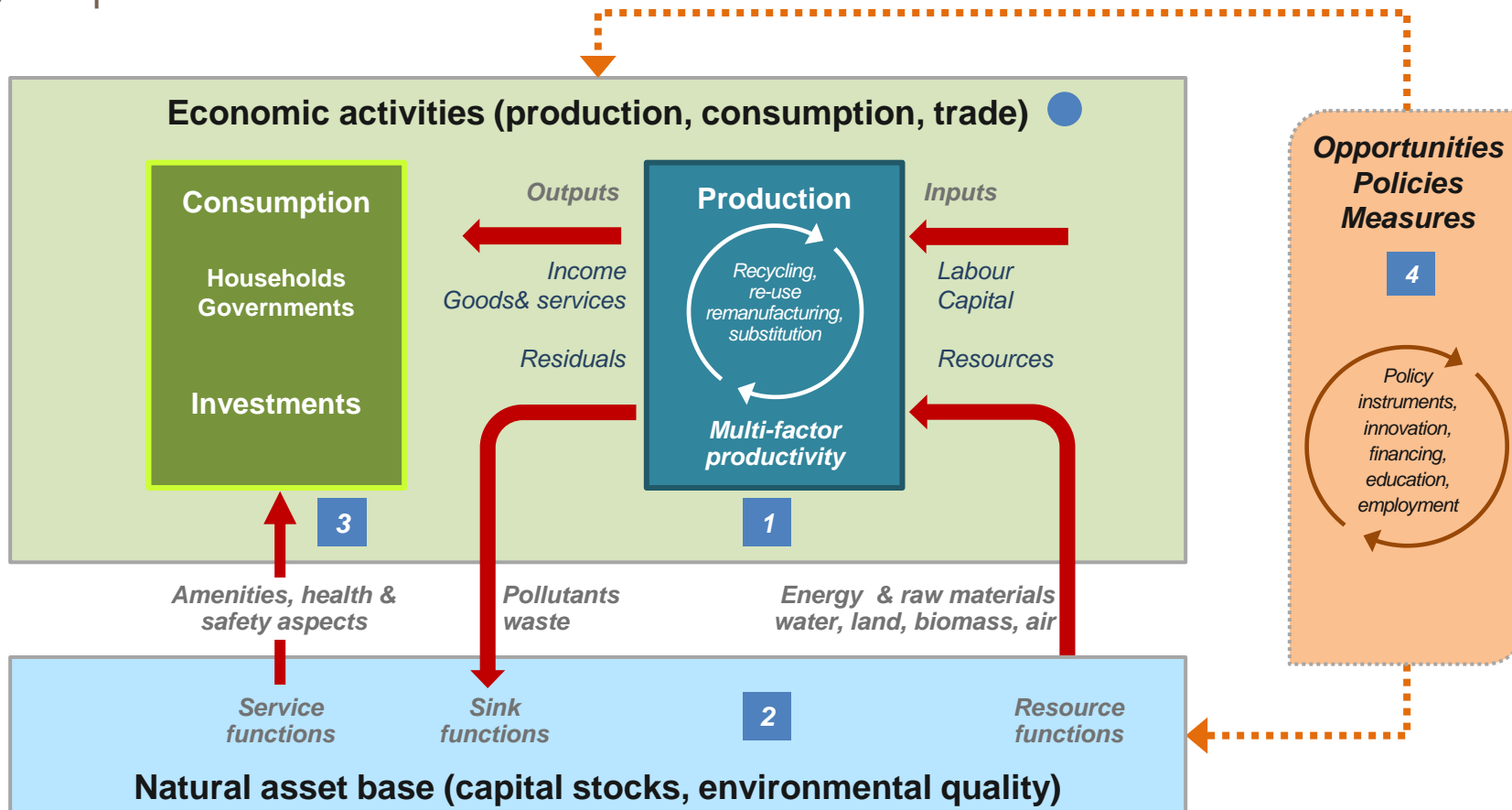
- **At the core of the OECD GG Strategy**
 - Conceptual measurement framework
 - Set of indicators
 - Underlying database
- **Drawing upon long-standing experience with indicators**
 - Multi-disciplinary inter-governmental process
 - Horizontal OECD Task Force
- **International cooperation and partnerships**
 - UNEP, UNSD, UNIDO, World Bank, EU, ...
 - GG Knowledge Platform (GGGI, WB, UNEP, OECD)
 - Common approaches & synergies
- **Pragmatic and flexible approach**





Monitoring progress towards green growth

Conceptual measurement framework



Combines the main features of green growth with basic accounting principles and the PSR model



Monitoring progress towards green growth

Indicator groups and topics

1	The environmental and resource productivity of the economy	<ul style="list-style-type: none">• Carbon and energy productivity• Resource productivity: materials, nutrients, water• Multi-factor productivity
2	The natural asset base of the economy	<ul style="list-style-type: none">• Renewable stocks: water, forest, fish resources• Non-renewable stocks: mineral resources• Biodiversity and ecosystems
3	The environmental dimension of quality of life	<ul style="list-style-type: none">• Environmental health and risks• Environmental services and amenities
4	Economic opportunities and policy responses	<ul style="list-style-type: none">• Technology and innovation• Environmental goods & services• International financial flows• Prices and transfers• Skills and training• Regulations and management approaches
	Socio-economic context and characteristics of growth	<ul style="list-style-type: none">• Economic growth and structure• Productivity and trade• Labour markets, education and income• Socio-demographic patterns



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Headline indicators to ease communication

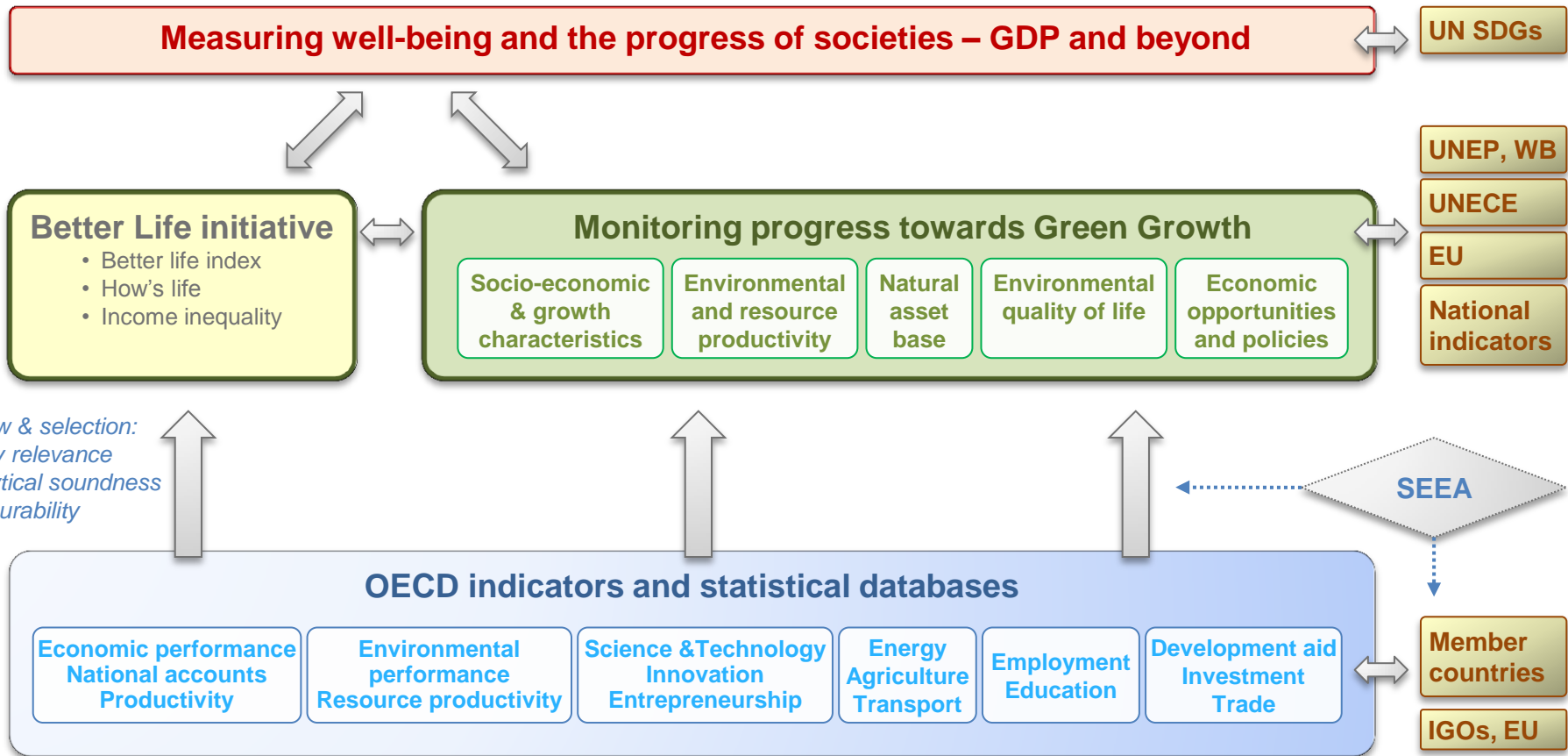
Environmental and resource productivity	
Carbon productivity	1. CO₂ productivity (<i>production-based, demand-based</i>)
Resource productivity	2. Non-energy material productivity (<i>production-based, demand-based</i>)
Multifactor productivity	3. Multifactor productivity including environmental services
The natural asset base	
Renewable and non-renewable stocks	4. Natural resource index
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	
Technology and innovation, environmental goods and services, prices and transfers, etc.	<i>Placeholder – no indicator specified</i>

*“Green” difficult to isolate
Diversity of country circumstances, of instruments
→ countries to choose*



Monitoring progress towards green growth

Foundations and indicator architecture





Measurement agenda





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A dynamic process

- **Indicator list is not necessarily final**
 - Some indicators are not yet fully measurable, but were retained nonetheless to drive the measurement agenda
 - As the work progresses and better data become available, the list of indicators will evolve accordingly.
- **Further efforts needed to improve the quality of measurement → measurement agenda**
 - Lack of consistent environmental-economic data; of industry level data
 - Insufficient data on natural assets (stocks, flows, physical, monetary), on material flows, ecosystem services, and quality of life dimensions [“well-being”]
- **Need to capture better**
 - “Greening” of economic sectors
 - The growth contribution of natural assets: embed green growth measurement in existing growth accounting frameworks and productivity measures (→ complete balance sheets; adjusted productivity measures)
 - Economic opportunities arising from GG and the effectiveness of policies



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Measurement agenda and ongoing work

- **Ongoing work**
 - Further development of indicators (focus on headline indicators)
 - Expansion of country coverage: OECD, BRIICS, G20,...
 - Further improvement of underlying data
- **Role of accounting frameworks and the SEEA**
 - Key for consistent data on environment-economy interface
 - Key for ensuring coherence across data sets
 - Key for enabling a breakdown by industry
 - Key for better capturing the growth contribution of natural assets
- **Implementation of the SEEA**
 - OECD Task Force established in 2013, cooperation with UNSD, World Bank, Eurostat



Monitoring progress towards green growth

Indicator groups and associated SEEA accounts

1

The environmental and resource productivity of the economy

- Pollutant emission/ waste generation intensities and productivity ratios: carbon, waste, nutrients
- Resource use intensities and productivity ratios: energy productivity; material productivity, water productivity
- Multi-factor productivity

- **Physical flow accounts for energy**
- **Physical flow accounts for materials: air, waste, material flows, pollutant discharges to water**
- **Physical flow accounts for water**

2

The natural asset base of the economy

- Intensity of use resource stocks: water, forest, fish, minerals, energy
- Index of natural resources
- Land use and land cover
- Soil productivity

Asset accounts for:

- **Water resources**
 - **Mineral and energy resources; timber, aquatic resources**
 - **Land and soil resources**
- Experimental Ecosystem Accounts**

3

The environmental dimension of quality of life

4

Economic opportunities and policy responses

- Environment related activities: output, investments, trade, employment
- Level & composition of env expenditure
- Environment related tax rate and revenue structure
- Environment related support measures: fossil fuel subsidies

- **Environmental activity accounts: expenditure, EGS**
- **Accounts for other transactions related to the environment: payments, transfers**



Green growth indicators in practice





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Green Growth Indicators in practice

- **GG indicators are regularly published (2011, 2014, 2017)**
- **GG indicators are applied in OECD work: country studies, peer reviews**
 - 130 GG relevant publications since 2011
 - 80 country reports with GG recommendations
- **GG indicators are applied in countries**
 - OECD countries
 - LAC countries
 - EECCA countries
 - East-Asian countries
- **→ Exchange of experience and good practices**
→ Feedback on relevance, → indicator improvement





Green growth indicators in practice

Sectoral and thematic Green Growth Studies

- **GG Reports for Emerging Economies**
- **GG and Developing Countries**
- **Food and Agriculture**
- **Energy (OECD/IEA)**
- **Biodiversity**
- **Water**
- **Development**
- **Innovation & technology transfer**
- **Freedom of investment for GG**
- **Green Financing**
- **Green Cities**
- **Environmental regulations and growth**
- **Job potential of a shift towards a low-carbon economy**





Green growth indicators in practice

National and multilateral policy surveillance

- **Country peer reviews and studies**

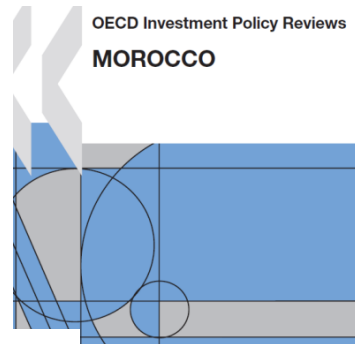
- Economic Surveys
- Environmental Performance Reviews
- Innovation Reviews
- Investment Policy Reviews

- **Other OECD Strategies**

- Jobs, Skills, Innovation
- Development

- **Greening Growth and Going for Growth**

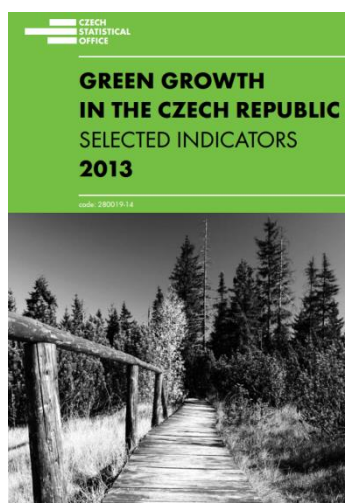
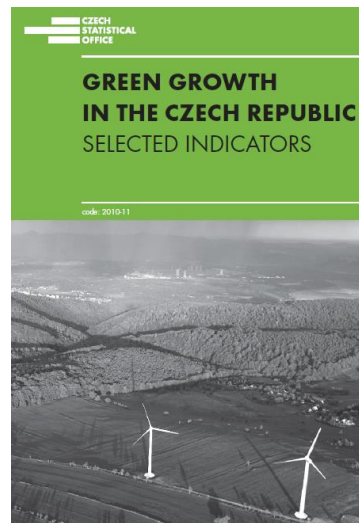
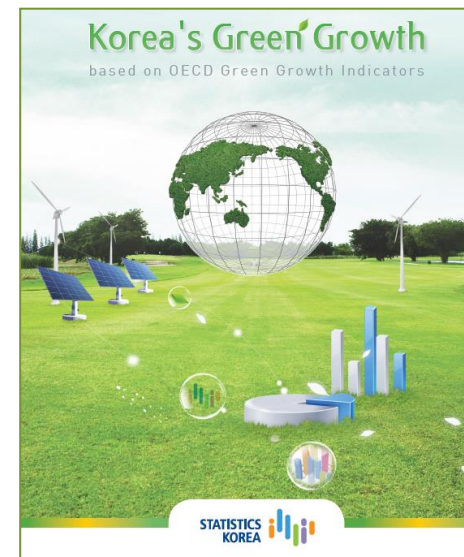
- Analyse the side effects of growth-enhancing policy priorities on the environment (and on income distribution).
- Analyse the links between environmental policies and outcomes and the effects of environmental policies on growth





Green Growth Indicators in practice

Selected country examples





OECD Green growth indicators

For more information, see
www.oecd.org/greengrowth
www.oecd.org/greengrowth/indicators

New report
Towards Green Growth?
Tracking Progress

<http://www.oecd.org/environment/towards-green-growth-9789264234437-en.htm>

New report
Aligning Policies for a Low-carbon Economy
<http://www.oecd.org/environment/Aligning-Policies-for-a-Low-carbon-Economy.pdf>

