GREEN ECONOMY PERSPECTIVES

by

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delivered at the CII meet organized for
the visiting
Executive Director UNEP,
and
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New Delhi

3rd June 2011

Respected Mr. Achim Steiner, Executive Director UNEP, Honourable Minister for Environment and Forests, Shri Jairam Ramesh Ji, Respected Mrs. Chanda Kocchar, Chairperson ICICI bank, ladies and gentlemen;

[I]
Bringing up the Green Economy concept in the agenda for a debate is a pro-active move on the part of CII. I congratulate the Association. The green economy is triggering discussion globally and off late, even nationally. This is perhaps because of its all-encompassing positive implications: the green economy aims at:

- well-being, measured not merely on the Happiness Index but more in the nature of the HDI, and in the context of pursuing and achieving the millennium development goals.

  it promotes

- equity, not just in the nature of the common but differentiated responsibilities of the Rio Principles, but also as an expanded policy-space for diversified sustainable development.

  and provides

- a win-win economic-environmental model that ensures that economic and environmental synergies prevail over trade-offs. And projects and programmes are co-beneficial, bringing in revenues from both environmental and economic investments.

The Green-Economy is essentially an inclusive concept comprising economic, social and the environmental pillars of growth.

I presume that it is on this positive note that CII has placed this subject on the table today.

[II]
The definition of the Green Economy really depends on the perspective:

- In the industrial world it is defined as resources efficient, technology-driven activity that increases investments and growth while substantially reducing carbon footprints; thus fast and clean mass-transport systems and motor fuel hybridisation; cradle-to-cradle production and consumption patterns; advanced waste management on the 3Rs pattern; controls on chemicals use and management; careful mining practices and action plans to make these investments and activities sustainable, characterise one type of green economy.

- In developing countries it can be defined as existing natural resources based livelihoods: the Masai tribes of Kenya counting wealth in terms of cattle, not cash living with a traditional taboo on agriculture; the Jarawas, Ongis and Sentinelese of Baratang Island in the A&N islands living off forests and the sea.
  - Eco-system products and services enhanced into stable market relations through Minor Forest Produce, fish, shells, fuel, fodder, wood etc. supporting the livelihoods of rural people, characterize other types of green economic life.

This diverse range of on-going and feasible options in a green economy are all co-beneficial, equitable and assuring of human well-being and so can legitimately be posited for adoption at the present or enhanced levels. But the problem is in the valuation of the environmental services concomitantly with the economic, as it depends upon the lifestyle objectives of the end user. From survival valuation of natural capital for Primitive Tribal Groups to Total Economic Valuation for investments of the industrialised countries; costs and benefits are poles apart. Keeping our common objective of inter-generational equity in mind we need to find present values of environmental costs and damages and investments and benefits for our children and theirs. With such a gap in life-scapes of the peoples of the world and within nations, it is not possible to apply a common discount rate for environmental goods and services and their scarcity. A low discount rate for present valuation will not be agreed to by the quick-returns investor and a high discount rate will make present day conservation and sustainability efforts worthless. There is no universal system of eco-system services valuation that can be adopted by the world as one. The three types of green economy characteristics exist simultaneously at both the global and the national levels and have to be nurtured in parallel.

[III]

It is in this diversity that I find this meeting especially meaningful. Trying to negotiate an agreed position on the Green Economy multilaterally, through tough negotiating forums like the climate change and the sustainable development conferences normally get stuck on the familiar technology, financing and legal commitments issues. It is easier to operate at the National, Bilateral and Plurilateral levels to pose the green-economy issue as a sectoral, interest-group related initiative. These interest-group agreements singly and in plural, will grow into larger groups of green-economic unions to merge into global and multilateral networks of an institutional frame that will ensure Mother Earth a sustainable life.

In my opinion the coordination of this vast economic and environmental network should be the task of a much strengthened UNEP in the future.

[IV]
In India there is enterprise. There is investment potential. But money does not flow into enhancing and accounting for eco-system services except as a social responsibility. One reason could be that all that is environmental is Government led and Government managed with all the attendant framework limitations. Therelationship of the private sector with the environment is on a regulatory platform, not on a development, technology or innovation track. This meeting is an Industry initiative. Let it mark a beginning of a decade of a private sector led green-economy movement. An important milestone in this officially declared decade of Bio-Diversity. Let us use affordable technologies and success stories to mainstream our products and services of bio-diversity. Let us showcase and develop our waste recycling and value-addition industry. Let us look for profit in waste to oils to energy and by-products like glycerine, carbon black and organic fertilizer. Off-grid, distributed generation and supply of power using waste-based fuels are all happening small enterprises in our country. Let the large companies get into the fledgling green economy markets and enlarge them. R&D by itself is a new business venture.

[V]
The Executive Director of the UNEP represents the most appropriate global coordinator for the green economy to happen. As we cannot wait for bottom-up networks to mature, rather these have to be nurtured and enabled over the years; I suggest three thrust areas for UNEP to consider pursuing globally:

1. Developed countries have to take the lead in changing their production and consumption patterns
2. Developing countries can maintain their development agenda but use sustainable means and developed countries commit to enable and support the developing countries' sustainable path through finance, technology transfer and reforms to global and financial structures;
3. The form of international conferences should be less of a negotiation and more of encouraging bilateral and sectoral alliances to build the institutional framework of the future.

[VI]
I have worked with and learned from various industry organisations between 1992 and 2006. In these fourteen years of discussions and action I have found great support in Indian industry towards making a nature-orientation into a business model. I hope the future will not just mainstream the green, but also the brown as both are a part of the Green Economy of today and tomorrow.

Thank you