

UNIVERSITY OF
OXFORD



INSTITUTE OF HUMAN SCIENCES



Sustainability and International Development

18th February, 2011

GLOBAL POLICY SEMINARS



**Brite
Green**
SUSTAINABLE STRATEGY



Greening Development The role of MDBs

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Greening Development

□ *Greening development* – helping developing countries to:

- ❖ Transform growth paths to *leapfrog* to environmentally sustainable outcomes
- ❖ Create wealth from natural resources
- ❖ Manage multiple *environmental risks*



What developing countries are asking:

- ❑ Promote a *new development paradigm*
 - ❖ Leapfrog
- ❑ Strengthen *governance* and institutions
- ❑ *Mainstream environment* and safeguards
- ❑ Strengthen environmental sustainability in *private sector investments*
- ❑ Strengthen *partnerships*
- ❑ Expand *knowledge* base, knowledge sharing, capacity building
- ❑ Improve measurement of *results*

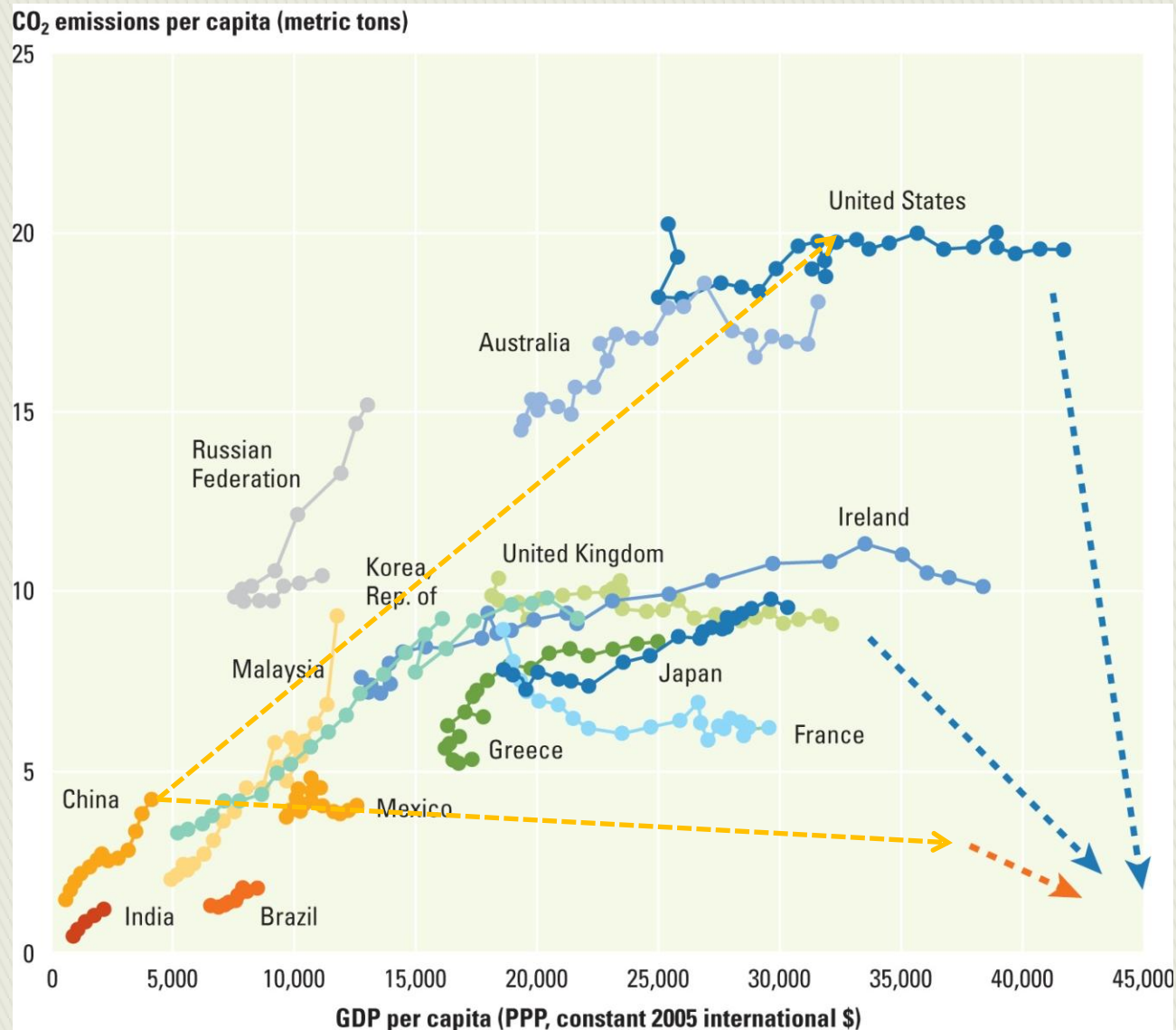


Leapfrogging: Transforming Growth Paths

What does it mean?

- Helping countries *avoid the mistakes* of developed countries and achieve *environmentally sustainable outcomes sooner* through:
- *Technology*: promoting development, availability, and affordability of new technologies; introducing innovation at scale. But technology not only solution.
- *Better Production Processes*: *accelerating the diffusion* of existing and traditional environmentally beneficial technologies and practices – eg agriculture, forest management
- *Policy analysis and research*: providing *enabling policy environments* and price signals for environmentally sustainable outcomes
- *Better planning* for sustainable cities

Because the World is Going in the Wrong Direction and Needs to “Bend the Kuznet’s Curb” (or dig a tunnel)....

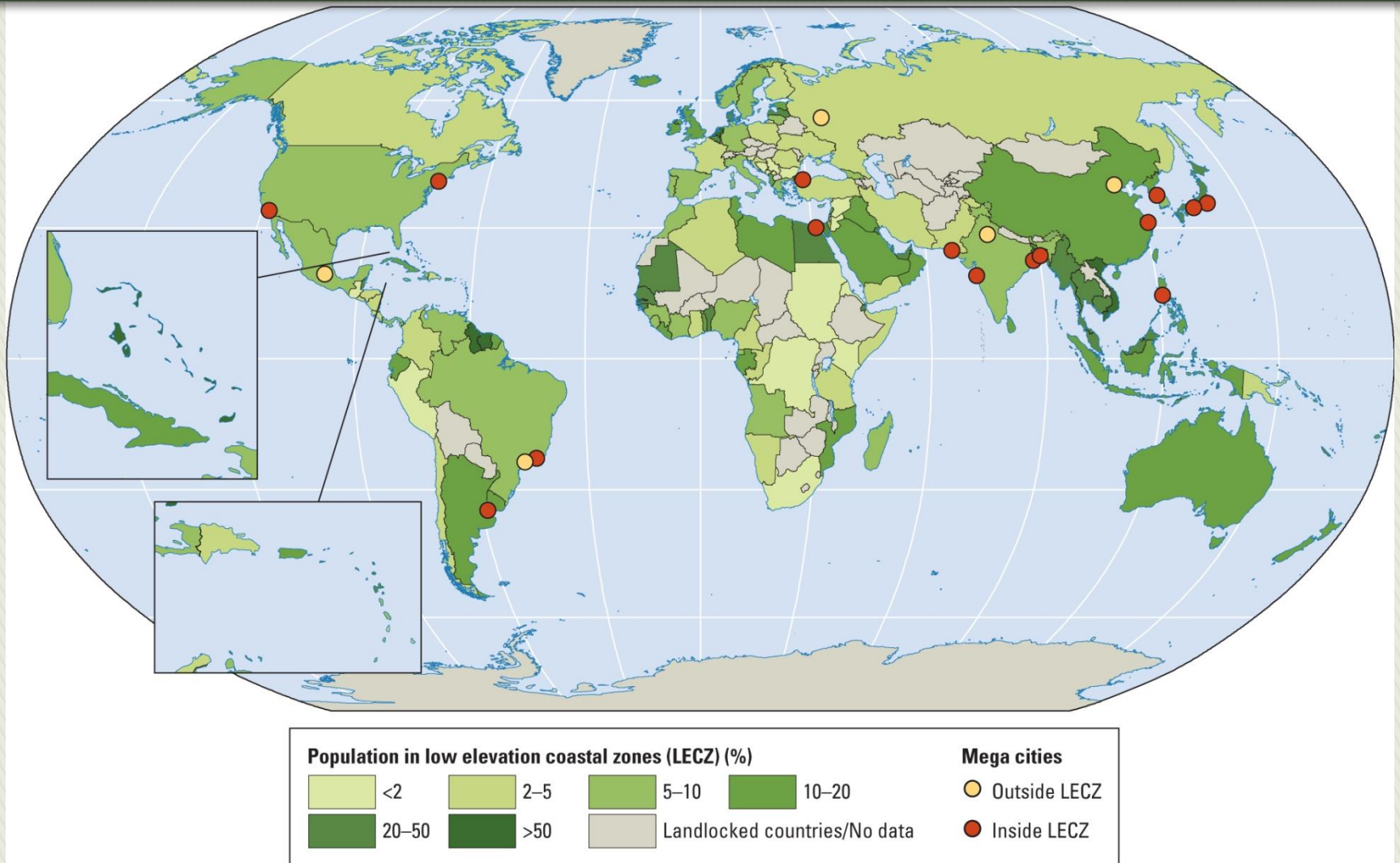


Source: Adapted from NRC 2008, based on data from World Bank 2008e.

Note: Emissions and GDP per capita are from 1980 to 2005.

World Development Report 2010

Because Cities are Building in the Wrong Places...



Source: United Nations 2008a.

Note: Megacities in 2007 included Beijing, Bombay, Buenos Aires, Cairo, Calcutta, Dhaka, Istanbul, Karachi, Los Angeles, Manila, Mexico City, Moscow, New Delhi, New York, Osaka, Rio de Janeiro, São Paulo, Seoul, Shanghai, and Tokyo. Megacities are defined as urban areas with more than 10 million inhabitants.

Because Inertia Means Today's Decisions Determine Tomorrow's Options and Costs

Inertia in the
built environment
costs



Inertia in
institutions and
individuals' behavior
political momentum



Inertia in the climate
system
feasibility



Creating Wealth from Natural Resources

What does it mean?

- In response to the *multiple crises* (energy, food, financial) there is an urgency to **accelerate growth** for poverty reduction, and provide safety nets
- Many country growth strategies based on development of renewable/non-renewable natural resources (leveraging relatively abundant natural capital to build other forms of wealth)
- Other countries face challenge of growing with depleted natural resources, especially water, soil, forests. The poor are especially dependant on natural resources for livelihoods.
- Coping with natural disasters, often due to poor NRM
- Therefore, renewed focus on effective NRM for growth and wealth creation is required

Deteriorating Ecosystems due to Failures in Valuing their Services

- ❖ Ecosystems are especially important for developing countries
- ❖ Considerable progress has been made in the measurement and valuation of ecosystem services
 - A large number of case studies and demonstration projects have been carried out
 - Widely accepted in the environment community
- ❖ → Challenge: How to convince Ministries of Finance, planning agencies that they have a stake in sustainable management of ecosystems
- ❖ → Solution: 'greening' national income accounts, which are widely used for assessment of macroeconomic performance and decision-making and scaling up ecosystem valuation techniques

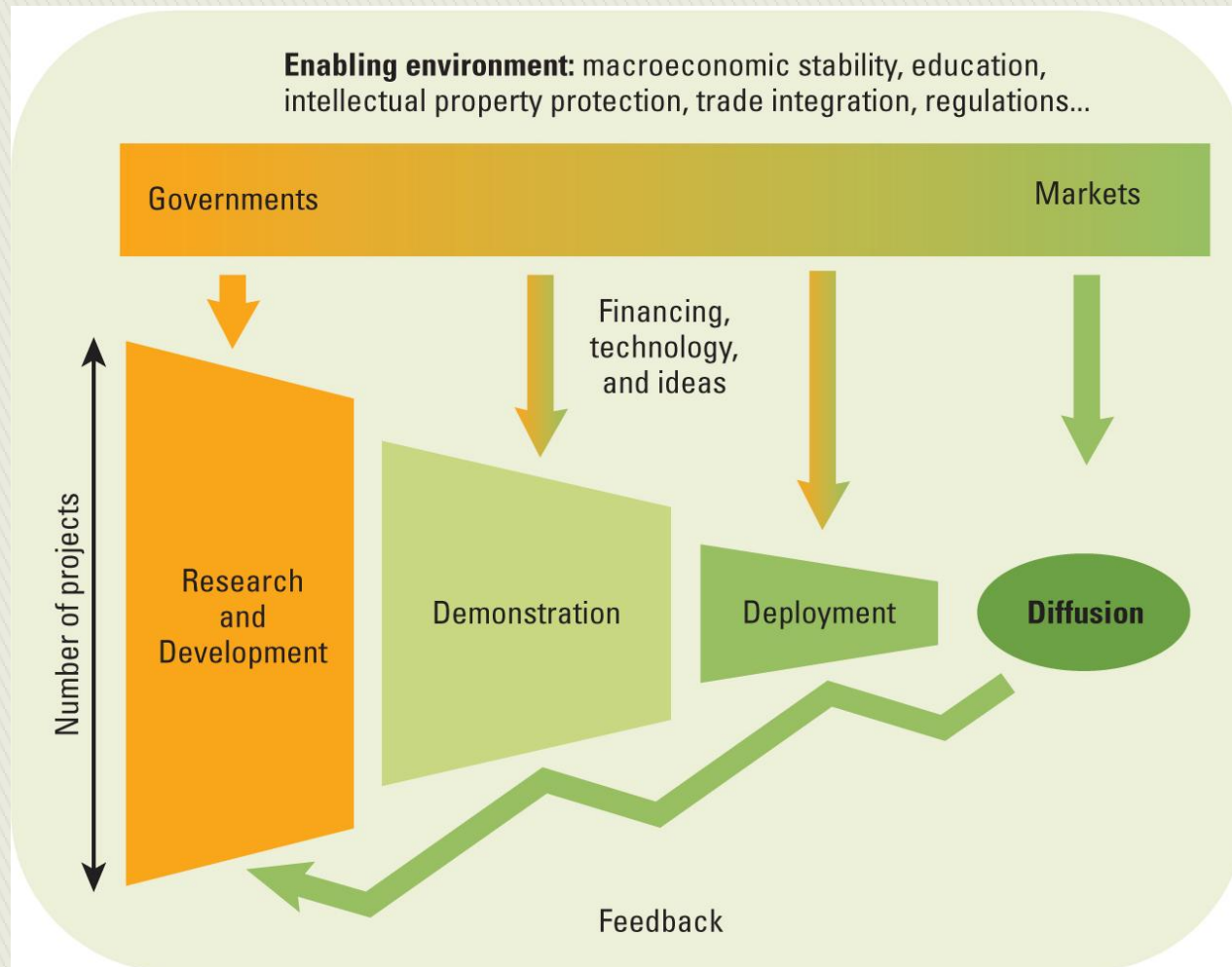


Managing Environmental Risks

What does it mean?

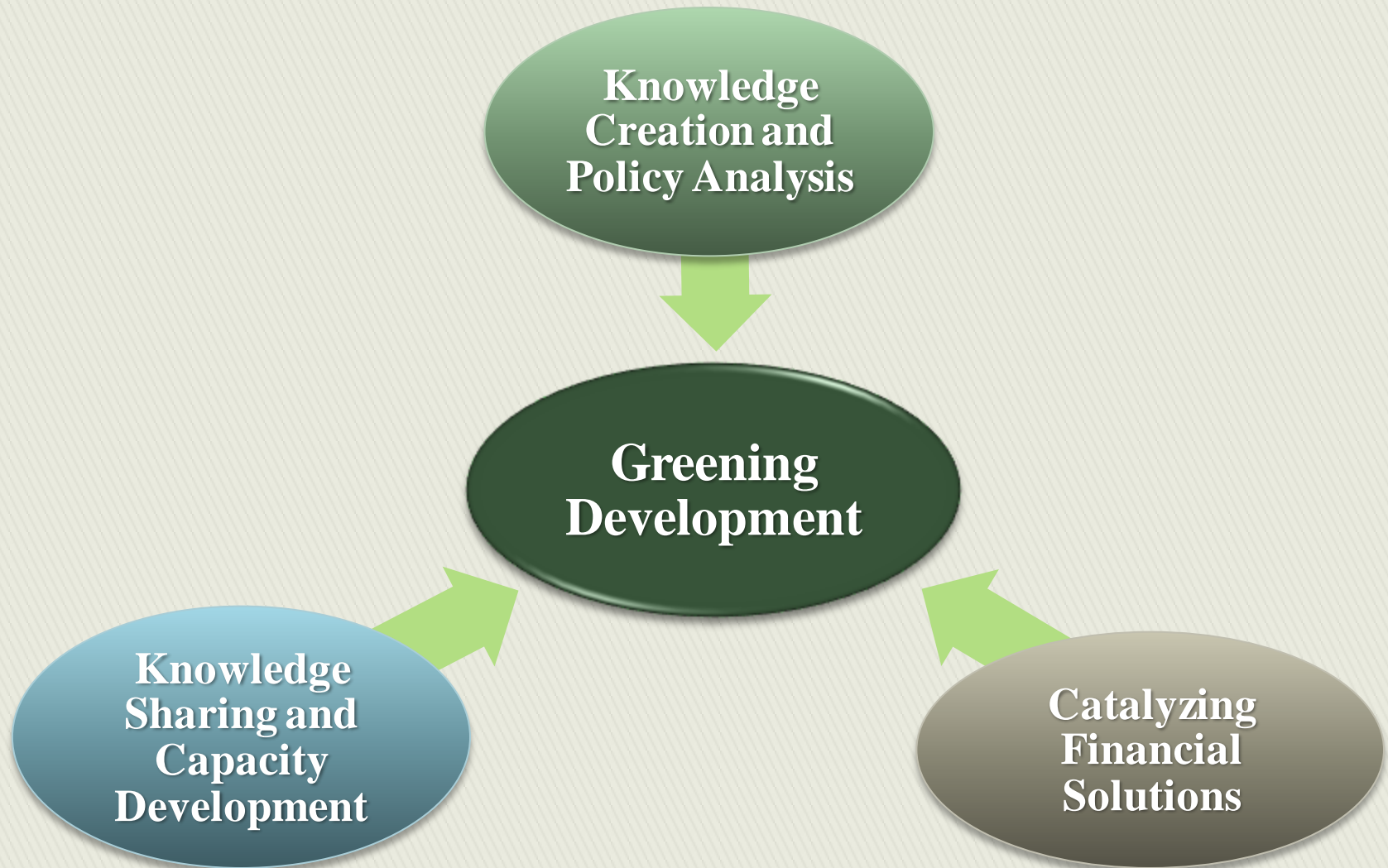
- *Climate change* imposes long-term risks to development and poverty reduction -- need to plan for climate impacts
- Increasing prevalence of disasters presents short-term risks, reverses development gains (eg, Pakistan floods)
- *Conflicts* over use of natural resources (e.g., mining, water) add special risks
- *Persistent risks* (e.g., declining air quality, water pollution, toxic waste), damage health and increase mortality, especially of the poor and children
- Damage to ecosystem function threatens irreversible loss of terrestrial and marine biodiversity, and ecosystem services

Policy Affects Every Link of the Innovation Chain



Source: Adapted from IEA 2008a.

Tools for Action





Thank You

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