

RIO+20 REGIONAL MEETING PREPARATORY - ECLAC
7-9 SEPTEMBER 2011
BUSINESS AND INDUSTRY MAJOR GROUP
GREEN ECONOMY IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT
AND POVERTY ERADICATION

Business has been engaged in Sustainable Development since Agenda 21 and is a substantive participant to shape and implement the concept of 'Green Economy' at both, the policy and the market level through a combination of regulatory and voluntary measures.

Business and Industry delivers a great deal of the jobs, investments, technologies, products and services that drive the changes and innovations needed to move towards a Green Economy.

The business community believes that the term "Green Economy" is embedded in the broader sustainable development concept. The "Green Economy" is described as an economy in which economic growth and environmental sustainability work together in a mutually reinforcing fashion while supporting progress on social development. Business and Industry has a crucial role in delivering the economically viable products, processes, technologies, services, and solutions required for the transition to a Green Economy.

Part of the challenge and opportunity for Business and Industry is to understand the concrete possibilities of a 'Green Economy' with its opportunities and risks for its many sectors in both developed and developing countries. Therefore the actions needed to transition towards "Green Economy" also vary from sector to sector and from a developed and developing country perspective, but GE must deliver economically viable products and services.

Cost-effective approaches are fundamental to succeed in greening economies along global value and supply chains. Whether taxes, subsidies or other policy instruments are employed, they need to be based on cost-benefit analysis, be transparent, non-distortive, economically viable, environmentally sustainable, and socially effective.

There is no one size fits all approach and the Green Economy seeks to green ALL elements of the economy in their own ways. Therefore we support the notion that rather than word-smithing around one single definition, GE needs to define the direction of the innovation into the direction of 'Sustainable Development and poverty eradication' with a set of commonly agreed principles. It is thus a unifying theme that defines the 'direction' in which the global economies needs to move and create the respective alignments with.

Business and Industry views 'Green Economy' through the lens of companies and industrial sectors that operate in supply and value chains. Many of our value chains are global so a global level playing field is therefore important to avoid some of the concerns and challenges raised by others. Business works with its respective stakeholder constituencies in the value chain across the life cycle of its products. Business and Industry also works with and across national contexts where we can offer specific technology expertise, product solutions and innovative best practices to work with governments and others to make this transition on this systemic challenge of Green Economy.

Green Economy and International Environment Governance (IEG) go hand in hand and need to become mutually reinforcing as there is a need for structural change in the institutions that govern the global economies. Improving these institutions and their ability to enable the right frameworks are critical so all actors can deliver on their shared responsibility and ensure better coordination and policy implementation.

We support and expect an actionable and measurable outcome of Rio+20. A Global UN Green Economy Roadmap which would clearly articulate Green Economy principles may be a way to start as it would set measurable targets, deliverables and timelines and achieve shared understanding of the role of the various actors and what these actors needs to do. It would also improve coordination, alignment and sharing of best practices.

Note:

The Business and Industry major group has been formed at this instance by the Business Action for Sustainable Developmentⁱ and Instituto Ethos from Brazil.

ⁱ The BASD is formed by the following partners: International Chamber of Commerce (ICC), World Business Council for Sustainable Development (WBCSD), United Nations Global Compact, Aquafed - Intl. Federation of Private Water Operators, Air Transport Action Group (ATAG), Business Council for Sustainable Energy (BCSE), CropLife International, Cement Sustainability Initiative, Digital Energy Solutions Campaign (DESC), International Aluminum Institute, International Council of Chemical Associations (ICCA), International Council on Mining and Metals (ICMM), IPIECA - Global Oil & Gas Industry Association, World Steel.