

# QUAKER ECO-BULLETIN

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Ecologically Sustainable World

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## The U.N. Green Economy Initiative: A Critique

Mary Gilbert and David Millar

*“Will it be a green or a greed economy? [It must be] socially just, redistributive and responsible... not foster a new generation of ‘green billionaires’. [It must] provide developing countries with the finance, technology transfer and capacity assistance that might enable this transition.”—Hannah Stoddard of Stakeholder Forum*

### Introduction

At its biennial meeting in February 2011, the U.N. Environmental Programme (UNEP) formally presented their “*Green Economy Report*” with detailed recommendations. U.N. General Secretary Ban Ki-Moon urged governments and business leaders to abandon Business-As-Usual (BAU), which he called “a global suicide pact”, in favor of massive investment of public and private funds in “sustainable development”. Implicit in the *Report* is the admission that earlier efforts have failed to meet the needs of the poor, and to stop the dangerous plundering that destroys the health of our living planet.

The *Report* launched a campaign to get business and government to invest in a massive change from “brown” to “green” economy, and make up the huge shortfall in climate funds to poor countries. It argues that the green shift is both necessary for humanity and profitable for business, can reduce the human ecological footprint 50% by 2050, will develop renewable energy sources, be a net generator of jobs and an engine of economic growth, and is vital for the elimination of world poverty.

This *Quaker Eco-Bulletin* includes a summary of the *Report* and a discussion of the U.N.’s *Green Economy Initiative (Initiative)*, which will be the center-piece of the U.N. Conference on Sustainable Development June 4-6, 2012 in Rio de Janeiro, Brazil, called “Rio+20”. The U.N. aims to convince heads of state to sign on to the *Initiative* and commit to specific steps to begin implementing the programme. A timeline of pertinent events leading up to Rio+20 and a glossary of acronyms and terms are included.

### Summary of Green Economy Report

The report is presented in three parts:

Part I—Investing in Natural Capital—is divided into four areas: *Agriculture, Forests, Fisheries, and Water*

Part II—Investing in Energy and Resource Efficiency—identifies seven sectors: *Manufacturing, Waste, Transport, Renewable Energy, Buildings, Tourism, and Cities*

Part III—Supporting the transition to a global green economy—describes three means to the stated ends: *Modeling, Enabling Conditions, and Finance*

The U.N. calls for investing two percent of world GDP, US\$ 1.3 trillion, each year until 2050, for economic development intended to achieve the Millennium Development Goals (MDGs) and eliminate poverty. The funds are to come mostly from private capital.

**Role of private capital:** The *Initiative* promotes economic growth and profit generation. It claims that “the shift... [to a sustainable economy] ...will occur naturally,” but won’t be profitable for the first 5 to 10 years. They warn that “the risk/reward equation still works unfavorably for would-be investors in the short term.”

**Role of governments:** Success requires “sound public policies and regulatory frameworks” including removal of “costly and harmful subsidies”. Currently one to two percent of global GDP goes to pernicious subsidies, particularly to fossil fuels. That money could and should be redirected by governments and multilateral financial institutions into green projects.

**Current tasks:** Although green economic growth is increasing rapidly, the environmental crisis demands a bigger and faster shift. The report identifies two major challenges:

1) *Decoupling:* The Green Economy is based on the idea of economic growth on a finite planet, so there is a need to *decouple this growth* from an increasing carbon and environmental footprint, and reduce waste generation. See SCP in the Glossary.

### Components of a Green Economy— Examples from the UNEP report

- 1) Shift industries from brown to green, retrain workers for green jobs.
- 2) The Economics of Ecosystems and Biodiversity (TEEB) green accounting of ecosystem services and environment impacts.
- 3) Sustainable Consumption and Production (SCP), green procurement by business and government, and life-cycle design including recycling.
- 4) National Green Accounting or Inclusive Wealth Accounting, a World Bank pilot project.
- 5) Micro-credit for the poor, e.g. Mohammed Yunus’ Grameen Bank.
- 6) India’s National Rural Employment Guarantee Act 2006 for the rural poor.
- 7) Kenya’s feed-in tariff for renewable energy.
- 8) REDD financing of forestry.
- 9) LULUCF financing of agriculture.
- 10) Brazil’s recycling: 95% of all aluminum cans and 55% of all polyethylene bottles.
- 11) Reducing food waste and improving distribution in poor countries.
- 12) Urban public transport and retrofits, taxes on cars in the city.

**Quaker Eco-Bulletin (QEB)** is published bi-monthly by Quaker Earthcare Witness (formerly FCUN) as an insert in *BeFriending Creation*.

The vision of **Quaker Earthcare Witness (QEW)** includes integrating into the beliefs and practices of the Society of Friends the Truths that God's Creation is to be held in reverence in its own right, and that human aspirations for peace and justice depend upon restoring Earth's ecological integrity. As a member organization of Friends Committee on National Legislation, QEW seeks to strengthen Friends' support for FCNL's witness in Washington DC for peace, justice, and an Earth restored.

**QEB's** purpose is to advance Friends' witness on public and institutional policies that affect Earth's capacity to support life. QEB articles aim to inform Friends about public and corporate policies that have an impact on society's relationship to Earth, and to provide analysis and critique of societal trends and institutions that threaten the health of the planet.

Friends are invited to contact us about writing an article for **QEB**. Submissions are subject to editing and should:

- Explain why the issue is a Friends' concern.
- Provide accurate, documented background information that reflects the complexity of the issue and is respectful toward other points of view.
- Relate the issue to legislation or corporate policy.
- List what Friends can do.
- Provide references and sources for additional information.

**QEB** Coordinator: Keith Helmuth

**QEB** Editorial Team: Judy Lumb, Sandra Lewis, Barbara Day

To receive **QEB**:

**Email:** [info@quakerearthcare.org](mailto:info@quakerearthcare.org)

**Website:** [QuakerEarthcare.org](http://QuakerEarthcare.org)

**Mail:** write to address below

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**Quaker Earthcare Witness**  
173-B N Prospect Street  
Burlington VT 05401

2) *Redefining*: It requires a shift in values. We must "re-think and redefine traditional measures of wealth, prosperity and well-being", replacing the Gross Domestic Product (GDP) with Indicators of Well-being.

**Conclusion:** The report urges change from the current practice of responsible investment, based on "do no harm", to a new practice of sustainable investment—invest in solutions to sustainability challenges.

### **Discussion**

In January 2011 Ban Ki-Moon first announced the *Initiative* to corporate heads at Davos. The U.N. is trying very hard to win businesses over, claiming that the world can meet the MDGs and replace the GDP with Indicators of Well-being, without compromising corporate profits.

We find that the *Initiative* prioritizes economic growth over social justice and ecology; at best, it hopes to harmonize them. It argues that the green shift is both necessary for humanity and profitable for business. It claims the *Initiative* will: reduce the human ecological footprint 50 percent by 2050, develop renewable energy sources, be an engine of economic growth, prove vital for the elimination of world poverty through green job generation, ensure social justice, make up the huge shortfall in climate funds to poor countries, and save the environment. All at once! In addition to woefully insufficient government aid and World Bank loans, countries and landowners would get income from carbon credits through REDD for forest preservation, LULUCF for land uses, and PES for other ecosystem services.

Understanding the value of our environment, even in dollar terms, is not the same as having our commons (air, water, land, forest) become commodities sold as carbon credits. Carbon trading is very different from the "green accounting" of environmental impacts recommended by TEEB.

### **Decoupling**

Our current economic system assumes that unlimited economic growth is possible on a finite planet. The trends, shown by Bill McKibben's *Eaarth* and numerous scientists, are very clear: since 1985 humankind has been using more than nature can regenerate and recycle. Earth Overshoot Day—the day each year that we surpass net natural productivity for the year—now comes in early August. Biology tells us a species that overshoots carrying capacity is due for collapse. We are destroying the life support systems of Earth, which may well mean the die-off of 8 billion humans and uncounted other species.

### **Loopholes**

Despite good intentions, the details of the *Initiative* are full of loopholes fought for by various interests. Both LULUCF and REDD have such problems:

REDD payment to "forest landholders" ignores indigenous peoples, peasants and others who cannot prove legal title to the land. The current text permits logging, gives credits for wood products, defines monoculture tree plantations as "forest", and exempts draining peatlands and climate-caused forest fires from REDD accounting. REDD must specifically include the free prior and informed consent of forest-dwellers, peasants and indigenous peoples as specified in the U.N. Declaration on the Rights of Indigenous Peoples. Already, such people have been evicted by security forces in numerous places.

LULUCF defines inhabited savannah as "marginal", allowing bio-char, ethanol plantations and GMO mega-projects, and ignoring the rights of local people who practice dryland farming. This allows land grabs and dispossession, which are already happening on a grand scale.

There is a great deal to be encouraged about, and a great deal to cause alarm. Our judgment is mixed. Mary is concerned, but glad to see this monumental effort to change our way of living on Earth; David is more troubled by its glaring flaws and loopholes.

### **Mary says:**

Whenever I hear Achim Steiner, the executive director of UNEP, speak I feel encouraged. He knows very well what is happening to our planet, destruction of the sustaining environment, and what is causing it: mindless corporate greed. He is

convinced that once the heads of corporations fully understand the problem they will become responsible, use pertinent scientific information in corporate decision-making, and plan for the long term. Right now they don't.

Steiner said UNEP isn't "...targeting the current powers for overthrow...It's not a discussion about a 'New Economic Order.'... [Our approach must be] based in the current market economy. ... [This is] not ideological; we are just trying to bring the best analytical and empirical evidence to create a better debate." He also said, "Markets need regulatory systems; I want to learn which ones work." The *Initiative* is promoting "the enormous social and environmental benefits from combating climate change and re-investing in natural infrastructure" so we can "move from mining the planet to managing and re-investing in it".

My big questions are whether the *Initiative* can work and what it will look like on the ground. The history of such good intentions is pretty poor, as seen in our timeline.

Current finance and corporate practice is extremely short term, demanding profit every three months. Can corporate investors be persuaded to forgo quick profits? The U.N. has no authority to enforce any internal national matters. Will governments remove harmful subsidies to the fossil fuel and other industries, and redirect that money to green investment? What kinds of sound public policies and regulatory frameworks will countries voluntarily put in place?

Can economic growth, the promise that is supposed to woo corporations, be decoupled from an increasingly scary environmental footprint? And how can the world be enticed to adopt a value system that will replace the GDP with the Indicators of Well-being that are being developed?

The people developing the *Initiative* are talking about huge investments on the usual corporate scale. I see no evidence of

concern for smallholder farmers, appropriate small hydropower, thriving local markets, or anything decentralized that would put control into local hands.

#### **David asks:**

Is "green investment" a Trojan horse? Time and again the rich countries have pledged and then refused adequate aid. The *Initiative* calls for \$1.3 trillion per year, two percent of global GDP, from investment, international aid, and money from carbon trading income. For comparison, world military expenditure is \$ 1.53 trillion a year. U.S. spending on healthcare is 16 percent of GDP. Both are rising. Many people of goodwill support Steiner's goals, but are the means desirable and will the goals be achieved?

At COPs 15 and 16, BAU won the day. If the green economy enables, extends, and "greenwashes" an unregulated carbon market, we will be looking at the worst possible result: emissions rising ever faster, with pollution permits based on inflated or unprovable claims. Ban and Steiner may be right, that climate action requires a massive bribe to the money powers, but we may pay the bribe and get no results.

Carbon offsets are licenses to pollute, and there have already been serious abuses. The World Bank, which runs various Climate Funds, and has been given temporary control of the new Green Fund established in Cancun, has a record of environmental damage. Friends of the Earth warns that an unregulated market could lead to a trillion-dollar "carbon casino". Subprime mortgages were based on promises to extend home ownership. Some see a direct parallel.

A major issue not addressed by the *Initiative* is ecological debt. The Global South is demanding justice from the countries most responsible for climate change. They want compensation in the form of funding for adaptation to the effects of climate change, transfer of appropriate technology, and climate space. Climate space means GHG allowances, under the principle of "common but dif-

### **Glossary**

**BAU**—Business-As-Usual

**Carbon credits**—"offsets" to GHG pollution, bought and traded on stock markets.

**COP**—Conference of Parties. Annual meetings of the UNFCCC negotiators, numbered consecutively, also known by name of city where meeting was held.

**Copenhagen Accord**—Three-page document produced by the U.S. and 16 other nations behind closed doors *at*, but not *by*, COP15. It is not an official U.N. document.

**Davos**—Swiss site of annual meetings of WEF (World Economic Forum). Corporations pay \$52,000 to \$500,000 to join. Political and social leaders attend by invitation only.

**GATT**—Global Agreement on Tariffs and Trade, which has been in place since 1946 and has now been succeeded by the WTO.

**GDP**—Gross Domestic Product, the money value of national trade and services.

**GHG**—Greenhouse gases. Climate disruption is attributed to the increase of GHGs in the atmosphere.

**Global South**—to indicate poor countries, replacing "the third world".

**Kyoto Protocol (KP)**—a treaty with binding GHG emissions targets. Rich countries have not met their promised aid goals under the KP. In 2012 the KP has been scheduled to go into a second phase, which is now seriously threatened.

**LULUCF**—Land Use, Land Use Change and Forests, a carbon credit scheme to manage land use and provide money to participating poor countries.

**MDGs**—Millennium Development Goals, a global action plan adopted in

2000 to achieve eight anti-poverty goals by 2015.

**NGOs**—Non-governmental organizations, such as QEW.

**PES**—Payment for Ecosystem Services. See TEEB.

**QEW**—Quaker Earthcare Witness, the NGO under which *Quaker Eco-Bulletin* is produced. See the staff box on page 2.

**REDD**—Reduced Emissions from Deforestation and Forest Degradation, a carbon credit scheme to save forests and raise money. Those unable or unwilling to reduce GHG emissions pay a country to preserve its forests, by purchasing carbon credits, which can be traded.

**REDD+**—approved in Cancun, allows "managed" GMO plantations as well as preserving old-growth forests; it promises safe-guards (so far ineffective) for forest peoples and the environment.

**Rio**—Brazilian site of Earth Summit in 1992.

**Rio + 10**—WSSD in Johannesburg in 2002.

**Rio + 20**—"green economy" Earth Summit to be held in 2012.

**SCP**—Sustainable Consumption and Production. A 10-year "framework" for SCP, including triple bottom line (economic, ecological and social measures), green procurement, cradle-to-cradle design, and waste reduction, will be brought to Rio+20.

**TEEB**—The Economics of Ecosystems and Biodiversity, a scientific research group of biological and economic experts who estimate the money value of "ecological services" and cost of biodiversity loss.

**UNFCCC**—U.N. Framework Convention on Climate Change, produced at Rio. It administers the Kyoto Protocol and holds an annual COP.

**WEF**—World Economic Forum. Not a U.N. body. See Davos.

**WSSD**—World Summit on Sustainable Development, held in 2002, ten years after Rio.

ferentiated responsibilities". All are vital to their economic growth out of poverty. Another issue is whether India's, China's, and Brazil's growing economies have already taken them out of underdeveloped status, so they should pledge their own GHG reductions.

### What Can Friends Do?

How might Quakers respond to the proposed U.N. *Green Economy Initiative*? The *Initiative* is getting tremendous support, even from major corporations in the World Economic Forum. Surely profits will be made. Justice and a healthy planet are less assured. We need to be alert to signs that the *Initiative* is not achieving its stated goals.

We can provide critical support by insisting on people's rights, appropriate technology transfer, and adequate international aid. We can "watchdog", through detailed monitoring, along with other Quaker bodies and NGOs that share our values. Without becoming instant experts we can learn from, support, and cooperate with these groups.

We hope to see an *Initiative* that aims at real ecojustice, holds up the highest standards for right sharing with all species, helps Earth maintain us all, and acknowledges our planet as "a manifestation of God" as Quaker Earthcare Witness states in our Vision and Witness statement. We need to ask what is in accord with our testimonies and seek clearness about how to respond.

**Mary Gilbert** has been a member of Friends Meeting at Cambridge, Massachusetts, for nearly 35 years. She serves on Monthly and Yearly Meeting Earthcare committees, and on the Quaker Earthcare Witness Steering Committee. She has represented QEW for the past 11 years at United Nations meetings all over the world. Mary says, "To me, the physical universe is the flesh of God."

**David Millar**, a member of Canadian Yearly Meeting since 1980, has clerked several local meetings, including Montreal where he now lives. He taught in all regions of Canada and, since retiring in 2005, has been active as a representative to KairosCanada, Le Réseau œcuménique justice et paix (ROJeP) Quebec and QEW Steering Committee (UN support group and Outreach).

### Timeline

**1972—U.N. Conference on the Human Environment**, held in Stockholm, marked the beginning of political and public awareness of global environmental problems.

**1987—World Economic Forum** began its annual meetings. Over 1000 corporate heads gather in Davos to discuss future plans. They invite political leaders. The general public has no voice.

**1992—World Business Council for Sustainable Development (WBCSD)** began as a lobby composed of the largest non-fossil multinationals, and participates in some U.N. planning. The *Initiative* tries to enlist both WBCSD and carbon-market financiers as allies, against the forces of BAU—the fossil fuel companies, energy-intensive industry, those whose jobs or power gain from resisting change.

**1992—Earth Summit (Rio)** was a major, two-week conference held in Rio de Janeiro, Brazil, to forge practical, internationally agreed plans to make sure that the biosphere would not be further damaged. A graphic was created, three concentric circles. The outermost circle was called *planetary wealth*, the middle circle represented *societal wealth* and the innermost circle, *economic wealth*. That graphic showed the economy as "owned" by human society, all within the limits of the planet, our primary source and support.

At Rio, 178 governments produced the Rio Declaration, which says all the right things. Outcomes of the Earth Summit include:

- **Agenda 21** is a 40-chapter comprehensive blueprint of action for sustainability.
- **U.N. Framework Convention on Climate Change (UNFCCC)** developed the now-threatened *Kyoto Protocol* under which nations pledged to

reduce greenhouse gas emissions. The U.S. is party to the UNFCCC, although not to the KP. Observers say making such a treaty would be impossible today.

- **U.N. Convention on Biological Diversity (UNCBD)**, and
- **U.N. Convention to Combat Desertification (UNCCD)**.

At the end of Rio there was a sense that much had been accomplished, and a euphoria because governments had made good plans and had pledged to carry them through.

**1995—World Trade Organization (WTO)** appeared on the scene. Its membership is made up of governments, but it is not part of the U.N. system. It is dominated by the developed nations, addresses international trade and strengthens free-trade globalization. It has closed-door courts to enforce its rules, no external oversight, and no civil society participation. The WTO succeeds the previous General Agreement on Tariffs and Trade (GATT).

**1997—Kyoto Protocol (KP)** was agreed, although it didn't come into force until 2005. It was designed with binding world targets for reduction of GHG, with each nation pledging its fair share "common but differentiated responsibilities" for developed and developing nations. Under President Bill Clinton the U.S. signed the KP, but the Senate refused to ratify it. In 2012 the KP is scheduled to enter a second phase with higher reduction goals.

**2000—U.N. Global Compact** was established with participating businesses that promise to adopt sustainable and socially responsible policies, and to report on their implementation. The Compact is purely voluntary and has proved useless in fostering sustainability.

**2000—Millennium Development Goals (MDGs)** were endorsed by the U.N. There are eight goals with 21 targets (e.g., reduce by half the number of people in the world suffering from hunger) to be reached by 2015.

**2002—World Summit on Sustainable Development (WSSD)** was held in Johannesburg. The concentric circles used in Rio were replaced by a three-legged stool, with legs representing the environment, civil society and the economy, all holding up Sustainable Development. This image suggests no limits to growth; a stool can just get taller.

Instead of producing new agreements between governments, the WSSD was organized around almost 300 "partnership initiatives" as the key means to achieving the MDGs. NGOs were distressed because the partnerships would be set up with "legs" of unequal power, another three-legged stool: source of funding, government, and civil society. It was clear that corporate interests dominated at Johannesburg, and would continue to dominate as partnerships were developed.

**2009—COP15** was held in Copenhagen, Denmark. High hopes were raised around the world, but on the last night the secretly written "Copenhagen Accord" was presented. The Accord differs from the KP in having no overall reduction goal and no agreed fair shares. It promotes bilateral rather than global agreement. Some consider it a recipe for chaos and unfairness, and guaranteeing dangerous increases in global temperature. The angry plenary group "noted", but emphatically did not adopt the Accord. REDD was approved without safeguards. Between COPs 15 and 16 the U.S. denied previously awarded grant monies to countries that would not sign onto the non-binding Copenhagen Accord.

**2010—COP16** was held in Cancun, Mexico. Rich countries scuttled the KP. First Japan, then more countries, joined the U.S. in refusing to sign onto Phase 2 of the KP. All countries, except Bolivia, agreed to a package deal that would allow climate change of +2°C. Cancun also gave "temporary" charge of new Green Climate Funds to the World Bank.

**2011—UNEP's Green Economy Report** was announced by Ban Ki-Moon at Davos in January, and officially launched at the U.N. in February.

**2011—COP17** will meet in December in Durban, South Africa. The U.S. and Europe have already announced they will refuse to sign the next phase of the Kyoto Protocol. Ban Ki-Moon has ended his direct involvement in climate negotiations. His focus is now on Sustainable Development, i.e. the *Green Economy Initiative*.

**2012—U.N. Conference on Sustainable Development (Rio + 20)** will be held in June, again in Rio de Janeiro, Brazil, but will last only three days, in contrast to the two-week Rio meeting in 1992.