



# The Global Perspective: A Green Growth Strategy for Food and Agriculture

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# The Green Growth Strategy

- Requested by **Ministers of Finance, Economy and Trade** at the 2009 OECD Ministerial Council Meeting
- **Multi-disciplinary inter-governmental process**, involving 25 OECD Committees including delegates from Ministries of Finance, Economy, Environment, Agriculture, Development Co-operation, and Industry
- **Reports Published in June 2011:**
  - Synthesis: *Towards Green Growth*
  - Indicators: *Towards Green Growth: Measuring Progress*
  - *A Green Growth Strategy for Food and Agriculture – preliminary report*  
[http://www.oecd.org/document/38/0,3746,en\\_21571361\\_44315115\\_48222950\\_1\\_1\\_1\\_1,00.html?rssChId=37465](http://www.oecd.org/document/38/0,3746,en_21571361_44315115_48222950_1_1_1_1,00.html?rssChId=37465)

# 'Towards Green Growth': structure (1)

## The need for green growth strategies

- Reframing growth
- Green growth dividends: fostering new markets and activities; raising resource efficiency
- Systemic risks and imbalances

## Policy framework for green growth

- Policy design considering cross-country differences
- Market instruments: taxes and permits, subsidies
- Regulations and the regulatory environment
- Measures for enabling changes in consumer behaviour
- Innovation policies
- Infrastructure investments: energy, transport, water
- Institutional and governance arrangements

## Promoting the transition

- Ensure smooth and just labour market transition
- Address distributional concerns of firms and households
- Promote international co-operation for green growth

Greener growth

## 'Towards Green Growth': structure (2)

### Measuring progress

- Measurement framework and principles
- Emerging messages: relative but not absolute decoupling
- Other measurement issues, *e.g.* availability of internationally comparable data

### Delivering on green growth

- Mainstream green growth policies in government policies, *e.g.* green growth toolkits
- Identify country-specific policy priorities, *e.g.* country reviews, GG reports for emerging and developing economies
- Issue-specific and sector-specific studies, *e.g.* **food and agriculture**, energy sector, water, etc

Greener growth

# What is green growth?

*Green growth means fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. It catalyses investment and innovation which will underpin sustained growth and give rise to new economic opportunities. Improving the environment makes good business sense in that higher productivity means less input use and polluting emissions.*

## Green Growth and Sustainable Development:

- Green growth is an **operational** policy framework to help achieve concrete, measurable progress towards sustainable development
- Green growth focus on fostering innovation, investment and competition that can give rise to **new sources of economic growth**
- Green growth strategies need to pay attention to **social issues and equity** concerns as a result of greening the economy

## The food and agricultural sectors have achieved a lot...

- Strong **productivity** growth, with lower environmental impact
- Increasing awareness of **environmental impact** and dependence
- Progress in **agricultural policy and trade reform** in OECD countries
- Greater **integration of agri-food value chain** in global markets

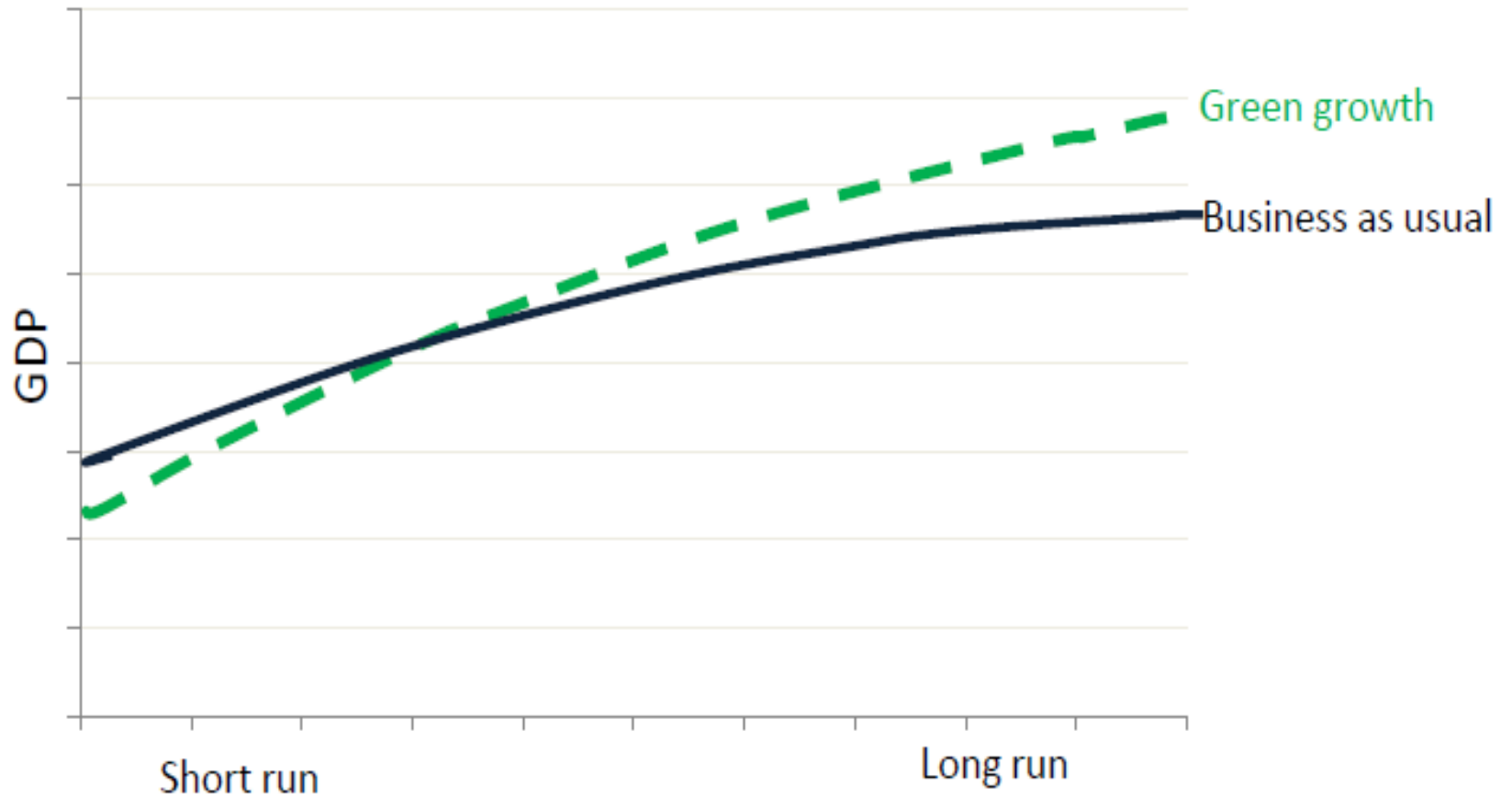
### **BUT**

- Developments in **productivity growth have been very uneven**
- Increasing **pressure** on land , water and biodiversity resources
- Production, trade and environmentally **distorting policies** abound
- Risk of retreat from multilateral approaches with higher, volatile prices

**AND BUSINESS AS USUAL IS NOT AN OPTION!**

# A view of possible growth pathways?

## Possible growth scenarios



## Green growth in agri-food is desirable and achievable

- **Green growth in the agri-food sector means :**
  - providing enough food, feed, fibre and fuel for 9 billion people in 2050...
  - ...in the context of greater pressure on land, water, fish stocks and biodiversity resources - and the impact of climate change...
  - ...and the need to limit the harmful and enhance the beneficial environmental impacts and reduce waste in the food supply chain
- **So resource productivity has to rise faster than population and income while reducing environmental footprints – “sustainable intensification” ...**
- **...and policies and markets together need to give the right incentives and disincentives to achieve green growth while addressing social concerns and uncertainties - is competitiveness compatible with greening agri-food?**



## A green growth strategy needs to focus on....

- Increasing **productivity** in a sustainable manner – from research and development, innovation, to uptake all along the food supply chain
- Ensuring **well-functioning markets** provide the right price signals – taking account of non-market values
- Establishing and enforcing **well defined property rights** to ensure optimal resource use, especially as many of them are global and not domestic

### **BUT**

- These priorities aren't new – but governments need to move first to "price the environment" and business then has an incentive to follow the signals
- It's often difficult to overcome obstacles to implementation and the challenge is to provide **concrete policy advice, measure progress, and learn from experiences of countries and businesses**

# The road ahead for OECD?



- Develop **green growth indicators** that can better integrate the economic, environmental and social performance of the agri-food sector
- Get a better handle on the nature, measurement and property rights of domestic and global environmental **externalities and public goods**
- Understand the **policies and business practices which work well** - and not so well - in different contexts, to outline practical and actionable policies
- Avoid green growth as a trade barrier
- Address the broad **governance and institutional issues** involved in green growth, especially at the global level
- Do we know enough about the **resource limits and uncertainties?**
- Do we need to pay more attention to influencing **developments on the demand side** of green growth, compared to the supply side?
- ***A Green Growth Strategy for Food and Agriculture: final report in 2012***



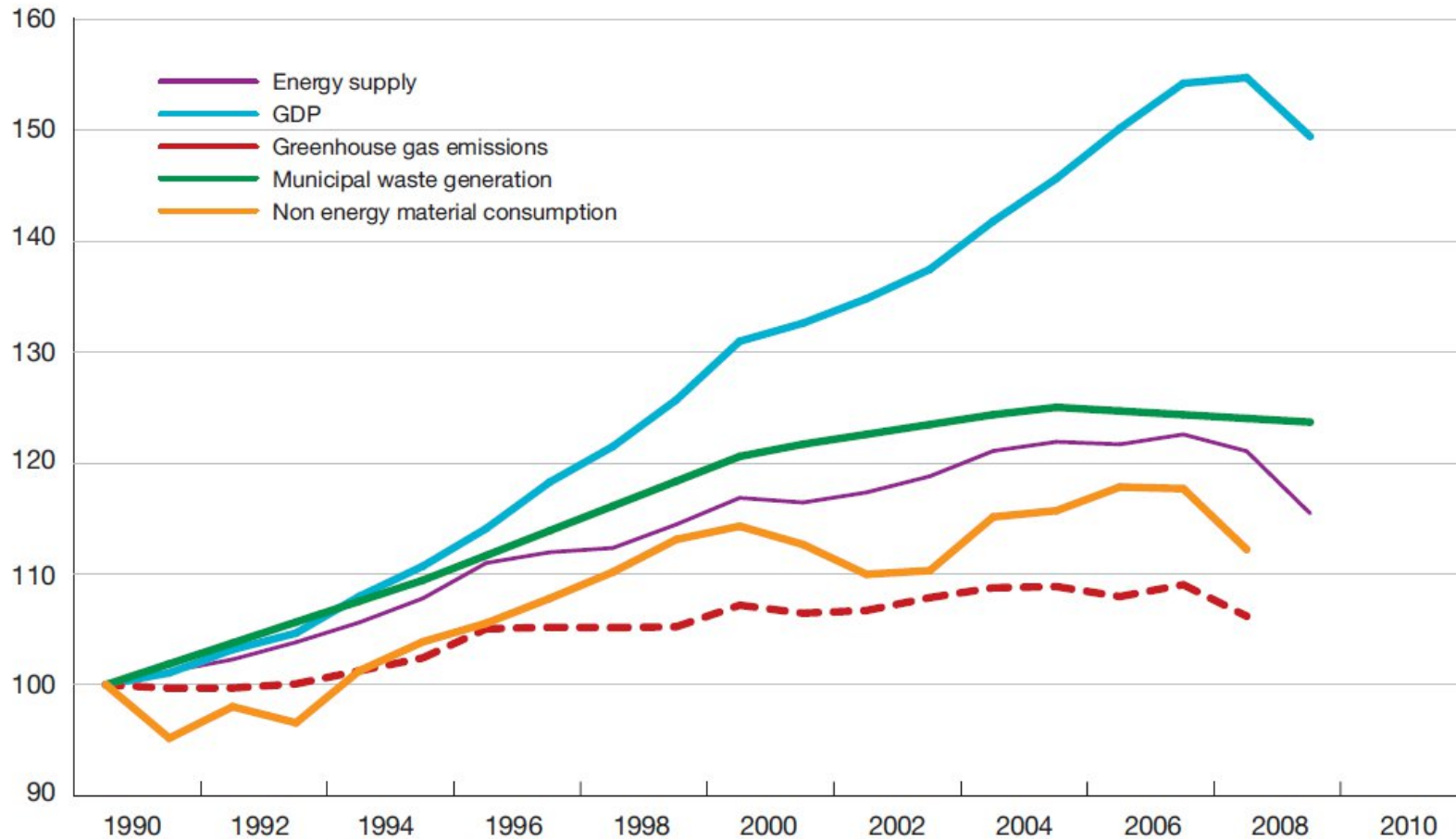
**Thank you for your attention**

**[www.oecd.org/agriculture/greengrowth](http://www.oecd.org/agriculture/greengrowth)**

# Annex chart: decoupling

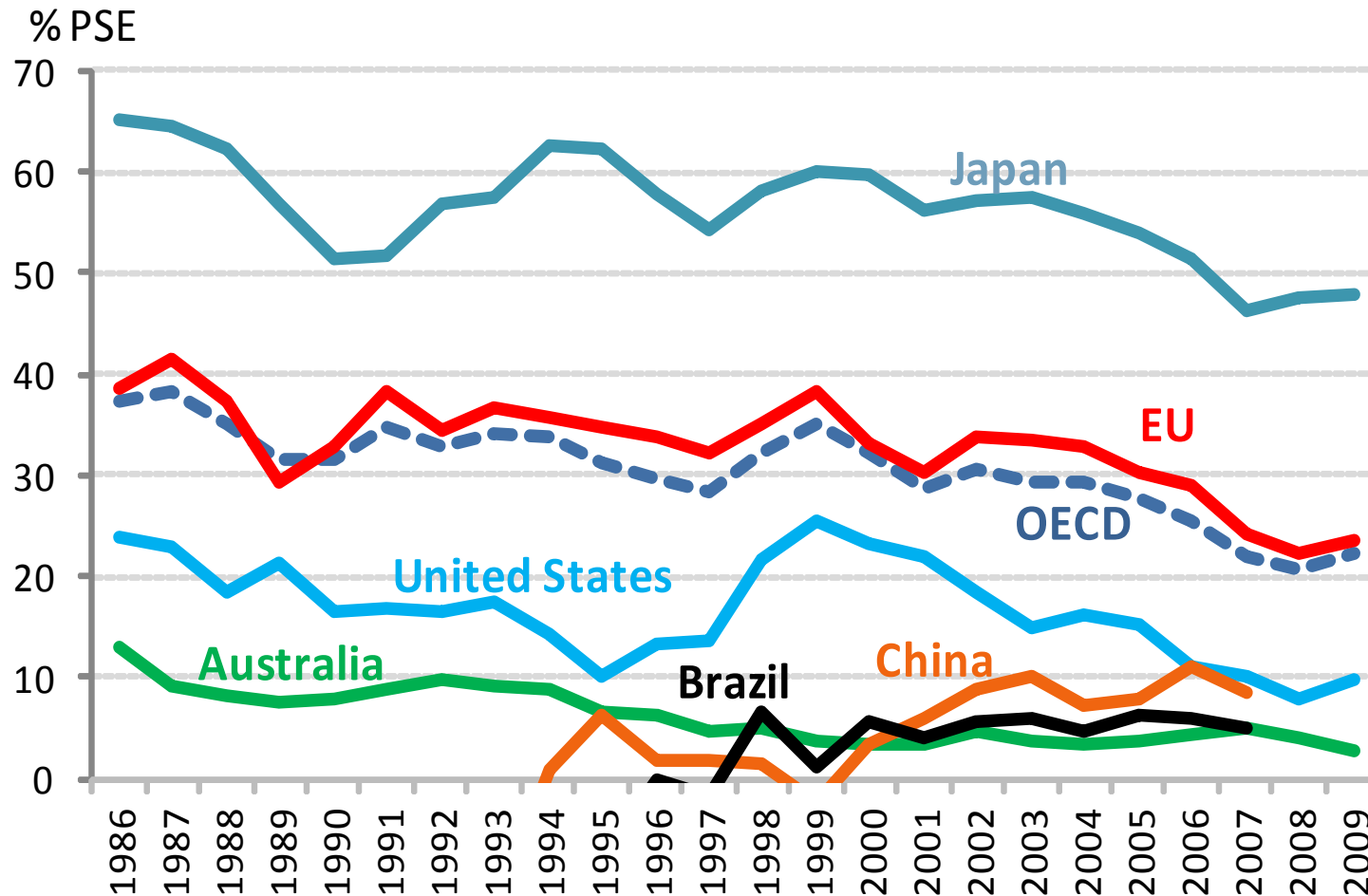
## Decoupling trends, OECD

Index, 1990 = 100



Source: OECD and IEA environmental data.

# Annex chart: policy support to farmers



# Annex chart: composition of farm support

