

Breakout 4A: Green Economy: How can ecosystem service markets play a role?

Panelists:

- John Talberth
- Luke (Holsun Cement)
- Sheila (TNC)
- Tim (Bridgestone)

Abstract:

Green Economy is one of the two major themes of the upcoming 2012 UN Conference on Sustainable Development in Rio de Janeiro (Rio +20). While there remains no universally accepted definition, the Green Economy can be viewed as a pathway to sustainable development—one that corrects the market and institutional failures of the prevailing economic development model that have directly and indirectly contributed to global problems of pollution, climate change, resource depletion, inequality, poverty and economic instability. These market and institutional failures take many forms and include externalities, under-provision of public goods, missing markets, asymmetrical information, inequitable access and governance over natural resources, competitive barriers, and inadequate progress indicators. Through a range of economic and other policy choices that can correct these failures, the Green Economy holds promise as a more effective vehicle for advancing sustainable development goals than the prevailing economic development model.

Corrective measures or opportunities take many forms and present a range of options for transforming economies from “brown” to “green.” Examples include efficient pricing that considers all social and environmental costs, sustained investment in human, built, natural and social capital to reverse problems associated with the under-provision of public goods and subsidies and procurement policies to diversify and decrease vulnerability of local economies. Payments and markets for ecosystem services are others, and one of the promises of Rio +20 is better international coordination and financing for these strategies and integration into the programs of U.N. affiliates and national governments alike. The panel will explore the following questions:

- What is the Green Economy and what are its implications for ecosystem markets both internationally and in the U.S.?
- What key outcomes can be expected from Rio +20?
- What outcomes will be most effective in scaling up ecosystem markets?
- How can those outcomes be influenced between now and June 2012?

1. Brief description about what each panelist covered in their respective discussions

- John Talberth: old economies are not working; they've increased standard of living but at the expense of the environment. The old method of Washington Consensus has succeeded by ignoring externalities, relying on subsidies and skipping markets. Need a new market: green infrastructure, externalities costs (offset / mitigation), property rights assigned worldwide.

- Sheila: Helping to develop demand side of market, working with Dow Chemical to do this; getting corporations on board; and also to shape policy because there needs to be a balance between regulations and the market. Can't give too many credits.
- Tim (Bridgestone) and Luke: both spoke from the perspective of businesses that are incorporating green practices into their business models and operations. Also using biomimicry in the design.

2. Overarching themes and key takeaways

- How do we jump start a green economy? Government or industry?
- Does government find incentives for industry to get involved?
- How do we pay for this shift to a green economy? If there a cost? Not necessarily so.
- Need mechanisms to address short term losses that could be had as economies shift
- Businesses see the “writing on the wall”, but that they lack information to get involved.
- Reformation of global economy is crucial – and that the U.S. really needs to participate in key biodiversity compacts

3. The most surprising finding or discussion

- It is surprising to hear so few examples of corporations participating in ecosystem markets, and really, that is the fault of the larger government – in that, there needs to be guidance and stability from top-down. But all parties have a role (NGOs, gov., corporations); and all can benefit.

4. Finding or discussion that had the most audience consensus

- Not really any consensus or controversy – but amongst the panel there was some discussion around who needs to take the lead – and where is the impact. Is it consumer-driven? Are industries the way out? Does gov. need to take the lead? Is supply chain reform enough? Is it the developed world that has to lead the LDCs?

5. What didn't get answered?

- How the Nature Conservancy is working with Dow Chemical was left very vague. They are not far into the process, but no information was given (even when asked) about the general framework.

6. How this panel outlines (or contributes) to where we might go (as ecosystem services/markets professionals) from here

- There needs to be standardization of the market to reduce risk for corporations, and provide information on why it is important.