

Integrating natural capital into green growth assessments to inform government decision making

Integrating the Values of Nature into Economic Planning

An OECD-CRP sponsored conference, Cambridge 19-20 September 2019



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Vision

A resilient world of strong, inclusive and sustainable growth



Mission

GGGI Partner countries are supported in their transition towards a green growth model that simultaneously achieve poverty reduction, social inclusion, environmental sustainability, and economic growth.

- ✓ GGGI officially established as IO in 2012
- ✓ President: Dr. Ban Ki-moon
- ✓ Director General: Dr. Frank Rijsberman
- ✓ 39 Partner Countries
- ✓ HQ in Seoul, South Korea, ~300 staff worldwide





Financial Capital

Natural Capital

Social and Human Capital

INPUTS TO THE ECONOMY



*Pipeline of Projects with
GREEN BUSINESS MODELS*



Builds an economy
that is resource
efficient, benefits
from healthy
ecosystems and
faces reduced
climate risks

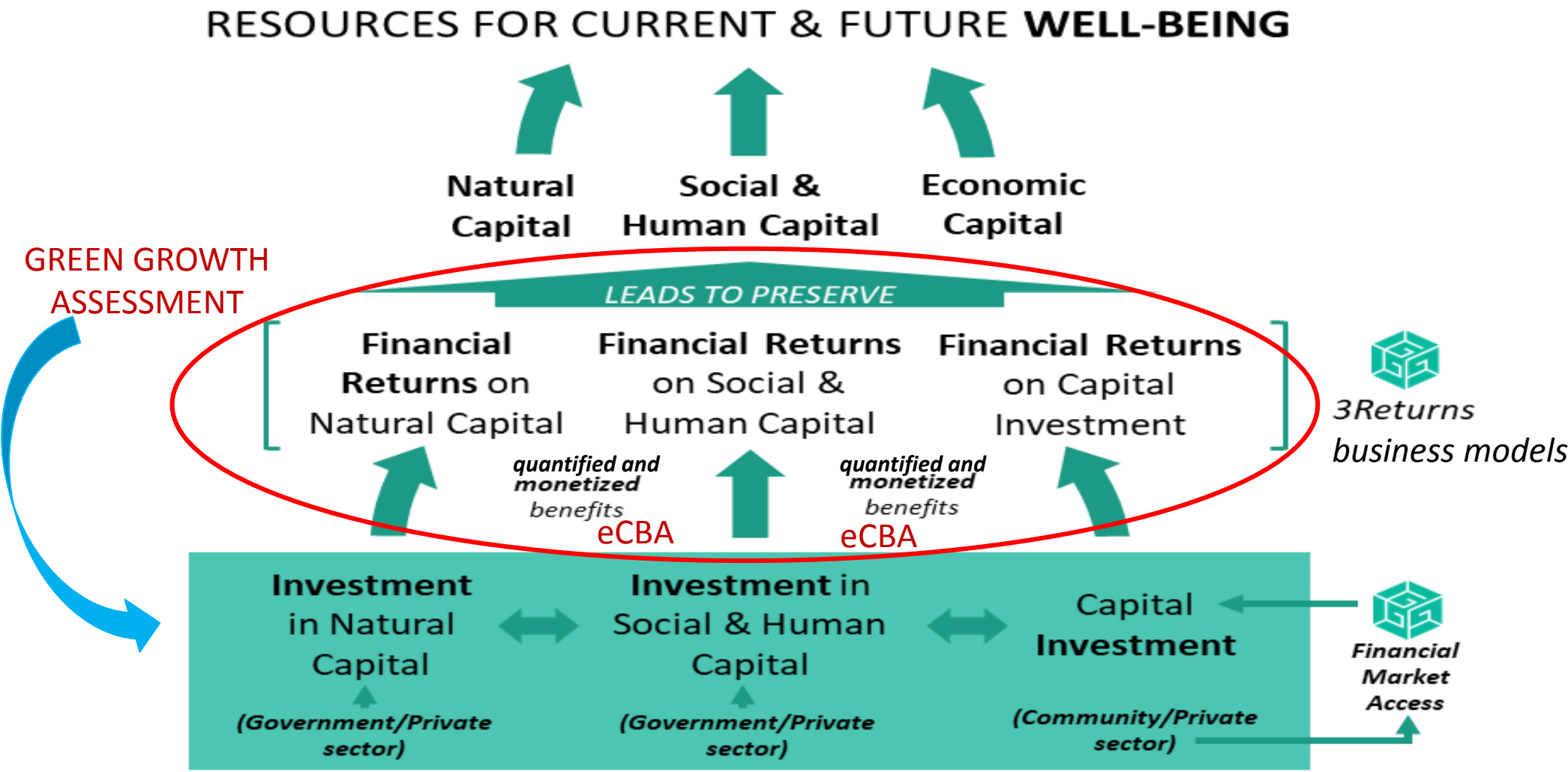




- 1 Green Growth Assessments based on 3Returns framework
- 2 MRV
- 3 Outcome-based Planning, Policy and Finance Instruments
- 4 Reorient private capital

Governments play a key role in setting targeted policy and finance interventions and measures linked to MRV mechanisms to supports scaling and replication

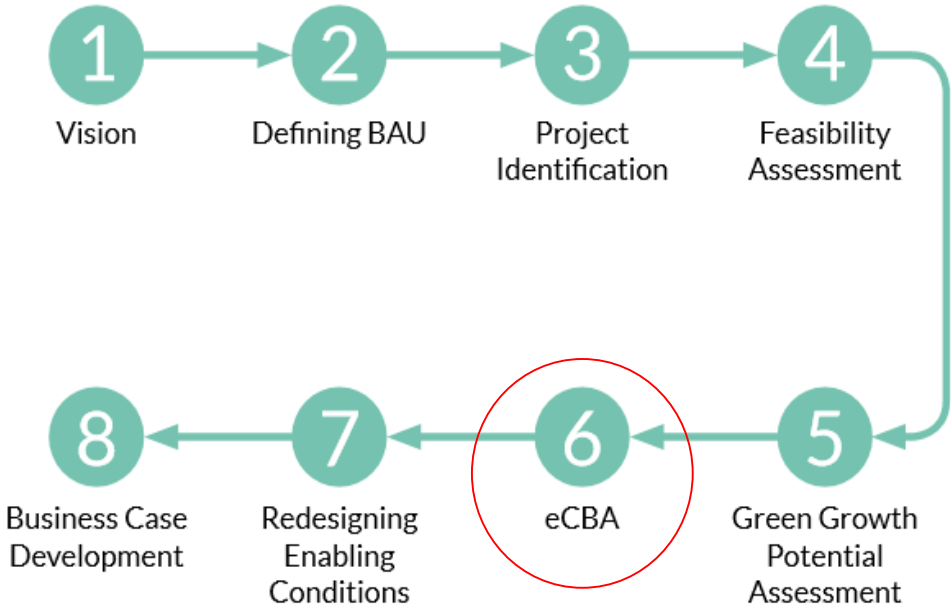
GGGI is building the EVIDENCE-base for GREEN GROWTH



Integrating natural capital into economic decisions

INDONESIA

The Green Growth Assessment Process



	Business As Usual	Green Growth	Difference
Financial Net Present Value	USD 182m	USD 139m	-USD 43m
Extended Net Present Value	USD 485m	USD 9,974m	+USD 9,489m
of which			
Economic Growth	USD 485m	USD 35m	-USD 450m
Social Development	USD 0m	USD 4m	+USD 4m
Ecosystems	USD 0m	USD 232m	+USD 232m
GHG emissions	USD 0m	USD 9,702m	+USD 9,702m

Participatory process on YouTube

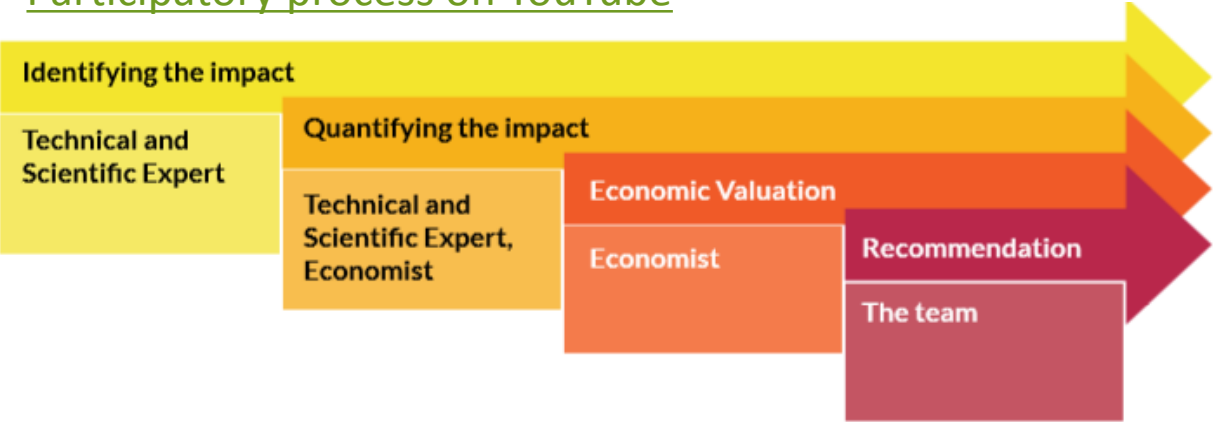
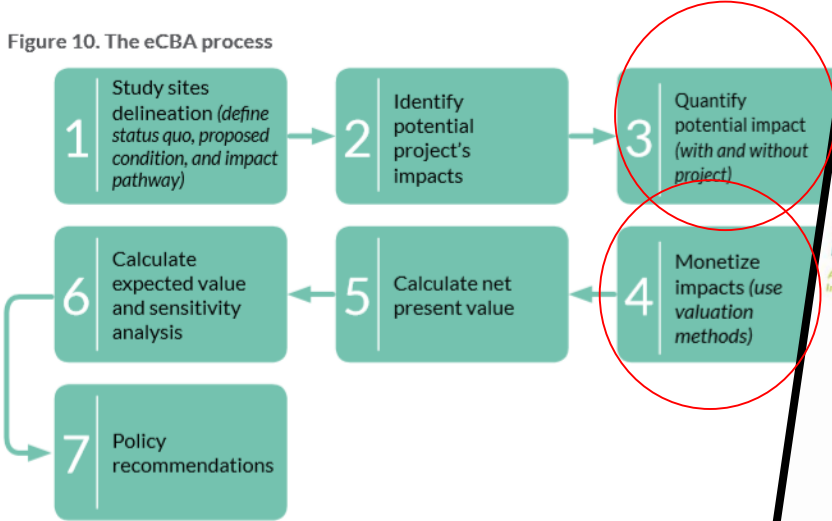


Figure 10. The eCBA process



Integrating natural capital into economic decisions

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Figure 13. Impact Pathway of an Economy That Does Not Value Natural Capital

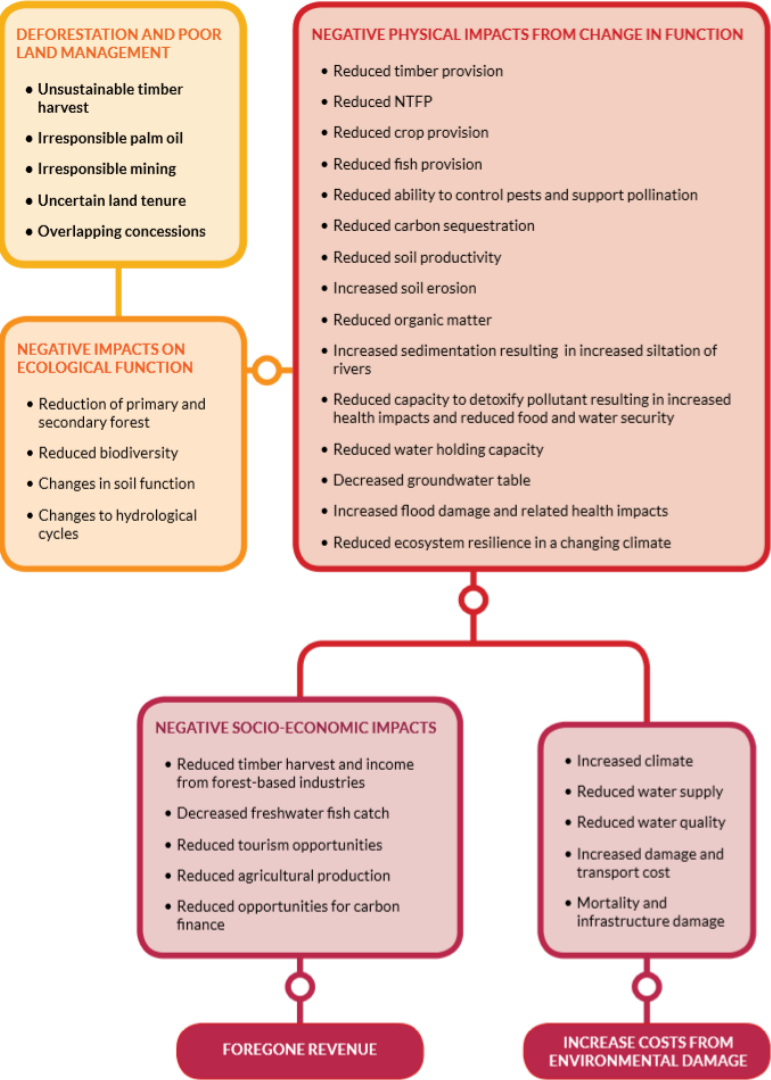
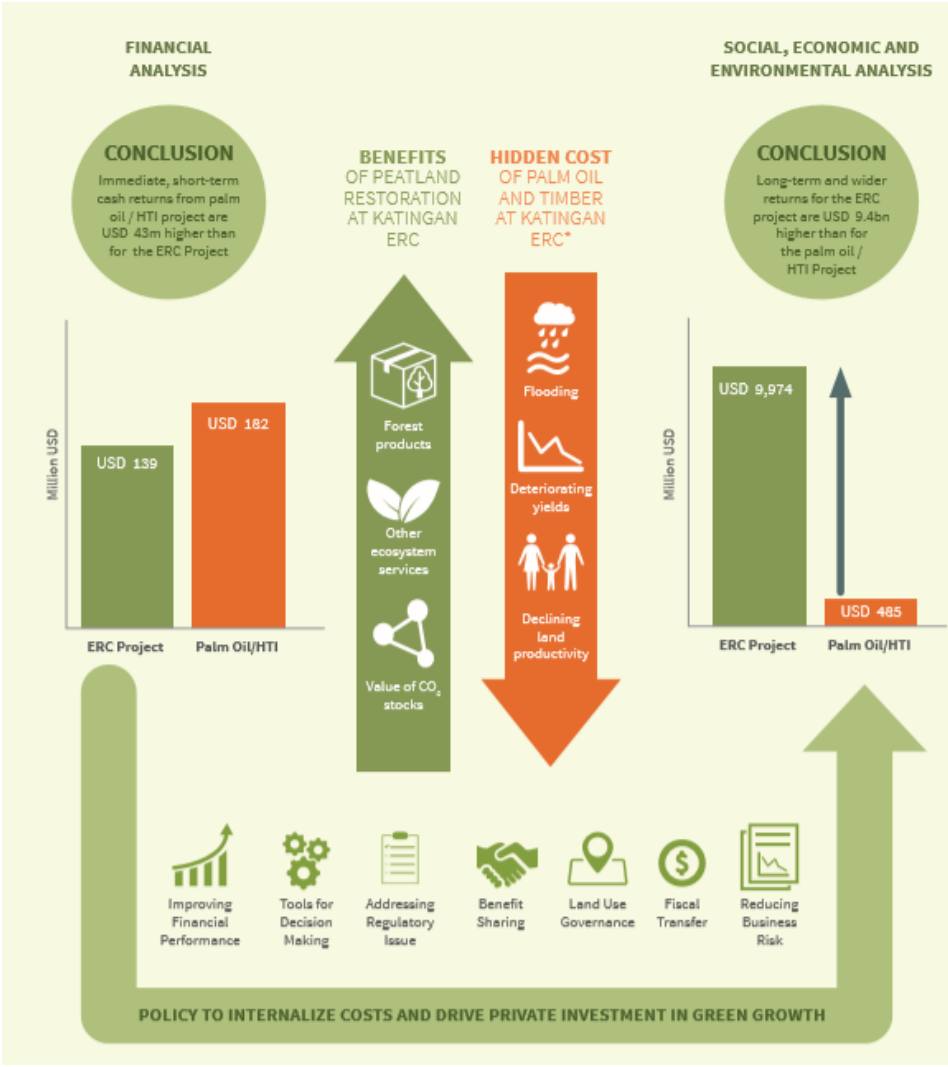
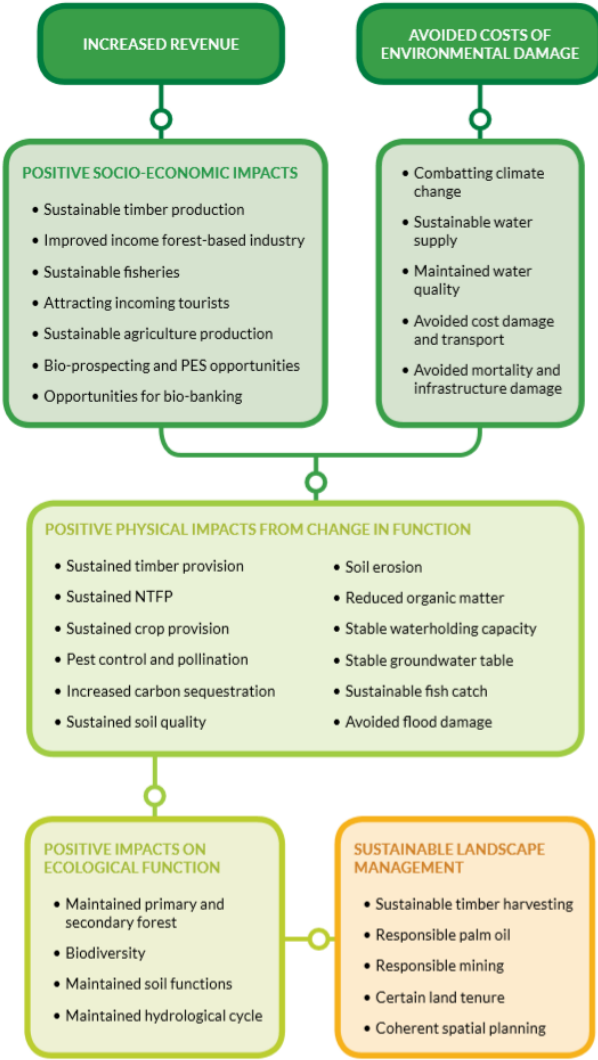


Figure 14. Impact Pathway of an Economy That Does Value Natural Capital (continued)





Recognize **natural capital** and **human & social capital** as **inputs to the economy** and therefore worthy of investment

- **Integrating eCBA and natural capital indicators** into decision making process gained traction amongst policy makers
- **Economic Ministry:** Green SEZ Policy Guidelines in development
- **Environment Ministry:** Technical guidelines of SEA will include eCBA and natural capital indicators
- **Planning Ministry:** Next economic planning cycle with center on green growth objectives
- **(Finance Ministry:** Budget tagging on climate related spending)
- **(Regulations targeting financial sector:** Sustainable Finance Roadmap)

Challenges:

- Nature's value is still hidden – not fully factored in economic decisions
- Need global standardized natural capital indicator framework, better data and more credible results to build the economic and business case
- Cross party consensus, and alignment across ministries, between national and local governments
- Technocrats aware and willing but political landscape shapes the economy
- Difficult to holistically shift taxation to polluting and environmentally damaging business



GGGI 3Returns Conceptual Framework

RESOURCES FOR CURRENT & FUTURE WELL-BEING

Natural Capital Social & Human Capital Economic Capital

GREEN GROWTH ASSESSMENT

LEADS TO PRESERVE

Financial Returns on Natural Capital Financial Returns on Social & Human Capital Financial Returns on Capital Investment

quantified and monetized benefits

quantified and monetized benefits

3Returns Green business models

Investment in Natural Capital Investment in Social & Human Capital Capital Investment

(Government/Private sector)

(Government/Private sector)

(Community/Private sector)

Financial Market Access

Thank You
