WHAT IS A GREEN ECONOMY?
CASE STUDY ON CAMBODIA AND LAOS
ON THE TRANSITION TOWARDS A
GREENER FUTURE

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Green economy

- Green Economy = low-carbon, resource efficient and socially inclusive
- Sustainable development 2.0 framing
- Internalization of external costs
Grounding the Green Economy in the Global South

• Leapfrogging: developing countries have the opportunity to jump-start their transition towards a green economy
• Sustainable use of vast natural resources
• Quality of investments
• Market driven incentives and voluntary mechanisms, such as emerging markets of ecosystem services and carbon offsets (CDM and REDD+)
Natural resources management in Lao PDR and Cambodia

• Two contradictory processes during the past few decades:
  – Decentralisation of natural resource management and community-based initiatives
  – Opening of the economies to large-scale land concessions and investments of multinational enterprises in energy and forestry sectors
Research questions

1. How is Green Economy defined in Lao PDR and Cambodia in terms of goals and implementation?
2. In what institutional settings has the concept of Green Economy evolved?
Methods

Discourse analysis

• Lao PDR:
  – 8th Five-Year National Socio-Economic Development Plan (NSEDP) 2016-2020
  – Green Growth Development Policy Operation (World Bank) 2017

• Cambodia:
  – National Policy on Green Growth 2013-2030
  – National Strategic Plan on Green Growth 2013-2030
  – National Strategic Development Plan 2014-2018

Expert interviews

  – Semistructured Key Informant Interviews with government, development partners, NGOs and academia
Institutional history of Green Economy in Laos and Cambodia

CAMBODIA

Establishment of MoE

- Emergence of climate change policies and green growth

Modernization of MoE (2015 ->)
- From National Council for Green Growth and NCCC to National Council for Sustainable Development (NCSD)

Roadmap for national green growth policy (2009)

LAO PDR

2000
- Establishment of MONRE
- Prime ministerial decree (no. 192) on compensation and resettlement
- Passage of EIA in Environment Law

2005

2010
- National Policy on Green Growth 2013-2030
- National Strategic Plan on Green Growth 2013-2030
- GGGI assessment of Green Growth potential
- Green Growth Development Policy Operation (WB)

2015
- National Green Growth Strategy
- Green Growth National Steering Committee (led by MPI)

2020
Definition of Green Economy in Cambodia

- Green Growth is highlighted in the National Strategic Development Plans 2014-2018 and 2019-2023
- The Cambodian National Strategic Plan on Green Growth and National Policy on Green Growth, 2013
  - Goal is to achieve developed country status
  - Clear crosscutting agenda, nine sectors addressed
  - Lack of concrete policy recommendations, lines of actions and indicators
  - Definition of “green” at different sectors is lacking
  - “…efficient fossil fuel consumption and natural gas usage for the long term can effectively provide supplies to huge towns and the RGC’s improving efficient usage of electricity-generating factories run by coals for the long term shall reduce environmental pollution and greenhouse gas emission from these electricity factories”.
Definition of Green Economy in Lao PDR

• NSEDP 2016-2020
  – Goal of continued, firm and inclusive growth emphasising also the improvement of the quality of investment by implementing policies to reduce environmental degradation
  – Large-scale hydro power and mining are still prioritized

• The Lao PDR First Programmatic Green Growth Development Policy Operation (World Bank 2017)
  – Green growth = a route to graduation from LDC status
  – “Lao PDR is aiming to undercut a high-impact growth path and leapfrog to brand the nation as ‘Green, Clean, and Beautiful Lao PDR.’” (World Bank 2017)
  – Integration of environmental and social considerations into planning at sector and project scale: SEA and ESIA
  – Mainstreaming GE in sectoral plans remains to be seen
  – Guidelines for wealth distribution and recognition of community rights?
Institutional challenges

• Institutional fragmentation, lack of inter-ministerial cooperation
• Integration of sustainability aspects into sectoral plans and policies should be a priority matched with adequate finances for implementation
• Dependency from external funding from multilateral and bilateral development partners
Conclusions

• Green Growth, not Green Economy
• Transformation or transition?
• Growth paradigm remains
• Emphasis on efficiency in natural resource use -> direct and indirect benefits to economic growth
• Social inclusiveness lacks guidelines
Conclusions

- Institutional framework for Green Growth exists
  - Mainstreaming into national development plans
  - National GG strategies and coordinating bodies for integrating GG into sectors
- Influence of the donors
  - Commitment of the governments for transition or just a way to get funding?
  - Effect is seen in the green economy/green growth implementation
Thank you!

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