

# ICC GREEN ECONOMY ROADMAP

## EXECUTIVE SUMMARY

ICC is committed towards innovative solutions for green growth. This includes activities such as our participation in global conferences with the aim to be “paper smart” - do more and better with less. This executive summary has been developed for the Rio+20 UN Conference on Sustainable Development to reduce our footprint. We encourage you to download the full version of the ICC Green Economy Roadmap at [www.iccwbo.org/rio20](http://www.iccwbo.org/rio20).



International Chamber of Commerce

*The world business organization*

# EXECUTIVE SUMMARY

The world is facing a critical challenge: how to create economic opportunities for a growing population while ensuring that economic growth and environmental and social responsibility work together in a mutually reinforcing fashion.

Two global megatrends are on collision course:

- Increasing competition and limitation in the use of earth's finite resources;
- Predicted world population of 9 billion in 2050, growing at the most rapid pace in history;

Some key numbers provide the backdrop:

- 3 billion more middle class consumers expected in the global economy by 2030<sup>1</sup> with increased resource demands;
- 147% increase in real commodity prices since the turn of the century<sup>2</sup> ;
- \$2.1 to \$6.3 trillion of potential commercial opportunities related to environmental sustainability in natural resource sectors alone<sup>3</sup>.

Business has an essential role in bringing solutions to global sustainability challenges. Just as the creation of shareholder value requires performance on multiple dimensions, the global challenges and opportunities associated with sustainable development are multifaceted involving economic, social, and environmental concerns<sup>4</sup>. Today's collective sustainability challenge requires all actors, whether business, government or civil society, to accept shared responsibility and shift towards more collaborative and solutions-oriented thinking.

To meet these challenges, the ICC Green Economy Roadmap calls for innovation, collaboration and governance on ten conditions that need to be worked on simultaneously, both bottom up and top down and in the short and long term for a transition towards a "green economy".

- **Innovation:** *creating new ways and combinations based on a holistic vision.* Innovation at all three dimensions of sustainable development (social, environmental and economic) is required in order to develop more integrated strategies, policy and decision making.
- **Collaboration:** *developing new forms of collaboration through enlightened leadership.* Collaboration leverages the mutually reinforcing and cross-cutting elements of integrated policy making.
- **Governance:** *shaping the context and enabling frameworks to allow all actors to deliver on their shared responsibilities.* Integrated governance structures will foster greater policy coherence between economic, environmental and development objectives.

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<sup>1</sup> McKinsey (2011). Resource Revolution.

<sup>2</sup> McKinsey (2011). Resource Revolution.

<sup>3</sup> OECD (2011). Towards green growth.

<sup>4</sup> Hart & Milstein (2003). Creating sustainable value.

- **Short/long-term:** seeking to reconcile short term pressures with longer term strategies for shared value. Efforts by all actors should reconcile short and long term approaches to deal with the multifaceted economic, social, and environmental challenges and opportunities in an integrated manner.
- **Top down/ bottom up:** simultaneously pursuing both, “bottom up/green growth” and “top down/ macro-economic green economy actions”, including measures to complement Gross Domestic Product (GDP). A one-size-fits-all approach will not be effective, nor will policies that work in “silos”.
- **Multilateralism:** delivering sustainability solutions in a globally connected world. The business community is organized in sectors and value chains<sup>5</sup>, many of which are global. Therefore multilateral and cross-cutting approaches across countries and sectors are indispensable. ICC would like to signal the importance of multilateral approaches to bring solutions to sustainable development and underscores that open trade and investment remain at the heart of greening the global economy.

Based on this understanding, the ICC Green Economy Roadmap outlines the interdependences of the economic, social and environmental dimensions of sustainable development and seeks to integrate them in a more holistic manner, both in terms of business strategies and in terms of enabling policy mixes that facilitate a transition toward a “green economy”.

In short, the Roadmap seeks to strengthen the business case for responding to these interdependencies in today’s globalized world, by proposing ten conditions as a guiding framework for green growth on a range of inter-linked policies and actions.

Lastly, business is a diverse set of actors ranging from large multinational companies to small and medium size enterprises (SMEs). It is paramount to recognize the crucial role of SMEs within the value chain not only as innovators and collaborators for job creation, but also their need for assistance to raise their performance and enhance capacity building for a “green economy”.

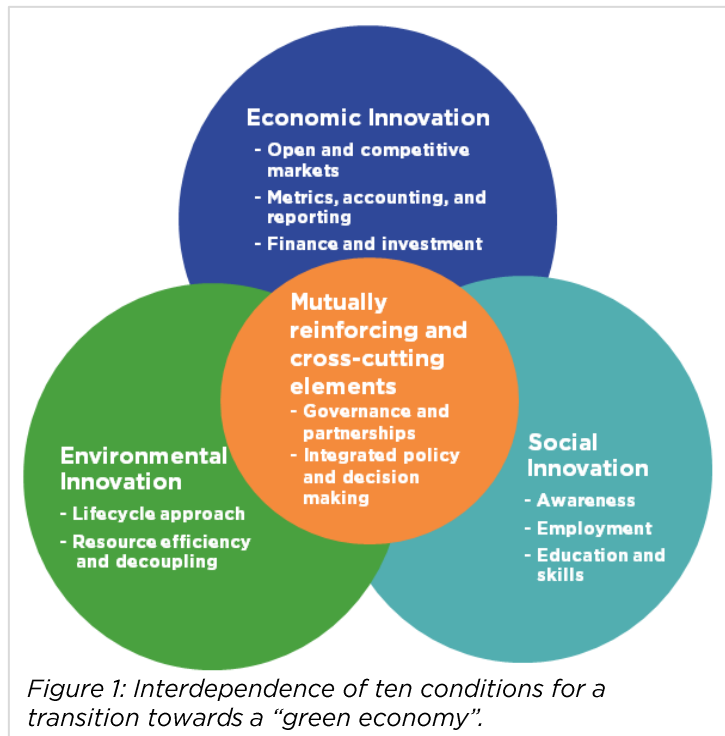
A “green economy” calls for immediate attention on:

- **Economic innovation:** For a “green economy” to be made operational, it needs to become embedded in global markets and balance sheets. A “green economy” should actively drive innovation in private and public finance and investment into the direction of sustainable development which is currently still low as compared to the overall size of the economy.
- **Social innovation:**  
A “green inclusive economy” needs to provide transition policies, allow all actors to participate through meaningful employment, provide access to education and life-long learning, as well as promote employment as a means to overcome poverty.

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<sup>5</sup> The value chain depicts all the activities a company engages in while doing business (M. Porter, 1985). It is part of a larger system that includes the value chains of upstream suppliers and downstream channels and customers across sectors.

- **Environmental innovation:** Life cycle thinking<sup>6</sup> and resource efficiency go hand in hand. Further integration of both is required at all levels to deliver sustainability solutions that are at the heart of greening economies. Ultimately, a “green economy” decouples economic activities and social developments from negative environmental impacts.



- **Cross-cutting, mutually reinforcing elements:** A “green economy” needs to provide the governing structures and platforms which allow new and innovative collaborations to be shaped and implemented – intra-policy and intra-industry coordination and governance at all levels is crucial and will promote investments for a “green economy”.

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### About The International Chamber of Commerce (ICC)

ICC is the largest, most representative business organization in the world. Its hundreds of thousands of member companies in over 120 countries have interests spanning every sector of private enterprise.

A world network of national committees keeps the ICC International Secretariat in Paris informed about national and regional business priorities. More than 2,000 experts drawn from ICC’s member companies feed their knowledge and experience into crafting the ICC stance on specific business issues.

The United Nations, the World Trade Organization, the G20 and many other intergovernmental bodies, both international and regional, are kept in touch with the views of international business through ICC.

For more information please visit: [www.iccwbo.org](http://www.iccwbo.org)

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<sup>6</sup> Life cycle thinking is a way of thinking that includes the economic, environmental and social consequences of a produce or process over its entire life cycle (UNEP).