

# Going green pays off: A way forward to green development

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The world needs a green transition. That is crucial to our children's and grandchildren's welfare and wellbeing. In 2030, the world will have three billion more middle class consumers than today, which will put massive pressure on the Earth's resources and place serious strain on the climate and environment.

There is no way around a new growth strategy. We need a smart new growth strategy where we create jobs through commercial solutions to the Earth's resource problems. Smart growth can only be created if we all pull together — governments, cities, corporations and consumers.

For the past two weeks, representatives from around the world met for Rio+20, the UN Conference on Sustainable Development, to define a global plan of action that would take humanity toward a cleaner, greener future.

Even though the results of the conference did not meet everybody's expectations, there is hope. It is very positive to see how strong a role civil society, and especially municipalities and private sector companies have gained, or perhaps more accurately, have assumed. They help to maintain the pressure on the world's leaders.

Even more importantly, municipalities and corporations are in the process of taking a leading position and — perhaps — becoming the real leaders in the green transition.

Denmark's capital, Copenhagen, is helping to show the way. Copenhagen has now set the ambitious objective of becoming the world's first CO<sub>2</sub> neutral capital by 2025.

It is a very ambitious plan which requires continued long-term efforts. But it is possible and we have made a start. In 2011, Copenhagen had reduced its CO<sub>2</sub> emissions by 21 percent seen in relation to 2005.

On May 22 the Municipality of Copenhagen presented the plan for how Copenhagen will become CO<sub>2</sub> neutral. In the plan, we propose solutions that will be initiated in close partnership between public and private sector players.

Wind turbines will be installed and investments made in solar cells, and power stations will be converted from fossil fuels to biomass. In the future, Copenhageners will cycle even more, and we will invest in hybrid buses for public transport. Buildings in Copenhagen will be energy-renovated, and new buildings will be energy efficient.

In return, Copenhageners will gain a lot in terms of increased growth and life quality. Cleaner air, less noise and a greener city will give Copenhageners better daily lives and create more jobs.

The good news is that the investments will bring returns. Not just in terms of a better climate, environment and improvement in the health of Copenhagen's citizens, but also in terms of hard cash. It is forecast that more than a half of the investments put into improving the energy efficiency of schools, cultural centers, residential homes and offices will be repaid through operational savings by 2025.

Copenhageners can look forward to monthly savings on their electricity and heating bills of the equivalent of US\$50-75. And in a time of economic crisis, it should be mentioned that the investments are creating jobs — and that the new solutions will create the foundation for a strong green sector.

Some years ago, everybody talked about sharing knowledge. And it is true that cities all over the world can and should learn from each other. But we must be more ambitious than that; we should transfer actual solutions from one city to another. There is no need to reinvent the wheel in every city.

Copenhagen has gained knowledge and ideas from a range of other capitals, including London, Hamburg and Amsterdam. The Copenhagen approach has been to go beyond products and describe the solutions. Rather than focusing on technology — pipes, pumps, wires, software etc. — the focus has been on the combination of political vision, technology, organization and knowledge.

Just as Copenhagen has benefited from initiatives in other major cities, it is now our ambition that the solutions we develop and test in Copenhagen will benefit many cities around the world that are seeking solutions to how energy consumption and CO2 emissions can be reduced, and the environment improved. It is a fact that the world's cities account for 80 percent of global CO2 emissions.

Other places than Copenhagen has also started going more Green. And in some places, Danida, the Danish Development Assistance, has helped this to happen. In Jakarta, the capital of Indonesia, one example of these activities is the green building initiatives.

This is part of the Danish Environmental Support Program for Indonesia, and we hope that through programs like this, Indonesia can also find a way to develop its green economy.

In the final analysis, the transition to a green economy will only succeed if it is commercially sustainable. Going green must pay off. That is a basic idea behind Copenhagen's ambitious project. But also on a global scale we believe that the industrial transition to a green economy has the potential to create new growth engines and spur global economic growth.

Faced with this challenge, the Danish government, in cooperation with the governments of Mexico and the Republic of Korea, has launched a major international initiative called Global Green Growth Forum (3GF). The aim of the Forum is to facilitate and accelerate the global transition to a green economy — the next industrial revolution — by bridging the gap between policy, capital, business and technology. 3GF offers a unique space to spur creative public-private solution-oriented thinking and action in key areas for green growth such as energy, water, finance, trade, biomass, cities and green public procurement.

As public and private sector partners intersect in their varied interests in green growth, new opportunities and ways of collaborating are emerging.

The potential benefits are legion. If we find the right buttons to press in bringing business and governments together to identify not only the barriers but also the solutions, a renewed impulse in the green transition could result.

We have a shared responsibility to ensure a global green transition. Political leaders, municipalities and corporations share the task of creating the new smart growth strategy which will ensure that jobs and growth can go hand in hand with green development.

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