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Green Territorial Economic Development: promoting more sustainable solutions

Since the Rio+20 Conference in 2012, Green Economic Development became an increasingly prominent topic in both less and more developed countries. There is a widespread understanding that any kind of development effort needs to be climate compatible and environmentally sound. In the meantime, essentially any territorial development project considers the “Green” topic either a cross-cutting issue or even one of its main parameters.

Climate change and its response requirements in the form of adaptation and mitigation measures create urgent pressure at the territorial level in those regions – often developing countries – that are the most strongly affected. The



greening of territorial economic development cannot be separated from the overall economic development path and needs to follow a systemic approach linked to innovation, industrial development and the promotion of sustainable competitiveness. Green territorial development goes beyond strengthening enterprises in their purely economic dimension of competitiveness. It also includes the wider definition of sustainability, the

economic, ecological and social dimensions, and to what extent they are all addressed by a given intervention at the territorial level.

The four most important rationales to green the territorial development approach, which has become increasingly important in Mesopartner's practical work, are the following:



- Territorial economic development primarily targets enterprises that are potentially related to climate change and environmental degradation in three different ways: either they contribute to pollution, or their operations and sometimes their very existence are affected, or they are using it by developing new business opportunities.
- Many value chains are “greened” or focus on green products, but they often span various territories which need to offer the right policy and regulatory framework conditions for eco-friendliness and climate resilience.
- Many national top-down regulations and campaigns to stimulate climate-resilient and eco-friendly behaviour of enterprises and territories need to be enforced and implemented at the sub-national territorial level.
- In both developed and less developed countries, it can be observed that municipalities, communities and local actor networks have started to promote decentralised approaches to increase their resilience. An example is striving for local energy supply autonomy linked to investment promotion into the renewable energy sector, creation of awareness of energy efficiency and supporting demonstration measures at company and household level.

Existing elements and the principles and tools of LRED can be adjusted and enriched towards an eco-friendly and climate-smart orientation. During the past few years, Mesopartner has started supporting this adjustment process in different ways.

- **Promotion of “green” enterprise activities:** Through an assignment in Chile, Mesopartner moved into a deeper analysis of the international B-corporation business and certification model that certifies enterprises with sustainable business models. Also in sectoral LED analyses we take on a stronger green business lens and thus started to identify more green business opportunities
- **Supporting conceptual work and (re-)design of green donor programmes:** Mesopartner has supported donor programmes in designing concepts and activities, such as programmes on renewable energy and energy efficiency (Brazil) or conceptualising a green LRED approach³ (Philippines). Within this context, we organised several green learning visits and study tours about the German “Energy Revolution” (Energiewende) as complementary support

³ This characterisation of uncertainty and risk follows the categories of decisions proposed by Shane Parrish at <http://www.farnamstreetblog.com/2013/11/decisions-under-uncertainty/>.



to showcase the challenges and opportunities of linking intelligent national top-down regulation policies with bottom-up territorial initiatives.

- **Addressing mitigation and adaptation requirements in climate-smart locations:** Mesopartner supported a development project in the Philippines to devise an approach that helps to assess the vulnerability and preparedness of territories with regard to climate change. This includes identifying, “greening” and applying certain tools – partly originating from the LRED approach – that help to adapt/mitigate climate change impacts.
- **Supporting bottom-up municipal and community initiatives:** In cooperation with urban climate change organisations (e.g. in Rheine, Germany), Mesopartner organised capacity-building activities in villages and small towns to increase energy efficiency in households and companies, to identify alternative transport solutions (car-sharing models) and to promote more integrative value chain approaches, e.g. by renovating buildings and the construction of energy-efficient houses. In Germany Mesopartner supported medium-sized towns in the reflection process to become certified “future cities”; this included the design of sustainable and innovative development strategies.

- **Capacity-building activities in green economic development:** Mesopartner has provided several training activities on the topic of green Territorial Economic Development. These activities include the “De-cluttering green” sessions at Mesopartner’s annual Summer Academy in Germany, a series of green LRED trainings in Indonesia, the Philippines and Vietnam, as well as workshops with private and public sector actors on territorial inclusive business strategies in Chile.

During the coming years, green territorial development will gain momentum. Linking intelligent top-down with dynamic bottom-up approaches in territories will become increasingly important, as will the identification of interventions that consider the complexity of striving for a climate-compatible development solution at the territorial level.

Reference

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