BACKGROUND
A green economy is one that generates jobs and growth, through activities that use natural resources sustainably and in ways that add value, without compromising the essential services that our natural environment provides. A blue economy is similar, except that the economic activities and natural resources involved are marine-based.

Many LDCs have great potential for adopting green or blue economy pathways, given their considerable natural capital endowments and low-carbon profiles. Assets such as arable land, forests, biodiversity, renewable energy resources, reserves of fresh water and marine and coastal resources have real potential, but are not yet optimally managed for economic development and poverty reduction. LDCs also have a considerable share of the world’s mineral and hydrocarbon resources, but these are either underutilized or generating only unsustainable, jobless growth. Yet managed in inclusive and sustainable ways, these natural resources can yield high returns on investments for LDCs.

Since most LDC economies are at early stages of industrialization, they have only a few ‘brown’ industries. This, together with the challenges posed by climate change and energy security and the opportunities offered by climate finance to address them in innovative ways, have led several LDCs to embark recently on economic development strategies with a strong ‘green’ orientation. Their initiatives could well demonstrate that the challenge of expanding productive capacity in LDCs—the overall theme of this LDC ministerial conference—can be turned into an opportunity for leapfrogging directly to sustainable and resilient infrastructure, technologies and means of production without the opportunity costs of transition that more industrialized countries face.

Through the Istanbul Programme of Action (IPoA), LDCs have adopted an economic development roadmap based on structural transformation and productive capacity-building. However, the IPoA does not provide much guidance on how to harness LDCs’ comparative advantage for green industrialization, or how to assure that growth, while rapid and robust, is also environmentally sustainable.

OBJECTIVE
There are a number of reasons why (with some exceptions) LDCs have yet to embrace green and blue industrialization strategies. In part, it is because of their limited capacity to attract, generate, absorb and utilize new and innovative forms of technology and finance. In part it is also due to governance not yet being suited to making the transition effectively from primary (subsistence and commodity export) economic activities to value-adding agribusiness, diverse rural economies and clean industrialization. But, in addition, LDCs and other developing countries have raised legitimate and important concerns about the green (or blue) economy concept and how it is implemented. These concerns need to be addressed before LDCs are likely to invest whole-heartedly in such approaches, and to help them to tailor relevant initiatives.

ISSUES FOR DISCUSSION
• Examine the concerns raised by LDCs about the green economy concept and explore ways to overcome them.
• Explore existing examples, and further opportunities, for achieving rapid and sustained growth through: green value addition, scaling up existing green and blue sectors, and creating new products and services based on sustainable use of LDCs’ vast natural resource wealth.
• Identify the skills, technologies and other enabling conditions required for LDCs to build a green and blue dimension to the growth strategy laid out in the IPoA.
• Identify key directions for joint LDC action on increasing the contribution of sustainable natural resource-based industries to economic development and poverty reduction.