

Shaping sustainable markets that work for the many, rather than the few

Over the next five years most of our activities will fall within three areas, along with a group-level activity around shaping sustainable markets. In this our objective will be to improve access to information, exchange and debate on inclusive and green market governance mechanisms.

Environmental economics

- Broadening green economy thinking beyond low carbon high tech industry to encompass other environmental limits and natural resource potentials, and ensuring such thinking influences development policy.
- Exploring what investments and approaches are needed for any new Sustainable Development Goals and for alternative development progress indicators to move from theory to practice.
- Who should pay and how should costs and benefits be shared between and within generations and countries faced by increasing pressure on climate resilience, biodiversity and the oceans?
- Taking pro-poor economic incentive mechanisms to scale and integrating them with green economy planning.

Our five year objectives are to:

- Examine the economics of terrestrial ecosystem services
- Enhance understanding of the economics of marine and coastal fisheries
- Develop better green accounting and alternative indicators of development progress.

Partners and geography. We will be working with existing partners in payment for ecosystem services (PES) — in Latin America, Bangladesh, Uganda and with the Hivos PES learning network in Latin America, Asia and Africa. We are part of a shaping sustainable markets community of practice and will work with the Green Economy Coalition. Through our online community FishNet, we aim to bring policymakers, scientists and citizens together and inspire action for fisheries for today and the future.

Links with change initiatives. Within 'Inclusive transitions to climate resilience and green economy' (ICRGE) we will explore how economic policy instruments can be made greener and more equitable and how they work with incentive-based mechanisms for environmental policy. Our economic analyses are also relevant to market-based tools and international negotiations in rights plus action, particularly those shaping decisions on the global economy and on climate change.

Small-scale and informal enterprise

- Collecting insights and innovations in multiple sectors (including agrifood and artisanal mining) that can lead to better and more inclusive governance of informal markets and sectors, which will include bottom-up, top-down and mixed governance models.
- Working on market governance mechanisms that fit the reality of informal and semi-formal ('grey') markets
- Convening learning network(s) involving policymakers at national and local level, federations of informal actors and support organisations, large-scale private sector and leaders in the NGO sector. These will be around understanding and improving informal sector governance for inclusion and 'greening'.
- Supporting national platforms and processes.

Our five year objective is to support action by policymakers and market actors themselves for improved governance of markets and sectors with high levels of informality and small-scale enterprise, in pursuit of inclusive and green development.

Partners and geography. We are working across many countries and sectors. Our collaboration with Hivos is continuing, especially around consumption and informal food systems.

Links with change initiatives. There is a strong link to the consumption and food systems change initiative as the dynamism of informal food markets is an important element of how food consumption is being transformed. There are links to the 'Rights plus action' change initiative by looking at small-scale and informal enterprises protecting themselves from economic exclusion or inappropriate formalisation and 'greening'. And the ICRGE change initiative will use the information we generate on informality.

Gender issues cut across all are work as women and youth are over-represented in many informal sectors, including trade and food service.

In a few African countries, individual Chinese traders work closely with local small-scale suppliers, facilitating the informal trade and production. We are keen to research this little known relationship and explore potential policy lessons.

Energy and extractives

Our three main strategic themes are:

- Pro-poor business and delivery models to expand energy access for the poorest
- Rights and responsibilities and localising the transparency agenda in the extractive industries
- Energy literacy and advocacy in energy access: building capacities among decision makers, communities and investors to understand energy options and work together for sustainable local energy access.

Over five years our work will lead to:

- More confident, empowered communities able to take part in decisions relating to energy access and natural resource development, to realise their interests and rights, and hold their governments and industry to account.
- More enlightened decision makers, designers and users of standards, guidelines and regulations who understand better their responsibilities and can adapt their design and implementation so they uphold rights and meet local community needs more effectively.

Partners and geography We will continue our energy access work in Nigeria and in South Africa, Nicaragua and Indonesia, depending on funding success, and continue our extractive industries work in the Caspian Region and the Arctic. We see potential to expand the extractives work in Zambia, Ghana, Kenya, Tanzania, Mali and Mozambique, depending on further partnership development and fundraising. Our energy literacy research and advocacy will expand beyond our current project focus on Nigeria and South Africa.

Links with change initiatives There are strong links with 'Rights plus action', and with 'Inclusive transitions to climate resilience and green economy'. We will continue to engage with 'Fair consumption from sustainable food systems' on the food-energy connection.

We will work with the China team on access to energy, following publication of a case study on biogas in China. We are also interested in looking at the role of China in energy sector development (oil/gas/renewables) in Africa.

We are building links with Energia with a view to collaborating on energy and gender issues.