

2013

review

“green
alliance...”

**Investing in better
decision making**

Thanks for your new infographic *The future of UK infrastructure*
was really excellent. I hope you don't mind if people n
it.” Jonathon Porritt, co-founder, Forum for the Future
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Shadow Chancellor Ed Balls MP, July 2013

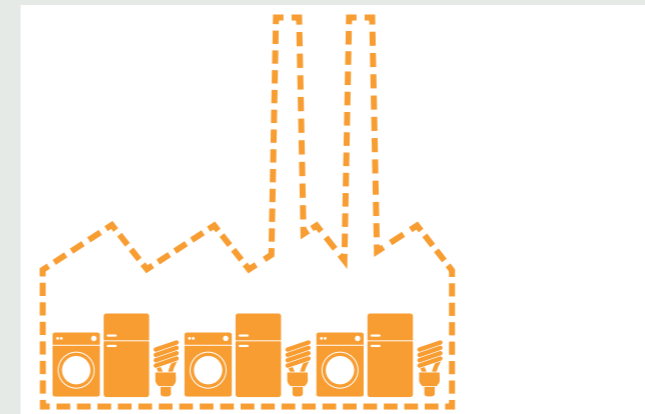
Highlights 2013



We showed the significant value of low carbon infrastructure to the UK economy.
Page 5



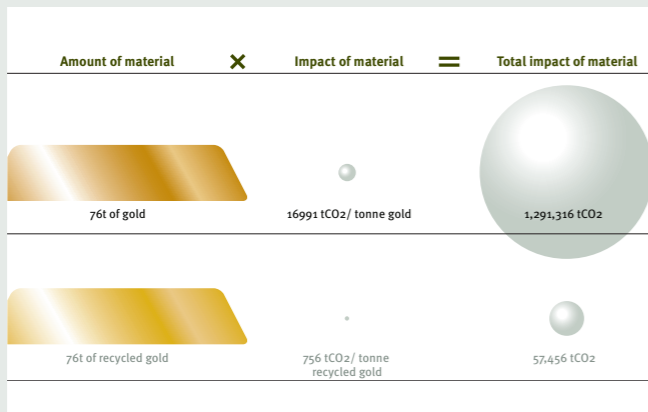
Shadow Chancellor Ed Balls announced at Green Alliance's summer reception that low carbon infrastructure would be at the heart of Labour's growth plan.
Page 5



In its electricity market reforms the government acknowledged the case for rewarding electricity efficiency which Green Alliance first proposed in 2011.
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We interviewed 20 policy experts to conclude that EU climate and energy policy has had a positive impact on the UK; and hosted a major speech by EU Environment Commissioner Connie Hedegaard, on the new EU 2030 policy package.
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New, high level debate in government about better resource use was stimulated by a major report from the Circular Economy Task Force, convened by Green Alliance.
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The Deputy Prime Minister Nick Clegg delivered the first major environmental speech by a political leader in the current parliament to a Green Alliance audience in November.
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There was significant media coverage for the Green Standard in September 2013, published with six major UK environmental NGOs. It analysed the performance of the main parties and challenged their lack of political leadership on the environment.
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Thirty political thinkers and independent experts, including energy and climate change minister Greg Barker, contributed to our three influential Green Roots essay collections, examining new narratives on the environment for the UK's main political traditions.
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Introduction

Robin Bidwell chair of trustees

We set out on a three year strategy in 2012 to find new models for a greener economy and to invest more in stronger political leadership for the environment.

As this review shows, we are making considerable strides towards these aims, particularly by clarifying the connections between the green agenda and the wider UK economy. Julian Morgan, a macroeconomist of considerable standing, joined us early in 2013 as our new chief economist. His work has addressed the wider benefits of low carbon infrastructure and the effect that resource prices have been having on the cost of living. These analyses supported by excellent infographics have been well received and have promoted debate in the macroeconomic and sustainability communities.

We were pleased that Nick Clegg chose Green Alliance as the home for his speech in November 2013, the first green speech by a party leader in the current parliament. The Shadow Chancellor Ed Balls, EU Environment Commissioner Connie Hedegaard and the Secretary of State for Energy and Climate Change Ed Davey were also among the speakers we hosted at our other events throughout the year.

While much of our success is visible, some of our best work goes on behind the scenes. You may not have heard much about our Climate Leadership Programme's work with MPs in their constituencies; or about our Green Roots project working with senior figures from the UK's main political traditions, aiming to develop carbon strategies that fit within their individual political philosophies. But both of these programmes are opening up much needed political space and have the potential to create a favourable working environment for the UK's green businesses.

This year is the 35th year we have worked to bring together the worlds of business, government and NGOs for a better environment. As the only think tank focused on ambitious UK leadership on

the environment, operating perhaps uniquely with both the left and right of the political spectrum, we are achieving perceptible shifts in the UK's policy landscape. This year our influence on new energy saving policy and improving the visibility of the circular economy concept are clear and have been achieved by building effective relationships, thorough research and analysis, and shaping policy to fit within the realities of current politics.

Our relationships with businesses go from strength to strength. Eight major businesses are exploring new business models with us in the Circular Economy Task Force; thirteen companies make up our Business Circle, debating current business issues, and our Low Carbon Energy consortium provides us with valuable insights on energy policy.

We couldn't achieve so much without the collaboration, support and encouragement of the many organisations and individuals we work with, not least our highly valuable partnerships with the UK's leading environment and development groups and committed companies from the private sector. I would like to thank our supporters, the staff and my fellow trustees for their hard work and inspiration in continuing to press the case for a better, greener UK.



Robin Bidwell

Matthew Spencer director

Politics is a bit like farming in medieval times. It's hard work, messy and you only have rudimentary instruments, but if you don't put time into it you'll definitely go hungry. 2013 was tough for the environment community, because the populism of energy price freezes and fracking fever dominated the political debate.

Despite this we have found ways, working with our partners, to invest in better decision making. Sometimes, as with our Green Roots work with the three political traditions, this is patient investment which may take many years to show a return.

The same could be said of our Circular Economy Task Force, where business thinking on resource stewardship is at least a decade ahead of that of government. Occasionally, we get a surprise and things develop quickly, like when the coalition agreed to push for an EU 50 per cent carbon reduction target for 2030, which confounded those who had expected weak climate leadership from the UK.



M Spencer

However, perhaps the most satisfying result for us was the decision to establish a new UK market for negawatts, two years after we first laid out evidence from the US of how it had avoided the need for new power station investment. It's early days, but it has the potential to rebalance incentives in the electricity sector radically towards demand reduction, and to create new incentives for energy saving.

The year also brought smaller pleasures, some great events and over 100 good reads on our blog. These reflect the rich conversations we have which keep us all fresh and give us the motivation to invest personal capital in the strange beast we call politics.

A better economy

We believe that a resilient economy requires new economic and business models; and that low carbon infrastructure, better resource stewardship and the protection and restoration of natural systems are the foundations of a good economy.

Robust economic analysis

Shaping the infrastructure debate

In July 2013, our analysis* demonstrated the high proportion of low carbon infrastructure in the government's pipeline of planned infrastructure projects. We highlighted the significant risk to the UK's economy if the government waivers in its low carbon commitments and deters investment. The numbers involved were revealed in an infographic,* which showed that planned low carbon infrastructure projects are worth four times the value of high carbon projects to the economy and that, in 2011, the green economy was employing the same proportion of the UK work force as the iron and steel industry at the height of the Industrial Revolution.

Shadow Chancellor Ed Balls and *Financial Times* chief economic commentator Martin Wolf debated the future of UK infrastructure at our summer event in July 2013. Martin Wolf said there was a clear case for an investment stimulus to the economy and it should have green investment at its core. Ed Balls supported our analysis and committed to putting low carbon development at the heart of Labour's growth plan and to re-establishing European leadership on climate.*



“Thanks for your new infographic *The future of UK infrastructure*. I thought it was really excellent. I hope you don't mind if people make good use of it.”
 Jonathon Porritt, co-founder, Forum for the Future

“Without a low carbon infrastructure plan and economic strategy, in the modern economy you simply don't have an economic plan.”
 Shadow Chancellor Ed Balls MP

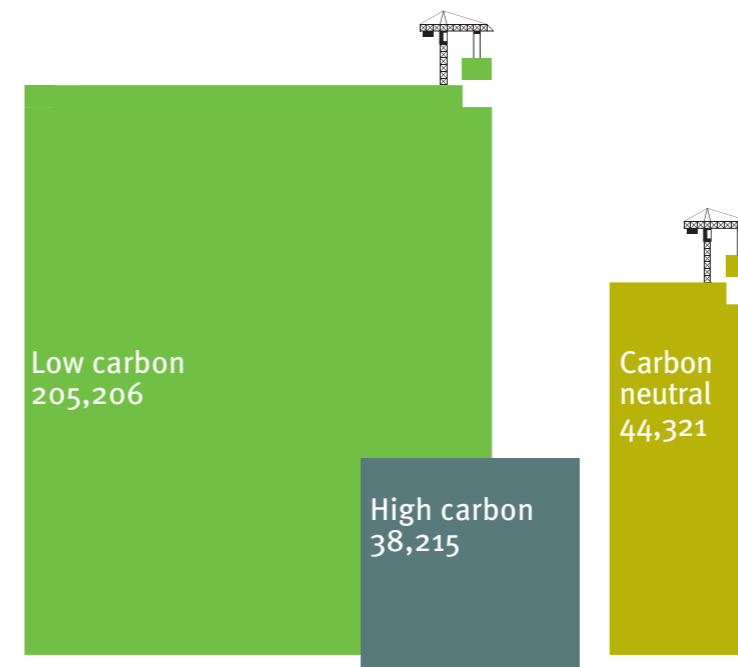
The largest infrastructure projects in the UK are low carbon, from *The future of UK infrastructure* (July 2013)



New expertise

Our chief economist, Julian Morgan, joined us in April 2013. An experienced macroeconomist, previously at the European Central Bank and the government's economic service, Julian is adding a new analytical dimension to our work. This role was established with the kind support of the Esmée Fairbairn Foundation.

“30 years of debt fuelled, consumption led growth, prior to the crash, can hardly be a model for the future. Investment in the right type of infrastructure, which supports the transition to a low carbon, resource efficient economy, can be the cornerstone of a new growth model.”
 Julian Morgan, Green Alliance chief economist



Read *Infrastructure investment and the UK's economic renewal*

See the infographic *The future of UK infrastructure*

Read more about our event with Ed Balls on Storify

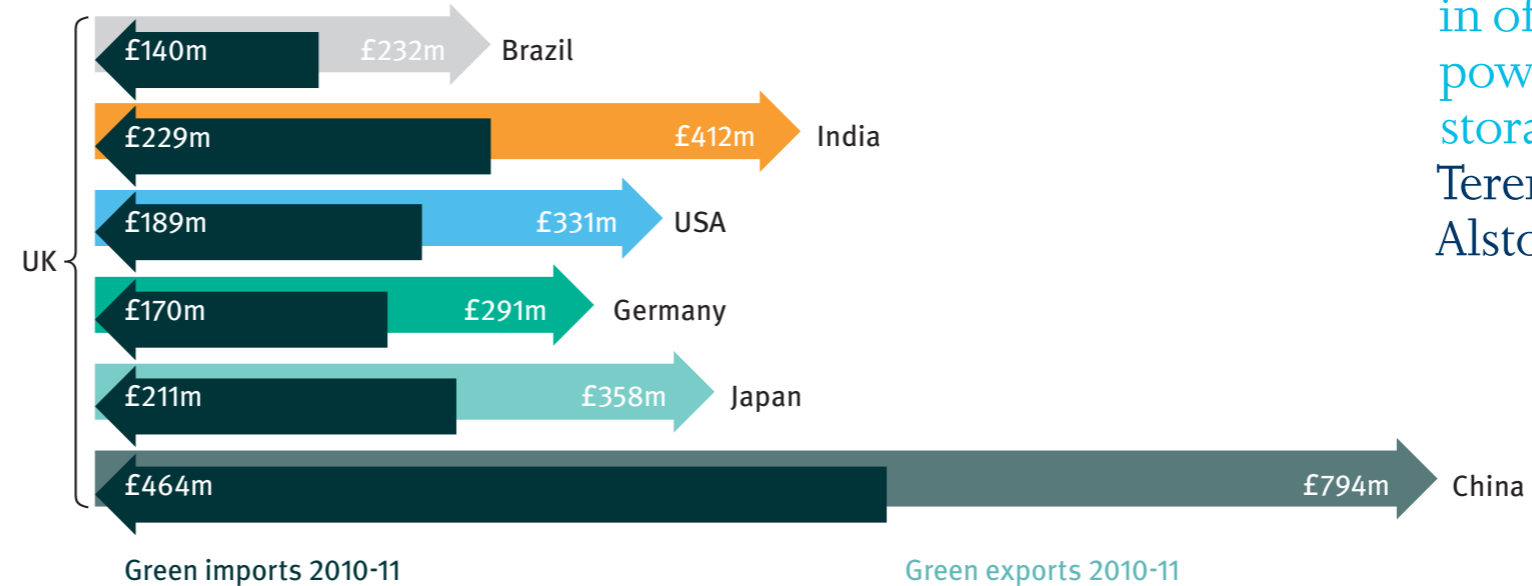
Watch a short video clip of Ed Ball's speech

Improving understanding of the green economy

In the summer of 2013 we called on the Office for National Statistics (ONS) to provide better statistics on the green economy. In the autumn it announced it would and our chief economist has contributed to the review.

The UK's position in the global green market

Twelve major businesses collaborated on our Business Circle foresight report *The global green race** showing the extent of competitive risks to the UK's low carbon sector. It highlighted the companies' concerns about the UK's worsening policy environment in the face of global competition. We recommended accelerating low carbon infrastructure projects; redirecting R&D spending to create a green venture capital fund; and focusing on commercialising those technologies where the UK has world leading expertise.



Companies in green business sectors are major exporters, generating a surplus for the UK with every country we trade with, from *The global green race* (August 2013)

“The UK has had some success, but we can't be complacent. There needs to be a stable, coherent strategy – supported by all parts of government – to maintain our green competitive edge. We're talking big stakes: £60 billion of domestic low carbon projects in the pipeline, growing export orders and a chance to develop valuable new energy technology markets, such as in offshore wind, marine power, CCS and electricity storage.”

Terence Watson, president, Alstom UK



Read our report, *The global green race*

Better political leadership

We aim to embed green thinking more deeply into UK politics, so a greener economy is seen as a critical objective for good government.

A pluralist, non-partisan approach to politics

New political narratives on the environment

In 2012 we launched Green Roots,* an ambitious project working with the leading thinkers from the UK's three main political traditions on their approaches to the environment.

Under the three strands: Green conservatism, Green social democracy and Green liberalism, we've worked with senior politicians, political thinkers and academics to identify fresh environmental narratives that resonate with each political tradition.

The three Green Roots essay collections,* published in September 2013, reflected topical concerns: conservatives discussed how to protect the environment through open markets; social democrats focused on the importance of creating better places for communities; and liberals explored ideas around a local approach to developing a low carbon economy.

With forewords by Ed Miliband, Nick Clegg and Lord Howard, these collections help to demonstrate the fundamental importance of green thinking to all the parties, not always visible in daily politics. We hosted discussions around the themes at each of the party conferences and more buzz was created when some of the essays were published on the leading political networking blogs: Conservative Home, LibDem Voice and LabourList.

“It is by unleashing competitive market forces that we will find the most efficient and innovative ways to resolve environmental issues.”

Dan Byles MP, from *Green conservatism: protecting the environment through open markets*

“Liberalism is not only compatible with environmentalism, it requires an environmental approach.”

Duncan Brack, Liberal Democrats Federal Policy Committee, from *Green liberalism: a local approach to the low carbon economy*

“We will reflect on these suggestions as we set out our policies for the general election.”

Rt Hon Ed Miliband, from *Green social democracy: better homes in better places*



“The work Green Alliance has been doing with fellow Conservative parliamentarians is hugely valuable, helping to inform and drive forward the environmental agenda on the centre right.”

Rt Hon Greg Barker MP, minister of state for energy and climate change



Find out more about Green Roots

Read *Green conservatism: protecting the environment through open markets*

Read *Green social democracy: better homes in better places*

Read *Green liberalism: a local approach to the low carbon economy*

Challenging the parties on their green performance

Working with six of the leading environmental NGOs in the UK, we produced *The Green Standard 2013*,* ahead of the party conferences in September. This was a thorough assessment by all the groups of coalition and shadow ministers' performance on green issues since the 2010 general election. We looked at four key areas: the economy, communities, nature and international leadership, and found that, while some individual politicians had done well, overall none of the parties had a coherent programme, and no party leader had demonstrated effective leadership on the environment.

“Given that our leaders recognise that we’re in a global race to develop environmentally sustainable economies, it’s in their interest to show environmental leadership.”
David Nussbaum, chief executive, WWF UK

A review of UK political leadership on the environment since the 2010 general election

GREEN STANDARD 2013



“Seven charities including RSPB, Greenpeace and WWF have combined forces to give a largely damning verdict on all three of the big political parties.”

The Independent, 13 September 2013*

“Lib Dems accused of environment failure”

The Times, 13 September 2013*

“UK’s main political parties have ‘failed to show leadership on environment’”

The Guardian, 13 September 2013*

*

[Read *The Green Standard 2013*](#)

[Read the article in *The Independent*](#)

[Read the article in *The Times*](#)

[Read the article in *The Guardian*](#)



First Green Alliance Leadership Lecture by the Deputy Prime Minister Nick Clegg

Nick Clegg set out his party's approach to the natural environment, energy bills and the green economy at Green Alliance's first Leadership Lecture* in November 2013. It was the first green speech by a party leader in the current parliament. Describing it as one of his "most important speeches of the year", he used it to reassert the Liberal Democrats' commitment to the green agenda and announced government support for the development of ultra low emission vehicles and a new pollinator strategy for bee protection.

“Today I want to make it very clear that my commitment to the green agenda is as strong as it ever was, and it will stay that way.”
Deputy Prime Minister
Nick Clegg



A stronger UN framework for development

Climate change, natural disasters, ecosystem decline and biodiversity loss are all huge risks to sustainable development and especially to the world's poorest communities. In 2013 the UN's High-level Panel on post-2015 development, was agreeing the framework for the future. It was co-chaired by Prime Minister David Cameron, seen above with the panel's chair, President Yudhoyono of Indonesia.

With Christian Aid, Greenpeace, RSPB and WWF, we outlined four environmental resilience tests for the framework,* which we discussed at meetings with the prime minister's adviser. The tests focused on environmentally resilient poverty reduction; resource efficiency and security; secure, clean, sustainable energy; and effective disaster risk reduction.

The influence of our work was clear when, in May, the final report from the High-level Panel pledged to put sustainability at the heart of the UN's post-2015 development framework.

“A key objective of the coming years will be to ensure that international development goals for poverty reduction and our low carbon and environmental commitments are aligned. Our joint report on environmental resilience in the post-2015 development framework was an important contribution to meeting this global challenge and ensuring that the High-level Panel, which David Cameron co-chaired, had sustainability front and centre.”

Loretta Minghella, chief executive, Christian Aid

*

See more about Nick Clegg's lecture on Storify

Read *Eradicating poverty through environmentally resilient development*

Supporting climate leadership by MPs

Since 2009 our Climate Leadership Programme has helped more than 50 MPs to develop better understanding of climate change and what it means for them at constituency and national levels. The new phase of the programme in 2013, 'Constituency Voices', involved MPs and local stakeholders in cross party groups, on issues in constituencies relevant to the low carbon agenda.

In July we focused on the potential for developing the low carbon economy through city deals. Conclusions from our workshops with Chris White, MP for Warwick and Leamington, Alex Cunningham, MP for Stockton, and Robert Buckland, MP for Swindon, were fed back to the government.*

In August 2013, workshops with the MPs Paul Blomfield, Tessa Munt and Mike Crockart were held on issues around community energy. The results* contributed to the government's consultation on community energy. We reported that communities were 'demoralised and obstructed' by a lack of clear policy and barriers to finance for projects. Our recommendations included the need to strengthen national policy with a clear vision for the future of community energy and to make schemes like the renewable heat incentive (RHI) more effective.



Chris White,
MP for Warwick and
Leamington



Robert Buckland,
MP for Swindon South



Paul Blomfield,
MP for Sheffield Central



Alex Cunningham,
MP for Stockton North



Tessa Munt,
MP for Wells



Mike Crockart,
MP for Edinburgh West

“There is a real interest in community energy in my constituency, but complex and risky development processes are making it harder than it should be. This shouldn't be happening – we should be actively encouraging these projects and making it easy for a community group to realise their ideas.”
Paul Blomfield, MP for Sheffield Central

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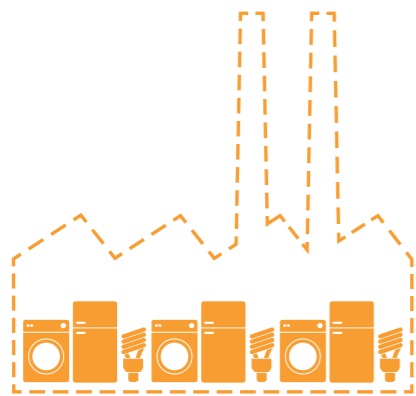
Read *Constituency voices: greening city deals*

Read *Constituency voices: realising the potential of community energy*

Better energy policy

We are working with leading businesses and NGOs on the infrastructure and innovation needed to decarbonise the UK's energy system, the biggest investment challenge of our age.

Keeping UK decarbonisation on track



The door opens for negawatts

Since 2011 we have concentrated on influencing government reforms to the electricity market,* and we've pushed for better policy on energy saving. As a result of the case we made the government take the significant step to include investment in reducing electricity demand, as well as supply, in its plans for the capacity market. There is still some way to go, but the first incentive scheme, in the form of a pilot for negawatts, will be in place from June 2014. We are now focusing on well designed financial incentives for electricity saving.*

“We welcome the fact that the government has acknowledged the case for rewarding electricity efficiency. Green Alliance first proposed this idea two years ago, based on evidence from the US, and we congratulate Ed Davey and Greg Barker for getting government support for an amendment to the Energy Bill.”

Matthew Spencer, director of Green Alliance, May 2013

Assessing the impact of EU climate and energy policy

In 2013 the EU began discussions about the 2030 climate and energy policy package, which will be finalised in 2014. Showing the positive impact of past policies, we have made the case for ambitious European climate and energy policy after 2020. Influential businesses, trade associations and energy experts all supported strong EU policy in a survey for our report *What has EU climate and energy policy done for the UK?*. This was heavily quoted in the government's *Review of the balance of competences on environment and climate change* in February 2014.

The EU environment commissioner, Connie Hedegaard, was the main speaker at our October debate about EU 2030* policy, attended by energy experts and business. We also presented our analysis and proposals for a strong policy package.*

In line with our recommendations, the UK has stated that Europe should commit to a 50 per cent greenhouse gas reduction target for 2030. We are now working with NGOs and businesses to encourage the government to stick to this commitment as well as urging other member states to adopt the target.



@CamCavendish
Chaired fascinating @GreenAllianceUK debate yesterday on #eu2030. Camilla Cavendish, associate editor at The Times

@NickMolho
#climate change risks are no longer an environmental issue, they're an economic one says @CHedegaardEU #EU2030 Nick Molho, head of climate and energy policy, WWF UK



£102



Annual lighting cost per UK household, from *What has EU climate and energy policy done for the UK?* (October 2013)

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Read about our 2013 event on electricity market reform

Find out more about our ideas for financial incentives for electricity saving

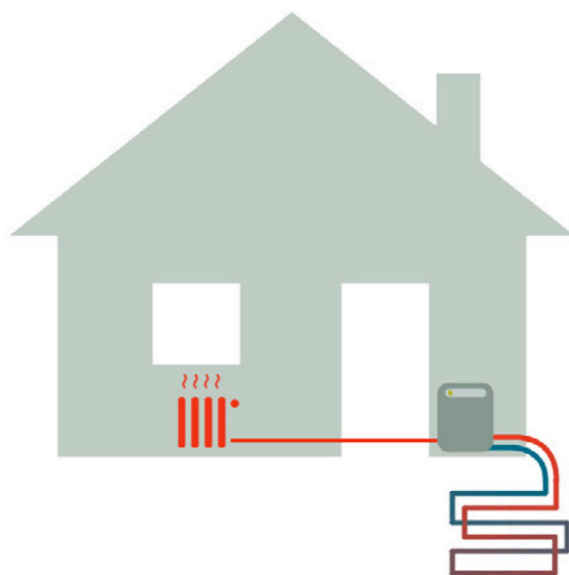
Read about our event with Connie Hedegaard on Storify

Read *What has EU climate and energy policy done for the UK?*

See our presentation *Getting EU climate and energy policy on track*

Switching the UK onto heat pumps

As heat is responsible for a third of carbon emissions and around half of the energy used in the UK, it is widely agreed that something has to be done to reduce the impact of heating. All future scenarios suggest that low carbon heat pumps should be a much more commonly used technology. But they are a long way from mass market acceptance. In May 2013, our online presentation* unravelling the complexities and demonstrated simply the main issues around heat pumps and their potential. It showed the need to improve their reputation and for better regulation, to encourage uptake and achieve wider roll-out across the UK. This presentation has had over 3,000 views.



Seven steps to reducing energy bills

High energy bills have been a major factor behind the UK's cost of living crisis. In December we identified the seven steps government should take* to increase levels of home energy efficiency retrofit and reduce fuel poverty. This work was supported by Scottish Power, Carillion and Rockwool. Ben Webster in the *The Times* highlighted our finding that over half a million homes were losing money because of delays to government subsidies.

“Delays in insulation subsidies ‘are leading to higher fuel bills’”
The Times, 2 December 2013



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See *Switching the UK onto heat pumps*

Read *Seven steps to reducing energy bills*

Better resource use

We believe that effective resource stewardship is critical for resilient economic development within environmental limits. We work to influence public policy and business practices to ensure a greater emphasis on stewardship and circularity in the use of resources.

Making the circular economy work

The Circular Economy Task Force



In 2012 we launched the Circular Economy Task Force,* including WRAP and seven major businesses, to explore ways to establish systems for extensive reuse, remanufacturing and secondary material supplies in the UK.

The Task Force's first year report, *Resource resilient UK*,* published in July 2013, analysed the 'circular' potential of different materials. It proposed that government industrial strategy and regulation should help businesses to collaborate, set sector-wide goals for recovery and develop new, resource efficient business models. The winter 2013 edition of our journal *Inside Track** featured a range of perspectives on making a circular economy a reality, including those of Unilever, Defra and the McKinsey Global Institute.

This work has opened up an important new channel for discussion between government and business and, in its second year, the Task Force is looking at what scale circular business models in the UK need to operate.

The benefits of landfill bans

In 2013 Labour supported an energy bill amendment, to ban biodegradable waste from going to landfill. This was influenced by our infographic *Why we need landfill bans** which showed the economic potential of keeping certain materials out of landfill.

New work with Scotland and Google

New Green Alliance projects* on the circular economy include work with the Scottish government on areas relevant to Scotland's economy; looking at the wider effects of resource prices on the economy; and, in a new project with potential for great impact on a specific sector, we are working with Google to analyse how laptops, tablets and mobile phones can be made more circular.

“The calibre of thinking and analysis by Green Alliance on the circular economy has been outstanding. Coupled with action oriented engagement with policy makers through the Task Force, it's now in a powerful position to influence change.”
Ramon Arratia,
European sustainability director, Interface

Landfill bans for mobiles make recycling happen

No landfill ban

92% to landfill

The USA threw away 141m mobile devices in 2009. 92% of them went to landfill.¹ The USA doesn't have landfill bans.

Landfill ban now

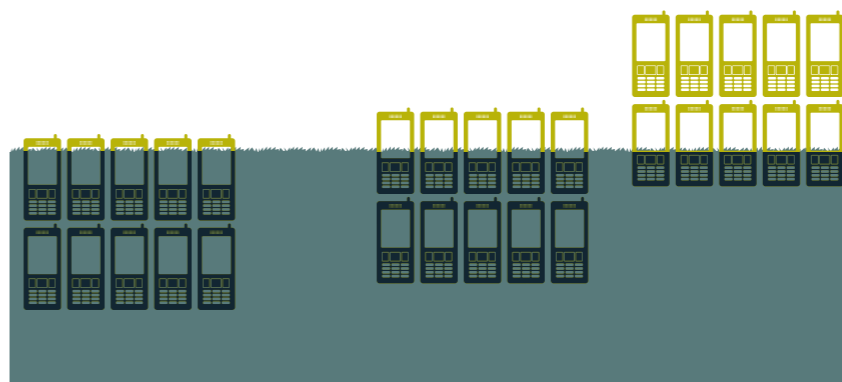
25% recovered

The UK recovered nearly three times more mobiles than the USA in 2010,² due to WEEE regulations.³

Landfill ban in the future

80% recovered

By 2020, the UK will recover 80% of mobiles, keeping £13m of value in the economy per year.



*

Read more about the *Circular Economy Task Force*

Read *Resource resilient UK*

Read the winter 2013 issue of *Inside Track* magazine

See our infographic *Why we need landfill bans*

Read more about our work with the Scottish government and Google

Find out more about our work on resource price shocks

Good thinking

External commentators give their views via the Green Alliance blog and in our journal Inside Track

InsideTrack 32, Spring 2013
 Cities: the new green entrepreneurs

“The big idea is not a single mono-manic project but, rather, an overarching vision with landscape as the primary infrastructure.”
 Sir Terry Farrell, urban designer and architect, on the development of the Thames Estuary

“Cities ... offer the best means to rapidly develop, test and replicate sustainability solutions around the world”
 Chris Guenther of SustainAbility, on the positive role of cities

InsideTrack 33, Winter 2013
 Resource resilient UK

“The means are available to create a resource productivity revolution on a similar scale to the transformational changes in capital and labour productivity witnessed during the 20th century.”
 Fraser Thompson of the McKinsey Global Institute, on improving resource productivity

“We’ve set ourselves the goal of halving the waste associated with the disposal of our products by 2020.”
 Louis Lindenberg of Unilever, on his company’s plans to reduce resource use.

The Thames estuary: London's green engine room
 Sir Terry Farrell offers his vision for the development of the Thames estuary

London is under immense stress, with the Greater London Authority (GLA) predicting, and planning for, another 1.25 million people living in the metropolis by 2031. That is an additional population the size of Birmingham. Even with the regeneration of three and a half million acres of space in London is getting scarce and its infrastructure is under increasing strain.

With the highest return on investment for public and private sectors, and the highest gross value added (GVA) per capita, growth in London and the greater south east is critical to the UK's future prosperity. But where is the space for this growth to happen? And how can we create the infrastructure that it needs in a sustainable and resilient way?

The answer is to redouble our efforts to create a new engine room for London. London has long had a synthetic, dependent on the Thames and its tributaries, as natural providers of food, transport, and power, as conduits for waste and sewage, and, last but not least, as routes out to the countryside. Today, London is ever more reliant, socially, physically and economically, on the Thames estuary for this complementary natural infrastructure.

An integral, downstream part of the metropolis, the estuary has gradually been reclaimed from the sea and where true globalisation started: navigation and exploration of the world began in places like Greenwich, Woolwich and Charlton. The large docks, once located in east London, gradually moved east along the Thames to Tilbury and Molesey. The Thames estuary has been the engine room of London. A place where water is discharged and power generated. Almost ten per cent of the nation's power is still generated here. Centuries of place-based economic activity has united into a coherent human landscape.

The estuary has the region's greatest potential, with its open green spaces and natural features and a local appetite, amongst unitary and county councils, to invest and lead in diverse sustainable economic growth.

Along the Thames, from Tower Bridge through east London and onwards downstream, I am convinced that place-making, or making somewhere with a distinct identity, is the key to this transformation. With at least 1.5 million people living in each of five or six conurbation corridors, we must recognise the importance of this diversity, and support their growth and regeneration.

This coherence provides a basis for a strong economic rationale for the future. The region supports a wide range of economic sectors, including business and financial services, particularly in east London with major potential for new environmental industry. The London Army workforce alone will provide enough sustainable power for 750,000 houses. There have been many attempts to provide greater spatial coherence.

The Thames Gateway proposals, under the former Deputy Prime Minister John Prescott, precipitated a joining up of planning activity across the region with one result being the Thames Estuary Parklands initiative. The focus on the region's green infrastructure, its green spaces and rivers, was vital to ensure any development was sensitive to its context.

All too much emphasis on landscape as the primary infrastructure, I was heartened by the government's recent announcement that the Thames estuary is to be one of 48 local nature partnerships (LNPs) established across England. I have always passionately believed that regeneration of the Thames estuary should begin with the landscape, its most outstanding and unifying feature. Long recognised by poets, painters and writers, including Hopkins, Tennyson and Dickens, the estuary is a natural and beautiful landscape of wetlands, meadows and mudflats, a landscape of sufficient quality to compare with the national parks.

The ambition for LNPs is that they will help to manage the natural environment as a holistic system, embedding its value in local decisions for the common benefit of nature, people and, not least, the economy. To do this, they will need to be self-organising strategic partnerships of a broad range of local organisations, businesses and people, with the credibility and, indeed, clout to work with and influence other local decision makers. Effectively the Thames Gateway LNP will crystallise the partnership working that has already been quietly taking forward

both the vision and the reality of the Thames Estuary Parklands initiative. What is not widely understood is how much progress there has already been made on the ground, with great strides being made in transforming the perceptions of place and the quality of life. All over the estuary, new, high-quality landscapes – such as Fresh Marshes and the Dogsdan Woodlands – are being created, which will have lasting impacts on the public, private, and civic sectors already beginning to realise.

These initiatives, whether major or minor, are already but only contributing to a connected landscape infrastructure, a network of strategically planned, high-quality green spaces and other environmental features. Over time it will result in a cascading extension of the excellent Green Grid planning initiative in east London by the GLA and Design for London.

The broad political context about the vision is striking. I see the choice of the Thames estuary as one of the first LNPs as recognition of this, and as a soundly based vehicle for the holistic vision, informing and guiding hundreds of local interests. It reflects the balancing of demands of the broader region while ensuring that national quality continues to shape the opportunities for the future.

Sir Terry Farrell is a renowned urban designer and architect. He is the design adviser to the Mayor of London and design champion for the Thames estuary. www.terryfarrell.co.uk

The race is on
 Fraser Thompson asks if we can act fast enough to improve resource productivity

The price of the death of the monsoon supercycle, which has a sustained and rapid rise in commodity prices, have been greatly exaggerated. Although prices have fallen since their previous peaks in 2011, on average commodities are now cost nearly as much as they did in 2008, before the global financial crisis hit, despite the fact that the world economy is still not back to full strength.

Not only are prices near to their all time highs, they are also increasingly closely correlated. While rapid growth in demand for resources from China has been an important driver of these increased links, at McKinsey we think there are two other important reasons.

The first is that natural resources account for a substantial share of the input costs of other commodities. For instance, energy accounts for between 15 and 30 percent of the cost of producing a crop and between 25 and 40 per cent of the cost of making steel. Future changes in prices and production processes could continue to compound these linkages. For example, more complicated drilling methods, such as the horizontal drilling used to exploit non-conventional oil and gas reserves, can require four times the amount of steel as traditional vertical drilling.

Second, technology has actually enabled more substitution between resources. The most obvious example is biofuels. Higher energy prices have encouraged the use of land for energy production. This means that, while in the past there was heavy any correlation between the

prices of corn and oil, since autumn 2007 there has been a very strong correlation. As the ethanol industry has become the marginal user of corn, the break even price of ethanol production has set a floor price for corn. Another example is higher oil prices driving up the prices of synthetic production of oil as a feedstock, such as rubber and nylon fibers, which, in turn, is putting upward pressure on natural rubber and cotton prices.

In the years ahead, resource markets will be shaped by the race between emerging market demand and the need to increase supply from places where the geology is more challenging; they will also be affected by the twin forces of supply side innovation and resource productivity.

The demand side is relatively familiar but we really appreciate its scale. Recent doubts about the longevity of rapid growth in emerging markets need to be put into a long term context. China's economy is growing ten times as fast as the UK economy did during its industrial revolution and with 100 times as many people. India, too, continues its rapid development.

Technology has ridden to the rescue before and the shale gas revolution shows it can do so in the modern era, too. There is no shortage of resource technology, and higher resource prices are likely to be a catalyst for faster innovation. Technology could transform access to both resources and productivity. For example, 3D and 4D seismic technology could significantly improve energy exploration, while organic chemistry and genetic engineering could foster the next green revolution.

The means are available to create a resource productivity revolution on a similar scale to the transformational changes in capital and labour productivity witnessed during the 20th century. Previous McKinsey Global Institute research has identified resource productivity opportunities worth over \$1 trillion, which could reduce demand for land, minerals, water, and energy by over 20 per cent in 2020. Just 15 types of opportunity, from improving the energy efficiency of buildings to moving to more efficient transportation, could deliver about three quarters of the gain.

However, capturing such resource productivity opportunities will not be easy. Only about a third of the opportunities are readily accessible; many others face barriers including large capital requirements, principal agent issues, and information failures.

The key question is whether policy makers and businesses can implement measures fast enough to achieve a soft landing of stable or gradually declining resource prices and reduced environmental risk. If they do not, we face the opportunity and the world experience of a hard landing, characterized by a period of very high and volatile resource prices, this would place even greater pressure on the world economy at a time when it is facing strong headwinds. The race is on.

Fraser Thompson is senior fellow at the McKinsey Global Institute

Read these and other issues of Inside Track

Blog



“The old energy architecture – large scale fossil and nuclear power stations at the centre of a monolithic, analogue and over engineered grid – is no longer the most effective or efficient way of meeting our energy needs.”

‘Avoiding an energy civil war’
Michael Liebreich,
1 October 2013



“Our liberalised system has failed in three crucial areas where the Danes and others have succeeded: innovation, diversity, and engaging individuals.”

‘The co-operative energy sector could be worth £6bn, if the system wasn’t stacked against it’
Rebecca Willis,
28 March 2013



“Climate change comes in as part of the agenda of the cosmopolitan elite (and even worse, the European elite), who are the underlying target of people’s anger... Parts-per-million and a six degree world may strike fear into the hearts of those in the environmental community, but they are just words (and weasel words at that) to populists.”

‘What’s the link between the rising tide of populist politics and climate denial?’
Dr Matthew Lockwood,
15 May 2013



“I suspect about 75p of every pound spent on green initiatives, roundtables, conferences, rankings systems, publications and reports in Britain would be more usefully spent grappling with the emerging giants’ challenges from a political and corporate perspective.”

‘One of the best things an environmentalist can do: get on a plane’
Brendan May,
22 October 2013



Funding and partnership

The organisations below have supported individual Green Alliance projects and programmes in 2013



Circular Economy Task Force



Low Carbon Energy Consortium



Green Alliance's work benefits from productive relationships with many leading companies. Many of our projects benefit from business input.

For more than 20 years, the Green Alliance Business Circle has brought companies from different sectors together, to share views on current policy debates and issues they have in common, and to support our business foresight work.



Partnership with NGOs

Our longstanding relationships with the UK's leading environment and development NGOs have been vital to achieving political progress on the environment. Working with them to co-ordinate joint political advocacy, we have helped to communicate clearer, more powerful messages on both the national and international agendas. In 2013, examples of our projects in partnership with other groups included *The Green Standard* report into party performance, research into the UK's low carbon infrastructure and joint collaboration on setting environmental resilience tests for the UN's post-2015 development framework.

Campaign for
Better Transport 

CPRE Campaign to Protect
Rural England
Standing up for your countryside

christian
aid


Friends of
the Earth

GREENPEACE

 Institute for
European
Environmental
Policy


National
Trust

 giving
nature
a home

 THE
wildlife
TRUSTS


WWF

Green Alliance members

We are grateful to the following individuals from many different sectors and professions who support our work

Individual

Jamie Abbott	Sarah Burton	Malcolm Fergusson	Rupert Howes	Adam Matthews	Ben Plowden
John Adams	Rachel Butterworth	David Fitzsimons	Richard Howitt MEP	Deborah Mattinson	Anita Pollack
John Alker	Danielle Byrne	Julie Foley	Jim Hubbard	Ed Mayo	John Pontin
Dr Amal-Lee Amin	Rupert Callingham	Catherine Fookes	Robert Hull	Robert McCracken QC	Don Potts
Rosie Amos	Lord Cameron of Dillington	Tim Foxon	David Hutchinson	Prof Jacqueline McGlade	Jennifer Powers
Catherine Andrews	Mark Campanale	George Franklin	Robert Hutchison	Kayleigh McGrath	Alison Pritchard
Tim Ash Vie	Shaun Carr	Justin French-Brooks	Merlin Hyman	Dr Jim McQuaid CBE	Mark Pritchard MP
Anne Ashe	Thea Cassel	Ray Georgeson	Prof Tim Jackson	Melissa Mean	Denis Pym
John Ashton	Pamela Castle OBE	Martin Gibson	Laura Jackson	Morice Mendoza	Sarah Quinnell
Robert Atkinson	Harry Chichester	William Gillis	Julian Jackson	Philip Merricks	Dr Kate Rawles
Alison Austin OBE	Maureen Child	John Gordon	Michael Jacobs	Charles Millar	Dr Tim Rayner
Dr Mark Avery	Giles Chitty	Matthew Gorman	Becky James	Peter Mitchell	Liz Reason
Bernadett Baracscai	Chris Church	Paolo Grasso	Lord Jay of Ewelme GCMG	Ed Mitchell	Nick Reeves OBE
Janet Barber	Dr MJ Clark	Dr Tony Grayling	Alex Jelly	Catherine Mitchell	Trewin Restorick
David Barker QC	Roger Clarke	David Green	Prof Nicholas Jenkins	Margaret Morgan-Grenville	Dame Fiona Reynolds DBE
Alison Barnes	Aaron Clements-Partridge	Prof Michael Grubb	Deborah Joffe	Chris Murray	David Richards
Phil Barton	Clare Coffey	Nigel Haigh OBE	Stanley Johnson	Dr Elizabeth Ness	Dr Mark Robbins
Clive Bates	Lindsey Colbourne	Paul Hamblin	Terry Jones	Dinah Nichols	Michael Roberts
Lord Bath	Yolanda Collins	Tony Hams OBE	Terence Jones	Derek Norman	Archie Robertson
Alex Belsham-Harris	Tony Colman	Emilia Hanna	Claire Jones	Sheila Oakes	James Robertson
Toby Belsom	Tim Cordy	Katharine Harborne	Prof Andrew Jordan	Adam Ognall	Nick Robins
Terence Bendixson	Martin Couchman OBE	David Harris	Tristram Keech	Tom Oliver	Dr Amanda Root
Nick Bent	Paul Court	Helen Harris	Angela King	Prof Timothy O'Riordan	Neil Rotheroe
David Bent	Roger Cowe	Sir Peter Harrop	Jean Lambert MEP	Derek Osborn CB	Phil Rothwell
Lord Berkeley	John Cox CBE	Nick Hartley	Pippa Langford	Prof John Page	Sylvia Rowley
Dr Robin Bidwell CBE	Roger Crofts	Lord Haskins	Nicola Leahy	Nicholas Paget-Brown	Roger Salmons
Sean Birch	Kate Davies	Dr Paul Hatchwell	Jeremy Leggett	Philip Parker	Prof Stephen Salter
Jennifer Bird	Lady di Pauli	Sir Tony Hawkhead	Dr Paul Leinster CBE	Sara Parkin	Prof Philippe Sands
Dr John Blunden	Hannah Dick	Dirk Hazell	Hywel Lloyd	Dr Doug Parr	Jenny Saunders
Ronald Blythe	Julie Doyle	Lucinda Hensman	Jack Lofthouse	Tony Paterson	Diana Schumacher OBE
Dr Stephen Bolt	Stephanie Draper	Barbara Herridge	Adrian Lovett	Prof RJ Pentreath	Paul Scott
Duncan Brack	Christine Drury	Adam Herriott	Robert Lowson	Elena Perez	Adam Scott
Tim Branton	Jane Durney	Henry Hicks	Chantal Lyons	Anthony Perret	Bhavika Shah
Zoe Bremer	Mairi Duthie	Roger Higman	Simon Lyster	Charles Perry	Juhi Shareef
Steffie Broer	Joshua Eldridge	Julie Hill MBE	Ian MacArthur	Craig Peters	Yasmin Shariff
Chris Brown	John Elkington	Dr Mayer Hillman	Eleanor Mackay	Adrian Phillips CBE	David Sharman
Gayle Burgess	Louise Ellaway	David Hirst	Dr Tom Macmillan	Josephine Pickett-Baker	Ben Shaw
Tom Burke CBE	Penny Evans	Mark Hodgson	Prof Richard Macrory	Iain Pickles	William Sheate
Kate Burningham	Louise Every	Paula Hollings	Prof Aubrey Manning	Prof Nick Pidgeon	Sarah Simmons
Roger Burton	Dr Nick Eyre	Stuart Housden	Mark Mansley	Cheryl Pilbeam	David Sinclair
	Bill Eyres	Alex House	Lori Marriott	Pat Pilkington MBE	Jonathan Sinclair Wilson
	Nigel Farren	Catherine Howarth	Mari Martiskainen	Robert Pilling	Rita Singh

Prof Jim Skea
 James Skinner
 Prof Peter Smith
 Dr Caroline Jackson
 Stephen Somerville
 Steve Sorrell
 Dave Sowden
 Godfrey Spickernell
 Martin Spray
 Ben Stafford
 Ralph Steadman
 Clym Tomas Stephenson
 Lord Stevenson
 John Stewart
 Andrew Stirling
 Neil Stockley
 Martin Stott
 Daisy Streatfeild
 Shuet Kwan Tang
 Joss Tantram FRSA
 Dr Richard Tapper
 Derek Taylor
 Clare Taylor
 Tessa Tennant
 Sophie Thompson
 Guy Thompson
 Andrew Thorburn
 Julia Thrift
 Dr Bruce Tofield
 Marc Tschirley
 Chris Tuppen
 Ben Tuxworth
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 Annette Van Der Kolk
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 Prashant Vaze
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 Anne Weir
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 Prof David Wiggins
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Hugh Williams
 Rebecca Willis
 Prof James Wilsdon
 Nicholas Wilson
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 Giles Wyburd
 Sir Graham Wynne CBE
 Lady Young

Donor

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 Victoria Chester
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 Stephen Gee
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 Jim Potter
 Dr Andrew Purkis OBE
 Dr Alister Scott
 Philip Sellwood
 Neil Sinden
 Tim Smit CBE
 Shaun Spiers
 Geoffrey Steeley
 David Still

Dr Robin Stott
 Gillian Thomas
 Matthew Thomson
 Jonathan Wallace
 Dr Steve Waygood
 Kay West
 Sheena Will

Life

David Andrew
 Dr Robert Barrington
 Katherine and Ben Bell
 Bernie Bulkin
 James Cameron
 Rodney Chase CBE
 Ian Christie
 Andrea Cook OBE
 Zac Goldsmith MP
 Matt Gosden
 Richard Hawkins
 Emma Howard Boyd
 Paul Jefferiss
 Thomas Lingard
 Michael Massey
 John Midgley
 Alice Page
 Michael Palin
 MT Rainey
 Matthew Rhodes
 Chris Rose
 Penny Shepherd
 Lord Thomas of Gresford
 Dr Tom Tibbits
 Philip Wolfe

Accounts

Income

Total: £1,051,482

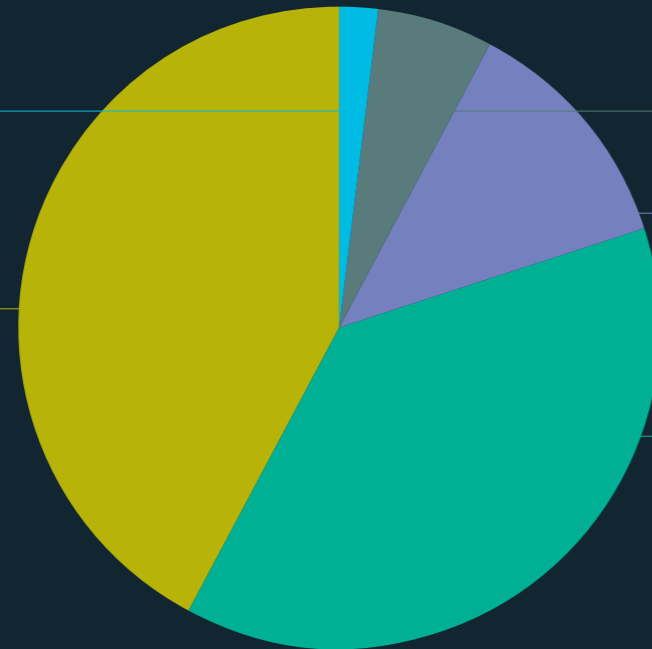
Individuals
2%

Business
42%

Government
6%

NGOs
12%

Trusts
38%



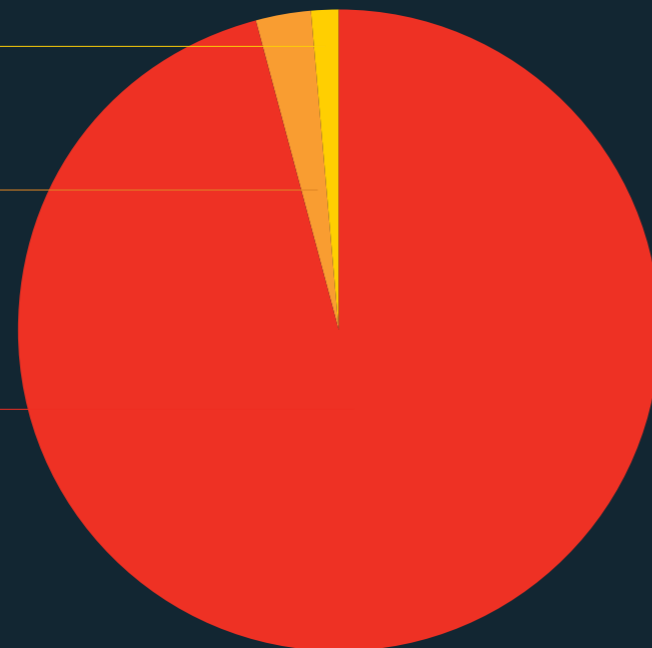
Expenditure

Total: £965,227

Fundraising
1.2%

Governance
2.8%

Charitable
96%



Trustees' statement

These accounts are a summary of information extracted from the annual accounts and contain information relating to both the Statement of Financial Activities and the Balance Sheet.

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the charity.

For further information, the full accounts, which received an unqualified audit opinion, should be consulted. Copies of these can be obtained from the company secretary at Green Alliance.

The annual accounts were approved by the trustees on 10 September 2013, and have been submitted to the Charity Commission and Companies House.

On behalf of the directors/trustees of The Green Alliance Trust (known as Green Alliance) 10 September 2013:

Robin Bidwell, chair

Philip Parker, hon treasurer

The Green Alliance Trust

Statement of financial activities for the year ended 31 March 2013

	2013 Restricted Funds £	2013 Unrestricted Funds £	2013 Total Funds £	2012 Total Funds £
Incoming resources				
Incoming resources from generated funds:				
Voluntary income	-	128,973	128,973	145,068
Bank interest receivable	-	3,394	3,394	2,867
Incoming resources from charitable activities: Research, events and publications	919,095	20	919,115	1,014,804
Total incoming resources	919,095	132,387	1,051,482	1,162,739
Resources expended				
Cost of generating funds				
Fundraising	-	12,099	12,099	15,787
Charitable expenditure				
Research, events and publication costs	848,602	77,650	926,252	1,053,192
Governance costs	-	26,876	26,876	26,675
Total resources expended	848,602	116,625	965,227	1,095,654
Net income before transfers	70,493	15,762	86,255	67,085
Transfers between funds	2,958	(2,958)	-	-
Net income after transfers	73,451	12,804	86,255	67,085
Fund balances brought forward at 1 April 2012	209,664	390,034	599,698	532,613
Fund balances carried forward at 31 March 2013	283,115	402,838	685,953	599,698

Independent auditor's statement

We have examined the summary financial statement for the year ended 31 March 2013 set out on these pages

Respective responsibilities of the trustees and the auditor

The trustees are responsible for preparing the summarised annual report in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the summarised annual report with the full annual financial statements and the trustees' report, and its compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the charitable company's full annual financial statements describes the basis of our opinion on those financial statements and on the trustees' report.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements and the trustees' report of Green Alliance for the year ended 31 March 2013 and complies with the applicable requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

We have not considered the effects of any events between the date on which we signed our report on the full annual financial statements (10 September 2013) and the date of this statement.

haysmacintyre
Statutory Auditors
Fairfax House
15 Fulwood Place
London WC1V 6AY

10 September 2013

Balance sheet at 31 March 2013

	2013		2012	
	£	£	£	£
Fixed assets				
Tangible fixed assets		9,591		2,633
Current assets				
Debtors and prepayments	209,660		209,605	
Cash	668,177		588,519	
	877,837		798,124	
Creditors: amounts falling due within one year	(201,475)		(201,059)	
Net current assets		676,362		597,065
Total assets less current liabilities		685,953		599,698
Charity funds				
Restricted funds		283,115		209,664
Unrestricted: funds		402,838		390,034
		685,953		599,698



[Click here to see the full accounts and Green Alliance's Charity Commission profile](#)

Green Alliance Staff

Management team

Matthew Spencer
Director



020 7630 4517
jvetts@green-alliance.org.uk

Tamsin Cooper
Strategy director



020 7630 4521
tcooper@green-alliance.org.uk

Edward Hobson
Deputy director (delivery)



020 7630 4514
ehobson@green-alliance.org.uk

Louise Humphrey
Assistant director



020 7630 4518
lhumphrey@green-alliance.org.uk

Policy team

Alastair Harper
Head of politics



020 7630 4527
aharper@green-alliance.org.uk

Dustin Benton
Head of resource stewardship



020 7630 4522
dbenton@green-alliance.org.uk

William Andrews Tipper
Head of sustainable business



020 7630 4528
wandrewstipper@green-alliance.org.uk

Emily Coats
Policy team assistant



020 7233 7433
ecoats@green-alliance.org.uk

Julian Morgan
Chief economist



020 7630 4526
jmorgan@green-alliance.org.uk

Faye Scott
Head of research



020 7630 4524
fscott@green-alliance.org.uk

Jonny Hazell
Senior policy adviser



020 7630 4529
jhazell@green-alliance.org.uk

Friederike Metternich
Policy adviser



020 7630 4511
fmetternich@green-alliance.org.uk

Katherine Watts
Head of energy – maternity cover



020 7630 4516
kwatts@green-alliance.org.uk

Development team

Karen Crane
Head of communications



020 7630 4519
kcrane@green-alliance.org.uk

Elena Perez
Events co-ordinator



020 7630 4515
eperez@green-alliance.org.uk

Josephine Evetts
Office manager and PA to the director



020 7630 4517
jvetts@green-alliance.org.uk

Marta Silva
Finance manager



020 7630 4523
msilva@green-alliance.org.uk

Trustees

Robin Bidwell, CBE
chair
Philip Parker
hon treasurer
Tom Burke, CBE
Ben Caldecott
Catherine Howarth
Alistair Keddie, CB
Dr Alan Knight, OBE
Mariana Mazzucato
Dame Fiona Reynolds,
CBE
Sophia Tickell
Sir Graham Wynne

Associates

Duncan Brack
Ian Christie
Chris Church
Chris Hewett
Julie Hill
Jiggy Lloyd
Rebekah Phillips
Rebecca Willis
Dimitri Zenghelis

Interns

We are grateful to the following individuals who have given their time and skills to Green Alliance under our internship programme since January 2013:

Benedetto Antuono
Matt Blythe
Rupert Callingham
Thea Cassel
Emily Coats
Joshua Eldridge
Louise Ellaway
Jack Fleming
Lindy Frey
Bruno Friedel
Paolo Grasso
Christopher Hope
Luke James
Shuet Kwan Tang
Ricky Lawton
Chantal Lyons
Jennifer McCard
Frieda Metternich
Dileimy Orozco
Elena Perez
Cheryl Pilbeam
Alice Power
Roz Price
Sophie Thompson
Johanna Tilkanen
Marc Tschirley
Amy Walberton

Green Alliance

Green Alliance is a charity and independent think tank focused on ambitious leadership for the environment. We have a track record of 35 years, working with the most influential leaders from the NGO, business, and political communities.

Our work generates new thinking and dialogue, and has increased political action and support for environmental solutions in the UK.

Green Alliance
36 Buckingham Palace Road, London, SW1W 0RE
020 7233 7433
ga@green-alliance.org.uk
www.green-alliance.org.uk

blog: greenallianceblog.org.uk
twitter: @GreenAllianceUK

The Green Alliance Trust is a registered charity 1045395 and company limited by guarantee (England and Wales) 3037633, registered at the above address

Published by Green Alliance, June 2014

Designed by Howdy

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