

“Fifth International Forum for Sustainable Asia – ISAP 2013”
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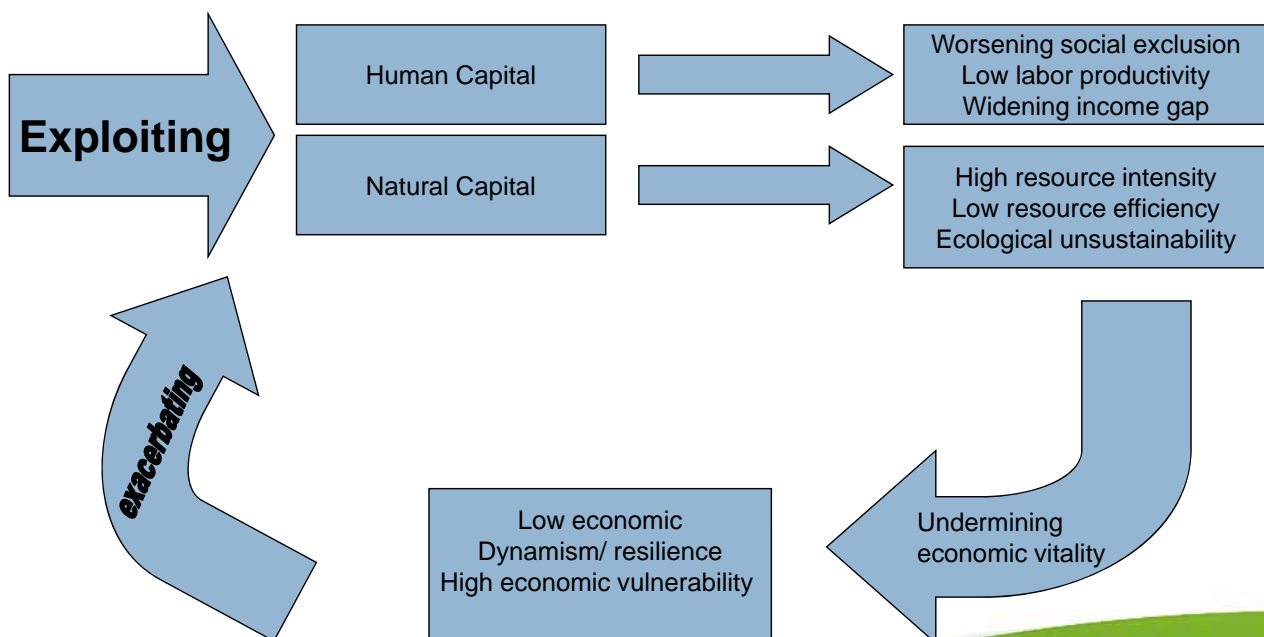
GREEN ECONOMY AND GREEN GROWTH IN ASIA- PACIFIC: TRENDS, PERSPECTIVES AND OPPORTUNITIES



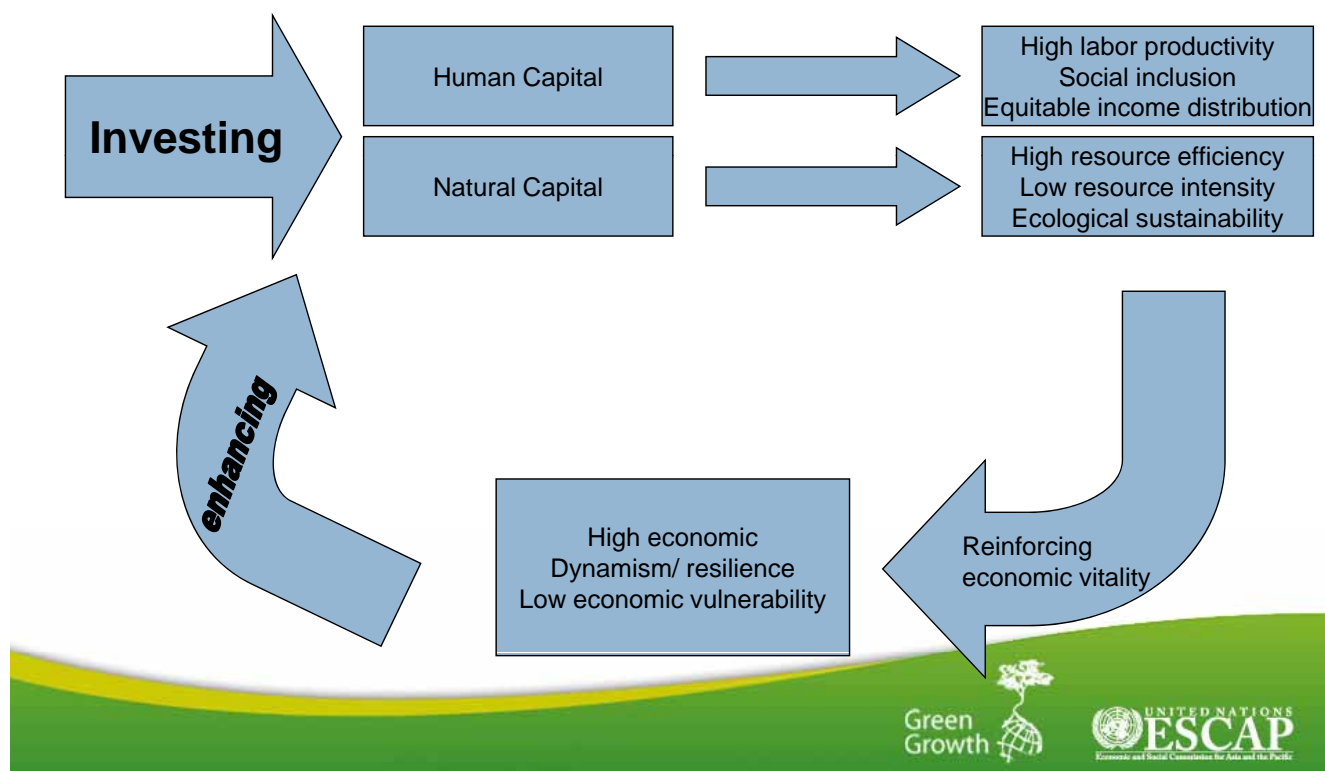
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Vicious cycle/Quantity of Growth (GDP)



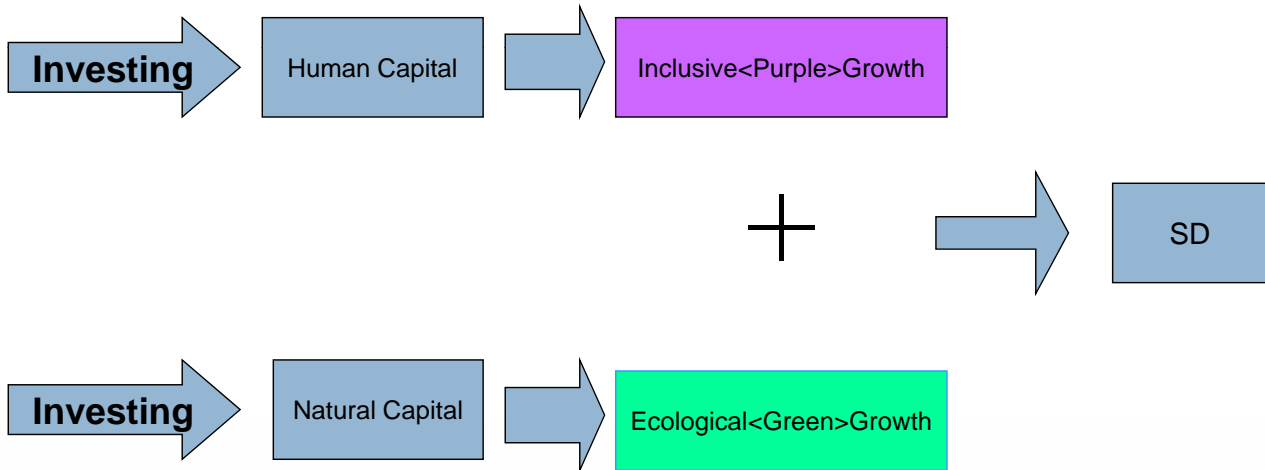
Virtuous cycle/Quality of Growth (GDP)



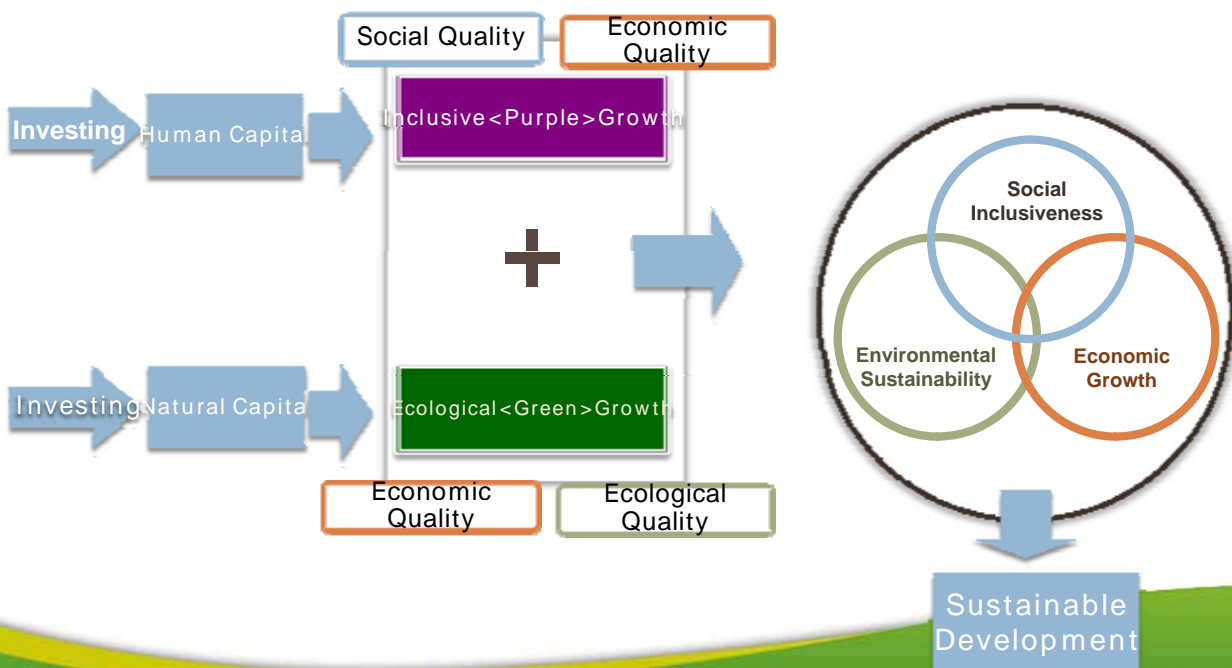
<Exploiting> vs <Investing> in Human & Natural Capital

- **Exploiting**: going by the cheapest market price based only on short term supply and demand
- **Investing**: recognizing Social and Ecological value

SD Model: Purple & Green Growth



Sustainable Development Model: Purple & Green Growth have to go hand in hand (integration of 3 pillars)



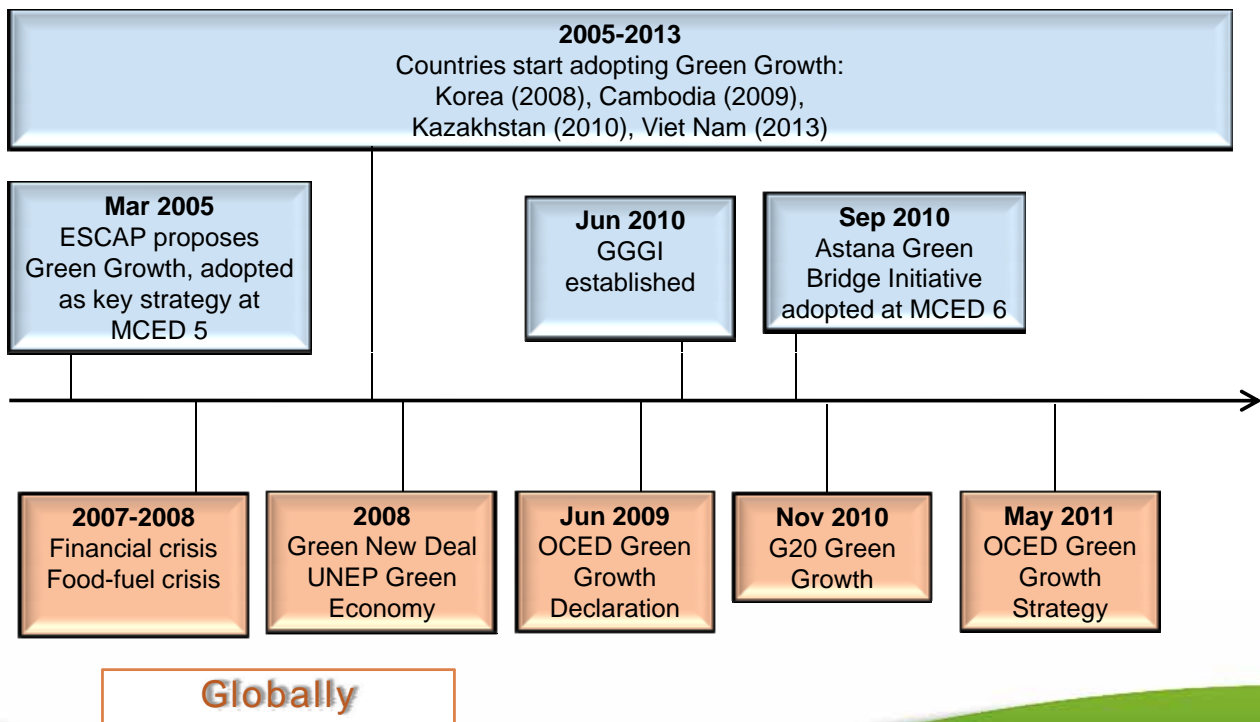
Asia-Pacific: Pioneer of GG/GE

- ESCAP first proposed the concept of Green Growth and brought it to the attention of countries in Asia and the Pacific in March 2005
- Green growth was adopted as key strategy for countries in the region by the **5th Ministerial Conference on Environment and Development in Asia and the Pacific (MCED-5) in 2005**
- Since then many countries have adopted bold policies and initiatives to promote green growth, notably the Republic of Korea, China, Cambodia, Kazakhstan, Viet Nam, Mongolia
- The financial crisis of 2008 has provided both challenges and opportunities for the promotion of green growth
- The 6th Ministerial Conference on Environment and Development in Asia and the Pacific (MCED-6), convened by ESCAP in Kazakhstan in 2010, adopted the "**Astana Green Bridge Initiative**", recognized by the Rio+20 outcome document



Green growth chronology

In Asia-Pacific



Green Economy here to stay but requires fundamental system change

- Green growth is taking root in Asia-Pacific and will remain as one of socio-economic development policies in the decades to come
- Demand for energy, materials and other resources will continue to grow, as countries in the region seek to fuel economic growth and maintain high growth rates
- So will grow the urgency of pursuing Green Economy
- Green Job, Trade and investment opportunities exist
- **But opportunities will depend policy choices for economic system change**

Economic system change for Shifting from <Intensive> to <Efficient> Pattern of Growth

- **C**urrent **G**rowth Pattern:
energy/resource/carbon **intensive**
- **G**reen **G**rowth Pattern:
energy/resource/carbon **efficient**

GG: a strategy to **sustain growth** necessary to reduce **poverty** while coping with **resource constraints** and **climate impact**, a **new development paradigm** that requires a **fundamental economic system change**

Low Carbon Green Growth requires a **fundamental system change**

- Restructuring both the:
 - **Visible structure** (physical infrastructure, (urban design/land use planning/buildings/transport/energy/water infra/waste system)
 - **Invisible structure** (market prices, fiscal policies, institutions, governance and lifestyles)
- **Only Governments can jump start System Change**
 - Market cannot deliver system change
 - Political leadership & commitment critical.
 - Low Carbon Growth Dialogue can mobilize political leadership of the Region**



Need un-economic thinking?

- Conventional economics cannot prove or support GG/GE/GB: short term cost benefit analysis cannot prove long term business of GG/GE/GB; short term cost-benefit cannot be applied
- Requires new un-economic thinking based on long term time horizon
- Climate change/ecosystem/sustainability: long term issues; short term thinking cannot solve



Time Gap: Short vs Long term Price Gap: Market vs Real Price

- GG/GE/GB: long term Gain
- Market price: short term Burden
- Need to close Time/Price Gap through Government Fiscal/regulatory Policies

GG & Poverty/Social/Inclusive

- GG: a strategy to **sustain growth** necessary to reduce **poverty** while coping with **resource constraints** and **climate impact**, that requires a **fundamental economic system change**
- But no automatic guarantee: benefit of the green growth could be evenly distributed, thus to be supplemented by Inclusive Growth approach
- But neither for current Brown Growth

Triple Green Partnership

- Civil Society: provide political support for Long term goals<Green Bridge/GE/GG>
- Government: Political leadership & Commitment for long term goals
- Private Sector: Grasp GE/GG/GB as business opportunity not resist



ESCAP's Low Carbon Green Growth Roadmap for Asia and the Pacific

- Published in May 2012, ahead of the Rio+20 Conference, the Roadmap provides a comprehensive blueprint for policymakers in the region to pursue a green growth development path
- The Roadmap consists of:
 - ▣ Main report
 - ▣ 63 fact sheets
 - ▣ 51 case studies
 - ▣ 8 policy papers

