

Plenary Sessions

Plenary Session 1

GREEN ECONOMY: PERSPECTIVES FROM THE ASIA-PACIFIC

Objectives

The Asia-Pacific region leads the global economy as a centre of growth, and urgently needs to shift from the traditional twentieth century type of industrial development known as “Brown Economy” to a “Green Economy” underpinned by low-carbon development, improving resource-efficiency and achieving well-being for all including poverty alleviation.

This session provided an overview of ISAP2013 and argued the implications of a green economy for the Asia-Pacific region, in discussion with key note speakers and discussants with diverse backgrounds including international organisations and the private sector. It highlighted the incorporation of sustainability concepts into business practices, local initiatives for smart cities and emerging networks of researchers for low-carbon development.

Economic development has relatively improved people’s daily lives in the Asia-Pacific. However, unsustainable trends continue to be seen in the region, such as significant depletion and degradation of natural resources, increase of greenhouse gas emissions and a large number of people in poverty. Against such unsustainable trends, global and regional discussions and actions have been facilitated, searching for a new paradigm based on human well-being, striking a balance among economic, social and environmental sustainability instead of material affluence, and aiming to pursue growth within planetary boundaries. Through keynote speeches and discussions among eminent speakers with different backgrounds, this plenary session explored the implications of a green economy for sustainable development in the region.

List of Speakers

[Moderator]

Charmine Koda, Journalist

[Key Speakers]

Rajendra K. Pachauri, Director-General, The Energy and Resources Institute (TERI) /
Chair, The Intergovernmental Panel on Climate Change (IPCC)

Masamitsu Sakurai, Executive Advisor, Ricoh Company, Ltd.

[Discussants]

Rae Kwon Chung, Director, Environment and Development Division, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)

Tomoko Nishimoto, Director, Division of Regional Cooperation (DRC),
United Nations Environment Programme (UNEP)



Key Messages

- **Climate change is relevant to green economy, and both mitigation and adaptation issues should be addressed toward green economy.**
- **Sustainable development, efficient utilisation of resources and protection of the ecosystem, environment and natural resources are key factors toward green economy.**
- **To promote green economy, the private sector is proactively expected to present models on how to achieve GHG emissions reduction, advance environmentally-sound management and coordinate profits by enhancing enterprise partnership. Clear policy in the direction of green economy by government and a sound understanding from the general public on it are keys to promoting the private sector to work towards achieving green economy.**
- **It is crucial to invest human and natural capitals (by recognising social and ecological value) and achieve inclusive growth and ecological growth toward sustainable development. Green economy needs fundamental economy system change to swift to energy and resource efficient pattern of growth.**
- **Further challenges toward green economy are conceptual clarity of green economy, further analysis of macroeconomic link of environmental measures (related to green economy) and a transformational change for green economy with broad partnerships.**

Summary of the Session

Rajendra K. Pachauri argued the relevance of climate change to green economy and mentioned that there is an interplay among sustainable development, efficient use of resources and protection of ecosystem, environment and natural resources within the whole issue of green economy. He mentioned that patterns of economic growth should be sustainable and resources would be used at the optimal level if we call for economy green. He said that climate change is unequivocal and the increase of temperature since mid-20th century is most likely to be caused by human activities. He underscored that the impact of climate change is intensified by urbanisation stresses. He mentioned that to address vulnerability to climate change is a key challenge in view of increasing risks of shortage of fresh water and frequent occurrences of floods. He stressed regions in the weakest economic position are often the most vulnerable to climate change and frequently the most susceptible to climate-related damages. He mentioned we should address both mitigation and adaptation issues toward green economy. He highlighted that renewable energy is viable in various settings considering the co-benefits of local pollution control, rural electrification/energy security and rural development.

Masamitsu Sakurai stressed that green economy is an economy which adds values to GHG emissions reduction, and to make the transition to green economy, we need to shift to a low-carbon economy first and then promote investment in potential low-carbon relevant growth areas/activities (green growth). He mentioned that essential elements toward establishing a low-carbon society are sound understanding of and support for low-carbon economy by the general public, while providing policy direction toward green growth and an enabling environment with political leadership, as well as recognition of responsibility

of and proactive actions by industries and private companies. He said that companies are in global competition in environmental business and some of them have promoted environmental management. However, business sectors are still conservative due to the fear of losing competitiveness in their business by introduction of policies which increase costs (of production). He mentioned that since 1996 Ricoh has advanced its environmental policies and measures including non-regret policy on climate change and environmental management which achieves both GHG emissions reduction and corporate profits at the same time. He stressed that to promote green economy, the private sector is proactively expected to present models on how to achieve both GHG emission reduction and advance environmentally-sound management and corporate profits by enhancing enterprise partnership. He mentioned that the private sector must participate in information exchange, technology and system development, and is expected to present proposals and provide support to promote green economy in Asia and the Pacific. He added that enhancing enterprise partnerships is one important direction and the Japan Climate Leaders' Partnership (Japan-CLP) is one of the potential initiatives for this venture.

Rae Kwon Chung shared UNESCAP's view on green economy and sustainable development and mentioned that the definition of green economy is economy to invest natural capital and produce profits. He explained that current economy activities are in a vicious cycle, which exploit natural and human capitals and it is crucial to invest the capitals (by recognising social and ecological value) for sustainable development through inclusive growth and ecological growth. He added that green economy requires a fundamental change in the economy system to switch to an energy and resource-efficient pattern of growth. He mentioned that in order to judge value of green growth, we need to switch from short-term economic cost benefit analysis to more of a long-term perspective.

Tomoko Nishimoto stated that a green economy is one that results in increased human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. She added that a green economy is the economic vehicle for sustainable development and has strategies to end the persistence of poverty. She highlighted the components of green economy approach for Asia are to be done by system innovation approaches which includes four components: changes to consumption and lifestyle habits, urban form, transportation modes, energy production and economic structure; technological improvements; massive green investments; and strengthening existing fiscal and financial instruments. She stressed that further challenges are conceptual clarity of green economy, further analysis of macroeconomic link of environmental measures and a transformational change for green economy with broad partnerships.

In the discussion that followed, Dr. Pachauri stated that to promote carbon offset mechanisms or emission trading systems such as CDM and JI, it is necessary to have further commitments from countries in Kyoto protocol second commitment period and we expect to have a new agreement by 2015. He added that there are policy measures including fuel tax to make renewable energy competitive. Mr. Sakurai then commented on initiatives of the industry sectors toward green economy and stated that although some companies are not positive, most companies could conduct appropriate environmental management, especially after transition to green economy.

