



Greening Integration in Asia



How Regional Integration Can Benefit People and the Environment

IGES White Paper V 2014

Publication available soon

Regional Integration is stepping up in Asia. The launch of the ASEAN community by the end of 2015 and the possible establishment of the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP) signal a new era of deepened regional integration. These and other regional initiatives will influence how Asia develops over the coming decades.

The forthcoming White Paper by the Institute for Global Environmental Strategies (IGES) underscores that the benefits of regional integration need to be long-lasting and shared. It cautions that a narrow emphasis on short-term economic gains could undermine the region's prospects for lasting prosperity by undermining the region's natural resource base and deepen inequalities within and among countries. However, regional integration also offers opportunities for countries to collaborate and to jointly make development more inclusive, resilient and long-lasting. The White Paper is hopeful that leaders in Asia will grasp the opportunities of regional integration to contribute to sustainable development and resist the pressures for a harmful race to the bottom.

Steps to Greening Integration

The White Paper includes chapters on the following topics:

- Forestry and timber trade
- Air pollution standards
- Technology transfer for climate smart development
- Freshwater and transboundary river basins
- Trade in electronic waste
- The role of ASEAN in implementing the future Sustainable Development Goals
- Greening of Aid-for-Trade



Each chapter analyses the current situation from a sustainability perspective and provides recommendations focusing especially on the role of regional cooperation and integration in addressing existing challenges.

The White Paper provides overall recommendations under three main headings:

i Make trade and investment work for sustainable development

Trade liberalisation is at the vanguard of existing and emerging regional integration efforts. The White Paper underscores the importance of ensuring that these processes contribute as much as possible to sustainable development. A general recommendation is to take a precautionary approach to market liberalisation for countries with deficiencies in governance effectiveness and transparency and accountability issues. Failure to do so can cause serious and irreparable harm.

Specific recommendations include:

→ Make it mandatory to conduct Sustainability Impact Assessments of new or revised trade and investment agreements. This is still not a regular practice in Asia and many countries may lack the capacity needed to anticipate the effects, including both benefits and risks, of market liberalisation. Pooling capacity and expertise regionally could prove beneficial.

- Introduce preferential tariffs for environmental goods and services (EGS). Using the list of EGS developed by APEC could be a good start.
- Establish regional information tools such as labelling schemes for sustainably sourced materials and goods, and certification schemes for safe recycling.
- Ensure that trade agreements allow for, or even encourage, sustainable public purchasing. Trade rules that would prevent public bodies from using environmental and social criteria for its purchasing should be opposed.
- Require sustainability reporting for investments, and encourage banks and other financial institutions to establish environmental and social lending criteria.



ii Strengthen and refocus regional institutions

The White Paper stresses the need for more capable institutions equipped with adequate resources, appropriate staff and broader mandates that allow them to play a proactive role. Regional institutions need to have environmental protection and social progress as part of their objectives and mainstreamed into their work programmes. The White Paper identifies a number of roles to be played by regional institutions and where a strengthening of capacities and mandates is needed, including the following:

- Monitoring and evaluation of key sustainable development indicators, including improved environmental monitoring systems and better surveys on social conditions. Strengthened capacity for data analysis, and potentially for modelling, would also be beneficial.
- Support for countries with low governance capacity, including assistance in meeting their regional and global commitments.

- Funding mechanisms, such as targeted venture capital funds for more sustainable business models and technologies, and a regional fund to support achievement of the Sustainable Development Goals.
- Knowledge brokerage.
- Initiation of regional research programmes on sustainability issues.
- Capacity building on a regional basis. This could follow a hub and spokes model where regional centres engage expertise from individual countries and draw from countries' strengths and experiences.
- Prevention of international conflicts, for example through facilitation of joint plans for natural resource utilisation.
- Leadership in negotiating regional agreements and in developing common standards.

iii Build capacity at national and sub-national levels

Limited capacity of governments and public institutions, as well as of other actors, is a major obstacle to Green Integration. These capacity constraints need to be addressed as a matter of urgency, although it will take time to ensure that appropriate capacity is in place across the region. The White Paper identifies two major kinds of capacity that need strengthening:

- Capacity to formulate and implement policies, and to monitor and evaluate policy outcomes.
- Capacity to effectively participate in regional and global policy processes.

