



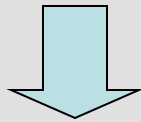
Sustainability Trends: Keys for Green Business in AEC



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9th August, 2013

Regional integration: Risks

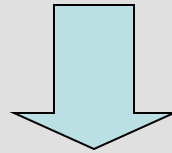
Increasing free flow of goods, services, labor etc
→ accelerated price competition
→ race to the lowest short-term market price
→ tendency to ignore environmental and social costs of production to lower price



Race to the minimum lowest price →
exploitation of human and natural capital

Regional integration: opportunities

The region could behave in group and gain stronger bargaining power for export price



Price setter instead of Price taker! &
Invest in Human & Natural Capital

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

2005-2013

Countries start adopting Green Growth:
Korea (2008), Cambodia (2009),
Kazakhstan (2010), Viet Nam (2013)

Mar 2005

ESCAP proposes
Green Growth, adopted
as key strategy at
MCED 5

Jun 2010

GGGI
established

Sep 2010

Astana Green
Bridge Initiative
adopted at MCED 6

2007-2008

Financial crisis
Food-fuel crisis

2008

Green New Deal
UNEP Green
Economy

Jun 2009

OCED Green
Growth
Declaration

Nov 2010

G20 Green
Growth

May 2011

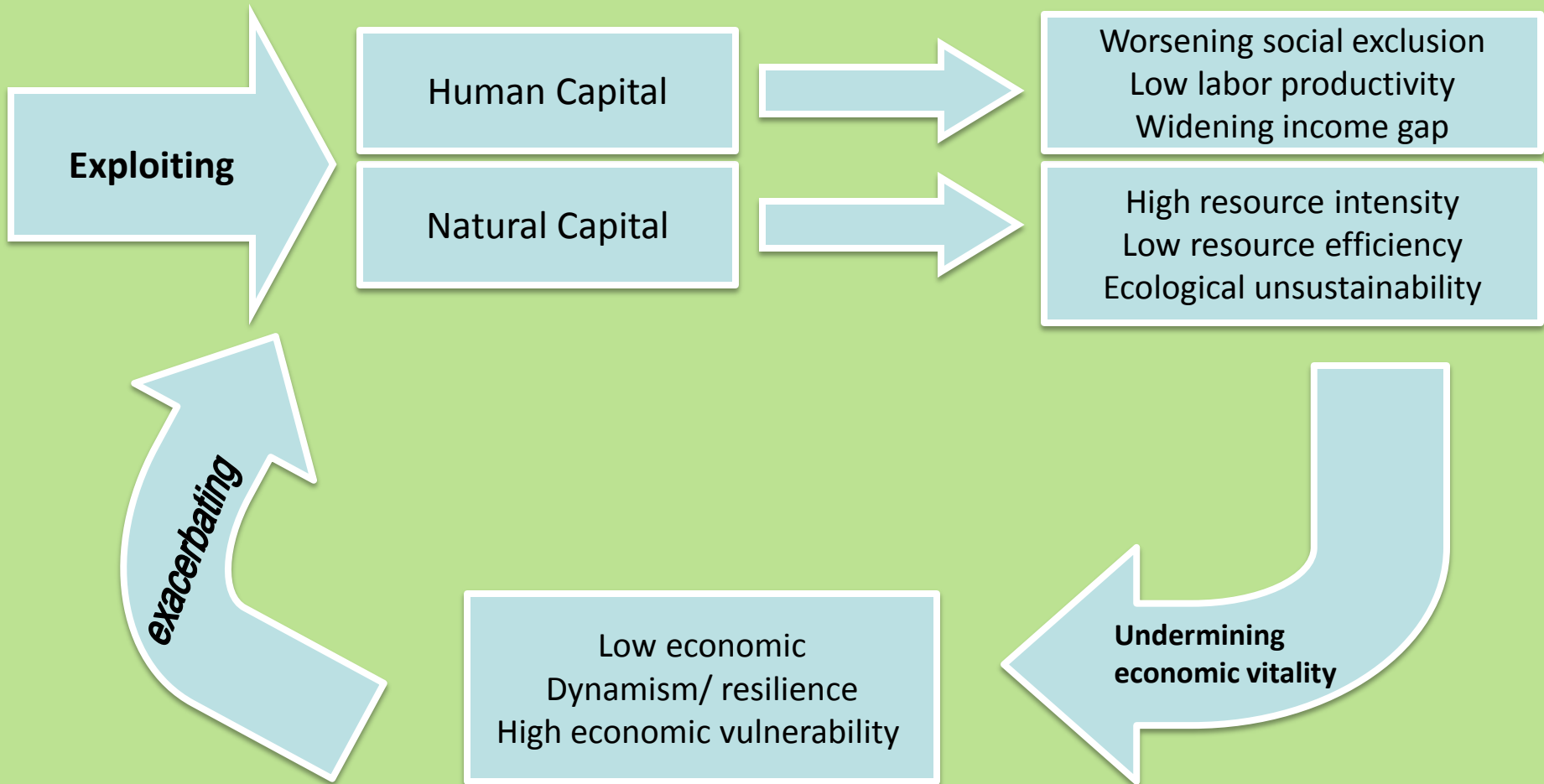
OCED Green
Growth
Strategy

Globally

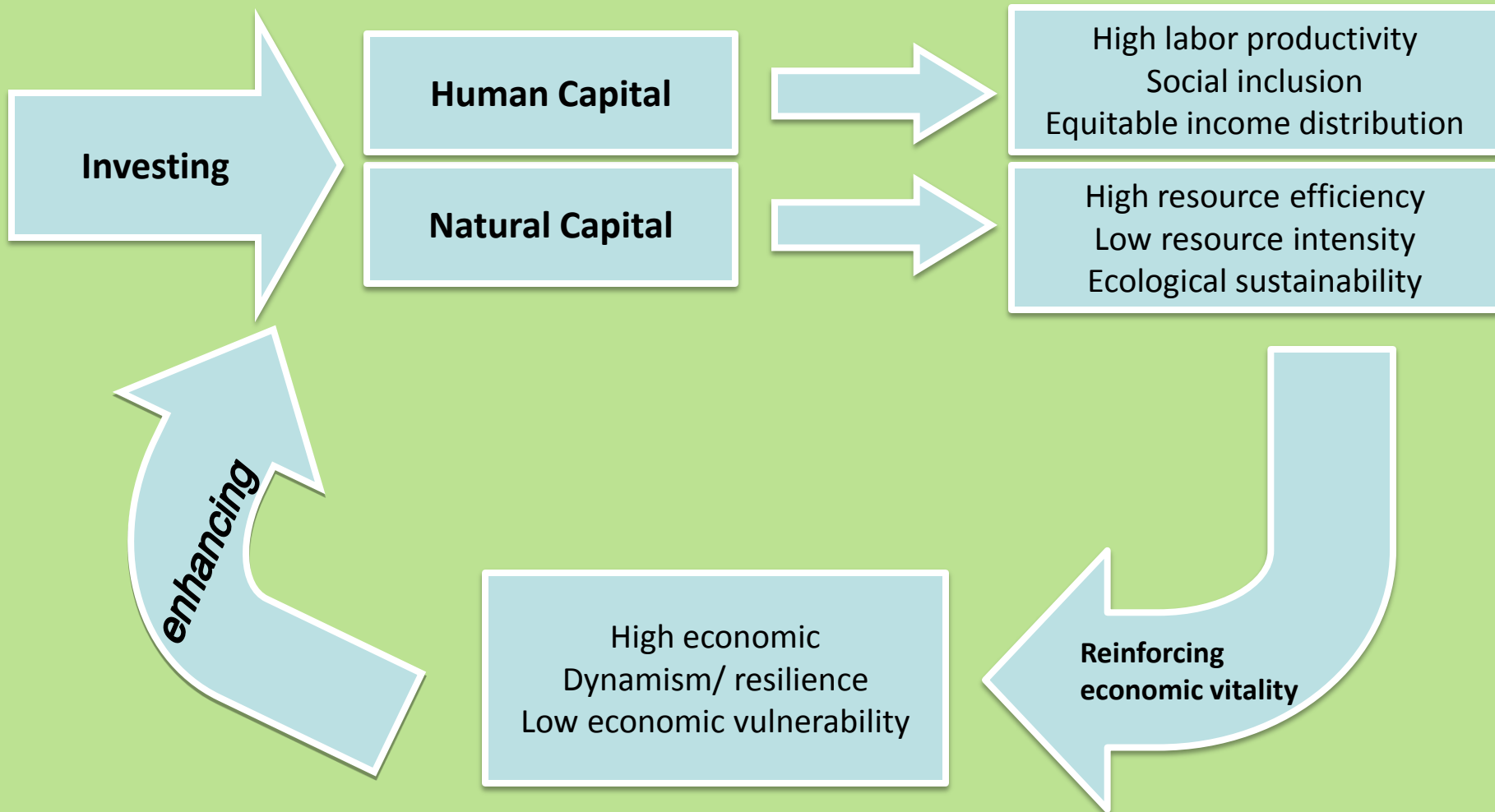
Green Economy here to stay but requires fundamental system change

- 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**

Vicious cycle/Quantity of Growth (GDP)

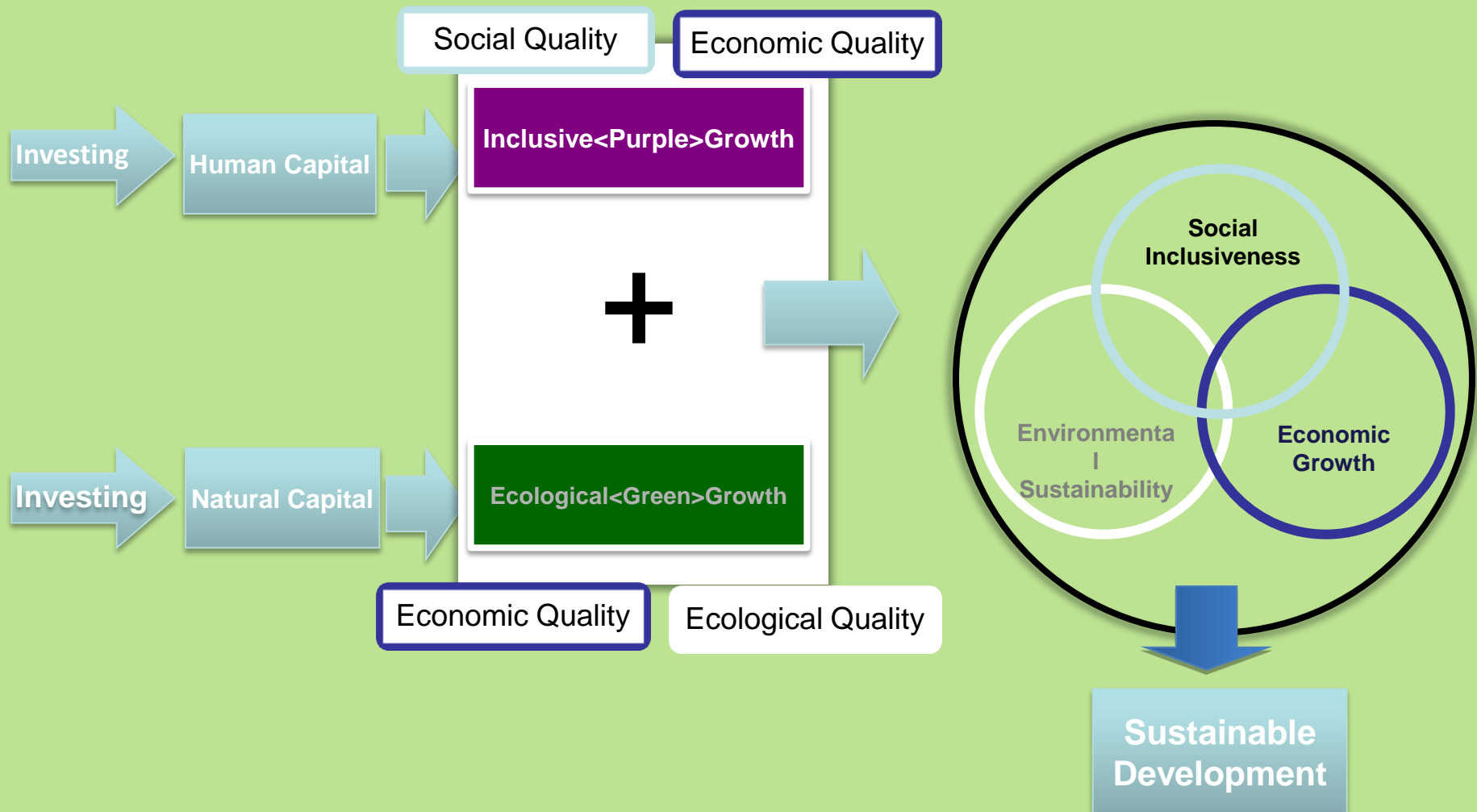


Virtuous cycle/Quality of Growth (GDP)



Sustainable Development Model:

Purple & Green Growth have to go hand in hand
(integration of 3 pillars)

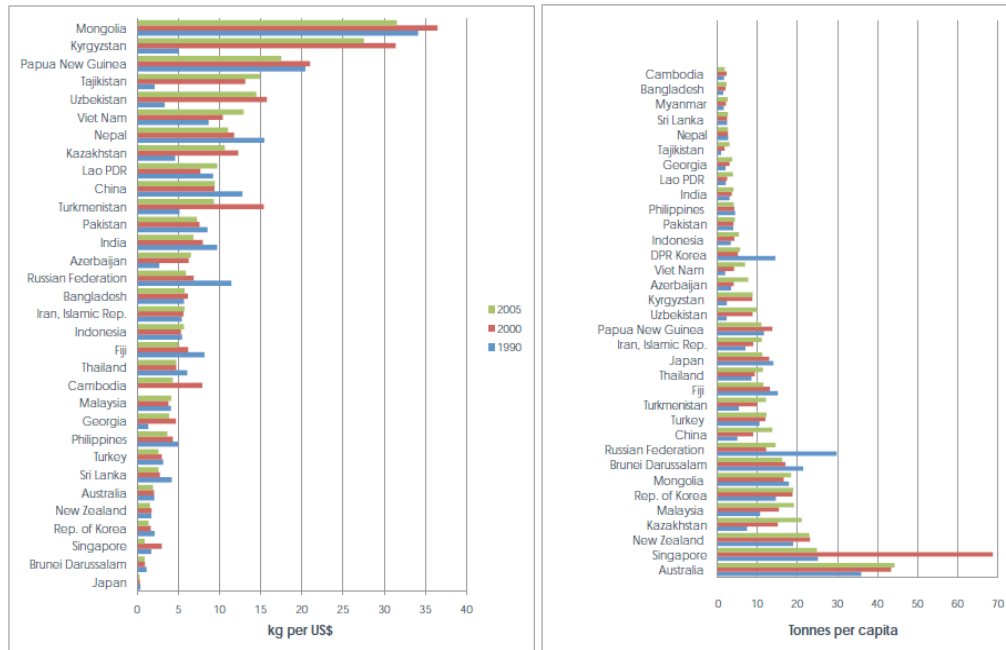


Trends and Opportunities of Green Business

- Green Business is expected to grow by 4 percent annually
- The market involves 1.4 million companies and employs 28 million people
- Low carbon sectors have been growing through the economic crisis and consumers are increasingly interested in purchasing green products
- Clean energy projects surged to a record 41.8 billion dollars in 2011
- Sales of organic foods and drinks reached 60 billion in 2010
- Sales of sustainable forest projects quadrupled between 2005 and 2007

Economic Growth and Worsening Resource Constraints

Domestic material consumption per unit of GDP and per capita, Asian and Pacific countries



	Average annual growth rate of material consumption (% per year)			
	1970-1980	1980-1990	1990-2000	2000-2005
Asia and the Pacific	3.2	3.2	2.3	6.0
Rest of the world	1.9	0.5	1.3	0.8
World	2.5	1.8	1.8	3.7

Source: CSIRO and UNEP Asia-Pacific Material Flow Database. Available from www.csiro.au/AsiaPacificMaterialFlows (accessed on 11 July 2010).

Asia-Pacific uses > 3 x resources to produce \$1 of GDP, compared to the rest of the world

- Developing countries in the Asia Pacific region have experienced rapid economic growth in recent years, taking advantage of the opportunities brought about by globalization and the export-led growth model.
- The resource-intensive growth pattern of the region cannot be sustained.

Benefits: Early mover advantage



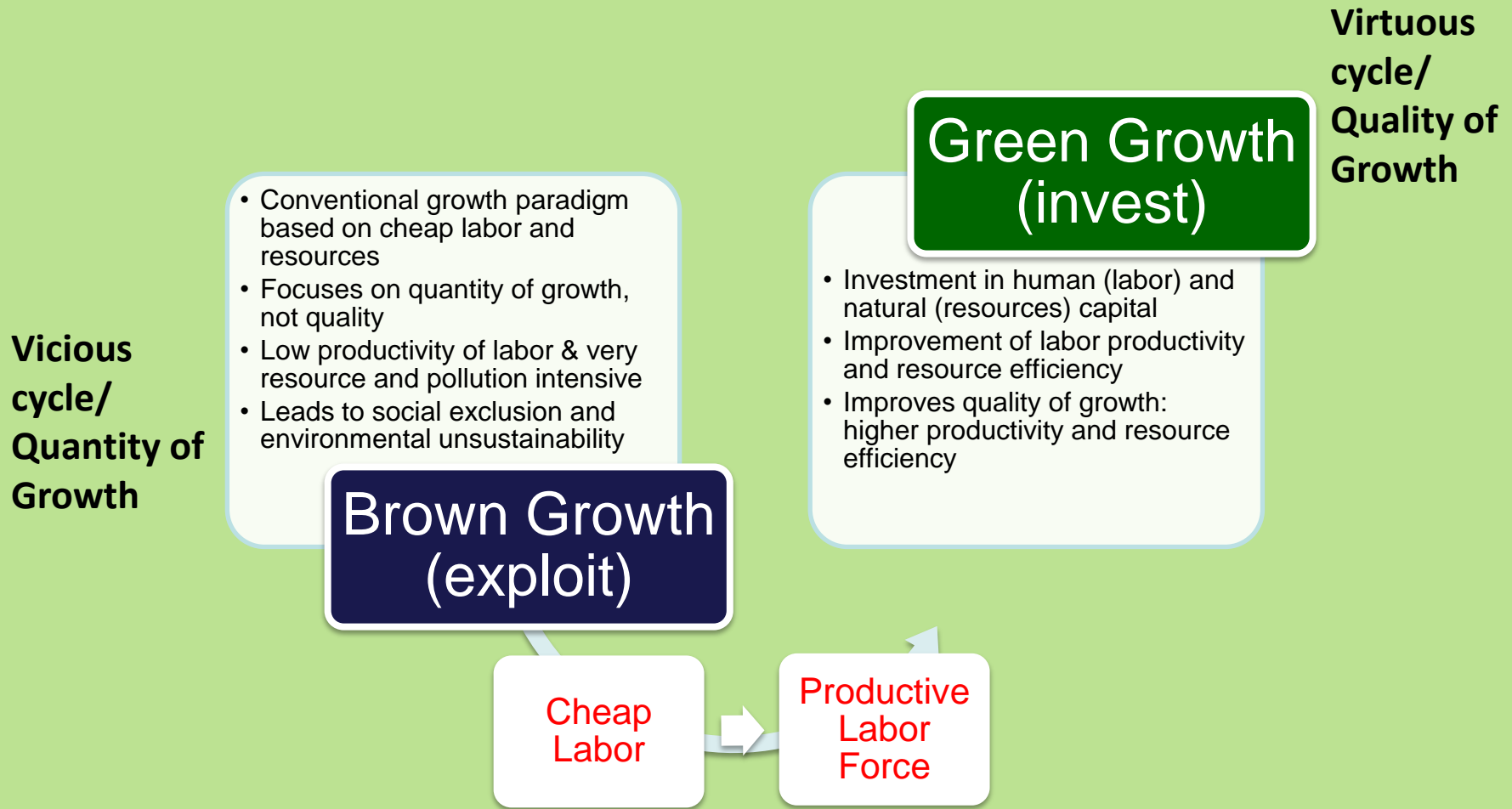
- Most opportunities are untapped
- Companies acting now can profit from the 'early mover advantage'
- The 'green ocean' is an innovative, uncontested marketplace ripe for growth
- A growing number of consumers will demand green products
- Government responses are also increasing
- Environmental performance has become a factor in competitiveness and access to markets

More with Less: Eco-Efficiency



- Ecological Efficiency
- Economic Efficiency
- Green Growth = Strategy to close the gap between ecological and economic efficiency

Green growth - strategy to cope with resource and climate crisis and to sustain growth necessary to reduce poverty



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**

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
- Green Business: bridging long term and short term time gap

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

