



## CONCEPT NOTE <sup>1</sup>

### The 3<sup>rd</sup> Policy Consultation Forum of the Seoul Initiative Network on Green Growth: “Green Growth and Sustainable Consumption and Production for Climate Action”

Shangri La Mactan Hotel  
Cebu, Philippines  
18-20 September 2008

## Background

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The Asia and Pacific region is the most economically dynamic in the world. In the last decade, growth in the industrial production of regional developing countries has outstripped global growth rates. In 1995 Asia's share of global economic output was 30% and is now expected to reach up to 60% by 2025.<sup>2</sup> As countries in the Asia Pacific region experience rapid economic growth, increasing pressure has been placed on the limited environmental carrying capacity. In addition, such steadfast growth has produced a huge increase in greenhouse gas emissions. If the conventional economic growth pattern is continued, it is believed that the region will not be able to sustain these levels of economic growth without compromising environmental sustainability. Thus, it is imperative that economic growth be harmonized with environmental sustainability as one of the most important goals for policymakers in the region.

Climate change is fast coming one of the most serious threats to humanity and the global environment. The Asia and Pacific region is one of the most vulnerable regions in the world to the adverse effects of climate change and each member country in the region has a pressing need to evaluate the impacts that climate change will bring and to adapt to the changes. However, despite the urgency to respond to the challenges, many member countries are not yet ready because of their limited capacity and awareness. It is therefore crucial to strengthen the mechanisms to assist member countries, in particular the least-developed countries, to understand and take appropriate measures to cope with the coming changes.

Efforts to mitigate climate change must be complementary with economic

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<sup>1</sup> This note is a draft prepared by ESCAP in June 2008. Contents are subject to change through discussions with other agencies involved in the preparations.

<sup>2</sup> Expert Group Meeting on Eco-efficiency indicators for Asia and the Pacific, April 17-18, 2008



development which allows countries to pursue strategies for sustainable economic growth and the enhancement of living standards. The type of development path that is pursued will have a direct impact on the severity of the changes and vulnerability of countries. In this context, countries in the region need to ensure their economic growth by harmonizing environmental sustainability with climate resilience.

Green Growth seeks to harmonize economic growth with poverty reduction and environmental sustainability while safeguarding the limited ecological carrying capacity of the environment. An effective way to move toward a climate-friendly, environmentally sound and economically sustainable growth pattern is to pursue Green Growth. These strategies which enhance environmental sustainability can also be utilized to mitigate the effects of climate change. Improvements in eco-efficiency endeavor to satisfy human needs while progressively reducing the resource intensity in production<sup>3</sup>, in other words, it aims to create more value with fewer resources and/or less ecological damage.

The application of economic instruments is one way of promoting more eco-efficient consumption and production patterns. If properly designed and implemented, economic instruments, such as financial incentives, eco-taxes, environmental charges and tradable permits, can create incentives to minimize resource use, waste and pollution, which will in turn reduce GHG emissions.

Uplifting eco-efficiency rates in the region will simultaneously improve our capacity to mitigate the impacts of climate change while continuing our economic growth.

The Green Growth approach underlines the importance of market-based instruments as policy tools. Given that climate change is one of the typical examples of market failures, sophisticated and targeted intervention based on the flexibility and dynamism of market mechanisms is required. The application of economic instruments is a cost-effective way to promote eco-efficient consumption and production patterns that minimize resource use and pollution and in consequence, contributes to coping with climate challenges.

However, ways to adopt the Green Growth approach to address the challenges posed by climate change have not yet been intensively discussed in the region. Economic instruments applicable to climate actions, including green budgets and tax reforms have not been widely adopted in Asia-Pacific countries and need to be further promoted to enhance

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<sup>3</sup> *Changing course: a global business perspective on development and the environment*, WBCSD, 1992



eco-efficiency in the region.<sup>4</sup> Therefore, there is further potential to build momentum towards the application of Green Growth to cope with climate change concerns in the region.

Furthermore, several countries in the region have already successfully implemented the Green Growth approach and their knowledge and experiences should be shared when building the capacity of other countries.

### **Green Growth and the Seoul Initiative Network on Green Growth**

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The Fifth Ministerial Conference on Environment and Development in Asia and the Pacific (MCED) held in Seoul, Republic of Korea in March 2005 adopted environmentally sustainable economic growth or the Green Growth approach as an innovative conceptual strategic framework for sustainable development, and welcomed the Seoul Initiative on Green Growth. The Commission of ESCAP supported the approach of Green Growth as a relevant and appropriate regional response in attaining the Millennium Development Goals for poverty reduction and environmental sustainability, by adopting Resolution 61/9 at its 61<sup>st</sup> session.

During 2006-2007, the Green Growth approach received increasingly high level acceptance from member states, including heads of states. Member countries adopted various policy measures such as setting up of National Committee for integration for Green Growth into their national development strategies. World media such as TIME and the International Herald Tribune also reported on Green Growth. This approach has been widely supported by 19 policy initiatives undertaken by member states, including projects on energy and water resources and disaster risk management. The Green Growth approach has also been singled out on several occasions by the United Nations Secretary-General Ban Ki-Moon as the dawn of “the age of green economics” and a strategy for achieving climate change resilient societies in the region.

The Seoul Initiative on Green Growth aims to address some of the major policy issues highlighted in the Ministerial Declaration and the Regional Implementation Plan for Sustainable Development in Asia and the Pacific, 2006-2010, and to further their successful implementation. The initiative provides a regional cooperation framework for Green Growth taking into account the economic, social, cultural and geographical features of the region. The initiative also provides a framework for policy consultations, capacity-building and networking for the promotion of Green Growth at the regional level.

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<sup>4</sup> *State of the Environment in Asia and the Pacific 2005, ESCAP*



In regards to the implementation of the Seoul Initiative, ESCAP and the Ministry of Environment, Republic of Korea (KMoE) signed an agreement in November 2005. Based on this agreement, the Seoul Initiative Network on Green Growth (SINGG) was established as the regional implementing mechanism of the initiative. Under the framework of the SINGG, ESCAP in collaboration with KMoE, has implemented the Policy Consultation Forum, the Seoul Initiative Leadership Programme on Green Growth, pilot implementation projects and other relevant activities. The forum has played an important role in the region by promoting more effective environmental policies through the use of the Green Growth approach since 2006.

The SINGG will continue to contribute to the coordination of regional activities for improving environmental sustainability, enhancing environmental performance and promoting the environment as an opportunity for economic growth and development. As recommended by the members of the SINGG, further efforts will be on activities to translate the Green Growth approach into action as well as in capacity building for policy makers.

## Objectives

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The objectives of the forum are to:

1. **Review existing relevant Green Growth policy options**, including carbon labeling, green tax reform and financial strategies for climate actions that are appropriate for Asia-Pacific countries;
2. **Exchange views and experiences on good practices** regarding appropriate policy tools for climate friendly and environmentally sustainable growth in the Asia Pacific region;
3. **Provide practical guidance for policymakers** on deciding which types of Green Growth policy options are likely to work to address their countries' specific environmental problems;
4. **Identify capacity-building needs**, especially in developing countries, to improve their capacity for pursuing Green Growth.

## Participants

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Policymakers responsible for various environmental charges, environmental management, and budgets from SINGG member countries will be invited to the 3<sup>rd</sup> Policy Consultation Forum to jointly identify the policy options that are appropriate for the countries in the region, and to share their experiences, good practices, and challenges in this area.

Experts from international organizations and research institutes, such as the ADB, OECD, UNDP, UNEP, World Bank, and other partners, will be invited to share their experiences and good practices.

*\* Participants are requested to prepare a background/discussion presentation which is related to the main theme of the forum. A synthesis report will be developed by incorporating both the background papers and discussions during the forum.*

## **Funding**

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UNESCAP has some funding resources to support the participation of experts and governmental officials from some developing countries and countries with economies in transition in the region. Additional funding to support the attendance of experts from research institutes, the private sector, and other major stakeholders is being sought.

## **Key Questions & Discussion Points**

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1. How to integrate climate change concerns, to the extent feasible, into relevant social, economic and environmental policies, national development plans and sector-specific strategies based on the Green Growth approach?
2. How to strengthen climate actions in more cost-effective ways?
  - A. How to stimulate financial flows for adaptation, mitigation and climate-resilient development?
  - B. How well do market based approaches function in addressing the issues?
3. How to build the national capacity required for mainstreaming resilience with respect to climate change?
  - A. How to raise national awareness about climate change concerns?



- B. How to close the capacity gap and needs?
  
- 4. How to develop and strengthen regional collaboration mechanisms?
  - A. How to mitigate the adverse effects of climate change on the economy and the quality of the environment?
  - B. How to respond effectively to climate change's inevitable impact?
  - C. How to collect, systemize, analyze and disseminate good practices and knowledge, based on experiences and lessons learned?

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