

ESCAP Presentation: SG Climate Change Panel, Draft, Rae Kwon Chung

Mr. Secretary-General, Madame Executive Secretary,
Excellencies, Distinguished Guests,

In spite of rapid economic growth, Asia and the Pacific is still the home to 2/3rd of world's poor and is already facing the limit of its ecological carrying capacity.

The region can not continue ecologically in-efficient pattern of economic growth if it is to achieve MDG 1: "poverty reduction" without compromising MDG 7: "environmental sustainability." The region can no longer simply aim to maximize its GDP based on "Quantity of Growth" paradigm by repeating "Grow First, Clean-Up Later" approach of already developed countries.

Mr. Secretary-General, in line with your recent article published in the Washington Post which outlines your vision of the age of green economics, UN ESCAP has been promoting "Green Growth" approach aiming to improve the "ecological efficiency" and "Quality" of our economic Growth.

In order to move towards "Green Growth", we have to internalize ecological costs into our economic performance, thus maximizing resource efficiency and minimizing pollution impact of our production and consumption patterns.

Eco-efficiency is not just an environmental idea. It is a critical economic condition that will enable Asia and the Pacific to sustain its economic expansion while improving its resource efficiency as the prices of natural resources including oil are rapidly on the rise.

UN ESCAP has identified 5 specific policy options for Green Growth approach. These are Eco-Tax Reform, Promotion of Sustainable Infrastructure, Demand-side Management, Greening of the Business and the development of Eco-Efficiency Indicator.

Eco-Tax Reform, changing tax base from "income" to "pollution", by increasing tax on energy consumption, while reducing tax on income thus maintaining revenue neutrality could bring double dividend of reducing CO₂ emissions and promoting growth. Eco-tax reform could be an important tool for internalizing ecological costs without raising tax burden on economy, thus creating a basis for green economics for climate action and green growth.

Climate change is not only "the greatest and widest-ranging market failure ever seen", as was pointed out by the Stern Review, but also a serious failure of "Ecological Efficiency" of our economic performance. Thus "Green Growth" which aims to improve eco-efficiency of our growth is in fact the ultimate answer to climate change.

As the price of oil is reaching now record high levels, energy efficiency which is a critical component of climate action becomes a key to energy security necessary to sustain economic growth of the region. "Creative" policy tools such as eco-tax reform could start up a virtuous cycle where energy efficiency, energy security, climate action and economic growth are mutually reinforcing each other.

"Climate Crisis" can be turned into "Economic Opportunity" if we could make investment in climate actions economically viable. If we could properly reform the Clean Development Mechanism under Kyoto Protocol, so that investment in climate actions could be commercially viable, then excess capital flowing around the world looking for investment opportunities, mostly in stocks and real estates, will naturally flow to climate actions.

If we could be "creative" enough to sell only certain portion of carbon credit from CDM, then unsold portion will be net global emission reduction. If we could generate net global reduction without imposing any target on developing countries, then one of the most serious stumbling blocks in the negotiations for post-2012 climate change regime could be removed.

Asia and the Pacific suffer most from climate change related disasters. The region can not shy away from taking proactive climate actions. Climate action is an essential component of Green Growth. UN ESCAP has been leading regional consultations of Gleneagles Dialogue of G-8 Summit for Low Carbon Society and proposed concrete and innovative policy options and ideas to be reviewed by the member states through policy consultations and publications in international journals.

The "Green Growth" paradigm, which was born in Seoul March 2005 with your blessing, Mr. Secretary-General, has been positively received by the member states and world media.

TIME and "The International Herald Tribune" reported Green Growth last year.

The Government of China announced 6 measures for Green Growth. President Hu Jintao called on developed countries to support the "Green Growth" of developing countries at the G-8 Summit in June this year.

President of the Republic of Kazakhstan also pointed out the need to pursue Green Growth. The Government of Cambodia decided to establish the National Committee on Green Growth.

There are many more encouraging signs that countries in the region are eager to adopt an ecologically efficient growth patterns. UN ESCAP is committed to further spread out the message of Green Growth in the region and lead the age of green economics and green development in Asia and the Pacific.

Thank you for your kind attention.