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# International Conference on Green Industry in Asia Bulletin

## A Daily Report of the International Conference on Green Industry in Asia: "Managing the transition to resource-efficient and low-carbon industries"

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### INTERNATIONAL CONFERENCE ON GREEN INDUSTRY IN ASIA: WEDNESDAY, 9 SEPTEMBER 2009

The International Conference on Green Industry in Asia opened on Wednesday in Manila, the Philippines. In the morning, delegates heard opening statements, and met in a High-Level Segment to adopt the Manila Declaration. In the afternoon, delegates continued their discussions in two moderated High-Level Panels.

#### OPENING SESSION

Welcoming delegates, Peter Favila, Secretary, Department of Trade and Industry, the Philippines, said the conference provides an opportunity to address approaches for improving industries' environmental performance. He noted that the conference aims to highlight new supply chains for industry, raise awareness on the knowledge and capacity of institutions, and assist institutions and bodies to lead the way in implementing low carbon paths for industrial development.

Kandeh Yumkella, Director-General, UN Industrial Development Organization (UNIDO) underscored the essential involvement of industry in addressing the world's environmental challenges. He said the conference aims to: provide business the opportunity to demonstrate and identify technologies; find ways to sustain manufacturing growth in Asia; raise the awareness of greening in Asia; and move discussions on green industry from the technical and possible to real policy measures. He stressed that a new shift to clean manufacturing was needed to facilitate further development in the region.

In a video message, Juan Somavia, Director-General, International Labour Organization (ILO), stressed that, in the current context, business as usual is not an option, and highlighted the need for governments to steer a development course that is both environmentally and economically sustainable. Calling for focus on the adoption of, and transition to, greener development pathways, he stressed that building a sustainable economy entails greener industries, enterprises and jobs.

Speaking on behalf of Noeleen Heyzer, UN Under-Secretary-General and Executive Secretary, UN Economic and Social Commission for Asia and the Pacific (ESCAP), Masakazu Ichimura noted that the poverty reducing effect of Asia's growth has lifted millions out of poverty, but said this has been achieved at the cost of local environmental sustainability. He said a fundamental paradigm shift towards green growth was a requirement for the entire Asia-Pacific region, and noted this commitment is reflected in the draft Declaration that would lead green growth from "talk, to action, to industry commitment."

Ernst Ulrich von Weizsacker, Co-chair, International Panel for Sustainable Resource Management, said many businesses are moving towards green investments, and that the next growth wave will be stimulated by green industries. He stressed a paradigm shift for industrialization through the reduction of carbon and energy intensities. He highlighted several policy options, including: increased labor productivity coupled with

increased resource productivity; increasing resource prices for increased resource productivity; ensuring predictability of the economy for investors; and ensuring that growth trajectories are socially acceptable.

In his keynote address, Jose Atienza, Secretary, Department of Environment and Natural Resources, the Philippines, stressed that the global financial and climate change crises, while both independent problems, cannot be solved with separate solutions. He said green growth was the common solution to these twin challenges, and noted that Asia needs to solve their economic problems in a sustainable manner that protects the environment, creates jobs, generates income and stimulates economic growth. He underscored that the adoption of draft Declaration would signal the region's common intention to pursue the path of green industry and manage the transition to low carbon and resource efficient economies.

#### HIGH-LEVEL SEGMENT

**MANILA DECLARATION:** Chair Atienza said the draft Manila Declaration includes a Framework of Action (FoA), outlining initiatives to develop green industry in the region. Enrique Manalo, Under-Secretary, Department of Foreign Affairs, the Philippines, said although the draft Declaration was non-binding, officials had identified steps needed to develop green industry, including measures to foster investment environments, a mechanism to review performance, and a call for increased communication. Chair Atienza, supported by Malaysia and the Maldives, proposed an additional paragraph to the FoA stating that the Declaration be communicated to the UN Secretary-General's Summit on Climate Change in New York, and the UN Climate Change Summit in Copenhagen. Delegates adopted the Declaration by acclamation.

**MINISTERIAL STATEMENTS:** Bangladesh highlighted increased global levels of environmental awareness, and noted the importance of the Declaration as a roadmap for guiding increased economic growth in Asia. He said that existing environmental protocols had not been fully successful, and listed a number of Bangladesh's own national environmental policies. He urged UNIDO, ESCAP, and the UN Environment Programme (UNEP) to continue supporting green economic growth in Asia. China stressed that the government has made resource conservation a fundamental aspect of its policies. He highlighted a number of steps taken to make industry "greener" and accelerate change, including setting targets for lower levels of pollution. He outlined China's national climate change programme that promotes low importing, low emission and high efficiency industries.

India, emphasized the need to accelerate the development and deployment of green technologies across all sectors since the emergence of the global financial crisis. He highlighted the launch of a national solar energy programme, called for greening urbanization, stressed the need for pragmatic and realistic approaches for combating climate change, and underlined the importance of green industry in these efforts. Indonesia said the largest users of energy within its industrial sector were the cement, iron and steel, and paper industries. He noted the countries national targets to reduce overall

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carbon emissions, and highlighted effective coordination across Ministries. The Maldives said the government aimed to increase foreign investment, particularly in the renewable energy and environmental tourism sectors, as well as building capacity to manage foreign investments. He noted that although the Maldives' contribution to climate change was negligible, it aimed to be part of the solution and was committed to achieving carbon neutrality within 10 years.

The Republic of Korea noted that the promotion of green growth in the country would improve energy security, and said the government has established a national green growth strategy to encourage the conservation of energy, and the expansion of new and renewable energy technologies. He said that the global financial crisis was a "wake-up call" and that business as usual was no longer possible. Sri Lanka noted that the government has prioritized establishing "truly" sustainable development paths, and ensuring the integration of environment and social concerns into economic development paths. He highlighted that Sri Lanka has introduced policies for greening industry, and that a number of institutions have been established to improve resource efficiency. Vietnam said ESCAP's green industry initiative provides a pragmatic new approach to industrial development based on the efficient use of natural resources. He stressed the imperative for countries to modify current consumption and production patterns with the aim of improving resource efficiency and minimizing environmental impacts. He further stressed the importance of the green industry initiative to guide and create opportunities for environmentally friendly services and products, particularly for small to medium sized enterprises.

#### **HIGH-LEVEL PANELS**

The High-Level Panels were moderated by Paul Hohnen, Director, Sustainability Strategies.

**LOW CARBON AND RESOURCE EFFICIENT INDUSTRIALIZATION:** Noting the surmounting challenges facing industry, Hohnen asked the panelists to outline elements of their national strategies for promoting green growth. Malaysia noted that green investments in the manufacturing sector, supported by South Korea, the US and Germany, have allowed the country to leapfrog the steep learning curve through technology transfer. Fiji stated their ambition to generate 90% of their energy needs from renewable energy and highlighted tax breaks for establishing renewable energy facilities. Cambodia said the country has promising potential for solar, micro-hydro and biomass projects. Peoples Republic of Laos (Lao PDR) said it has a sovereign interest and vested requirement in maintaining their natural resource-base, and stressed that investors and developers would have to abide by this requirement to participate in industrial activities. Noting that the country faced resource scarcity, he also said there was a need to modify industry and consumer lifestyles. Cambodia noted that grid extensions were still a priority and said the development of large-scale transboundary renewable energy projects could be beneficial.

On a question from the moderator as to whether a collective approach for capacity building was needed, Lao PDR agreed, noting that this would facilitate activities to adapt to climate change. ESCAP said UN agencies could support public awareness through convening conferences and workshops.

On institutional arrangements to support the greening of industry, the Philippines called for a regional agency for energy and development. Malaysia cautioned against the imposition of non-tariff barriers, which he said would burden developing countries with policies that would inhibit development, citing recent proposals by the US Senate to place a carbon tax on foreign imports. ESCAP highlighted the need for countries to be aware of green investment opportunities and proposed the creation of an enabling environment through appropriate national and regional policies. Fiji recommended the establishment of an Asia-Pacific Centre of Excellence for exchanging knowledge and experiences, Mongolia called for

changing global priorities from producing armaments towards protecting the environment, and Lao PDR stressed the need for enhanced global cooperation to solve global challenges. Hohnen concluded the Panel with the following limerick, "our model of growth is a killer, so it is time for all hands on the tiller, to get out of this mess, we need more but with less, this is the message to come from Manila."

**POLICIES AND STRATEGIES FOR RESOURCE EFFICIENCY AND LOW CARBON INDUSTRIES:** On national institutions and frameworks for greening industry, several panelists noted that a number of their national ministries deal with environmental issues. Thailand highlighted the work of its national climate change committee, which, he said, has led to a number of initiatives including the use of new technologies for bioplastics. The Philippines noted that its greening initiatives form part of the national development plans, which are directly linked to the Millennium Development Goals. He stressed that greening industry would be promoted within this overall development framework, including ensuring technology transfer and risk management so that industry is able to adapt. Indonesia outlined a national programme to encourage households to use compact fluorescent lights (CFLs) noting that this was driven through subsidies and public outreach, as well as building capacity to ensure domestic supplies of CFLs.

The Flemish Government, Belgium, noted that resource scarcity and high population density has made environmental awareness necessary, and that strong regulations tied together with industry consultations have led to innovative technologies and opportunities, for example where waste had been recognized as a resource.

On countries' awareness of the opportunities relating to greening and green industry, UNEP said climate change regulations should be seen as a guide to companies for future business trends. He noted that government regulations and policies should serve as guides for industry, and said that although proposals for carbon taxes face opposition, enabling policies for compensating green investments are still required.

On target setting for green investments, Thailand noted that setting targets was easy, but providing resources to achieve them was crucial. Afghanistan said training support and benchmarking was needed, in addition to funding, to develop human capital. UNEP highlighted the need for strong leadership and said that delaying payment for damaged ecosystems would not alleviate the problem caused by the old economic growth model. The Flemish Government, Belgium, said that setting domestic low-carbon goals was a priority and that the Flemish Government was aiming to become carbon neutral.

On choosing regional technology "winners," such as geothermal, Indonesia said that although they had strong resources, developing technologies increases the cost of energy production, and therefore the government preferred to use low-cost energy technologies now and to use advanced generation technologies in the future.

In the ensuing discussion, delegates questioned whether risk perceptions could be overcome, with several noting the need for political will to mitigate risks. On the establishment of technology sharing agreements, delegates stressed financial mechanisms for ensuring that technologies are publicly available. On creating legislation for the production of mass produced green products, one delegate stressed that this was not always possible due to the lack of capacity, but said that public procurement policies could overcome this.

#### **THINGS TO LOOK FOR TODAY**

**GREENING THE TOURISM INDUSTRY:** The UNEP-UNIDO side event takes place from 10:30-12:30 in meeting room 6.

**NEXT GENERATION BIOFUELS:** The UNIDO-International Centre for Science and High Technology takes place from 13:30-15:00 in meeting room 6.