



East Asia Climate Forum Bulletin

A Summary Report of the Second East Asia Climate Forum
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SUMMARY OF THE SECOND EAST ASIA CLIMATE FORUM: 16 JUNE 2010

The Second East Asia Climate Forum convened on 16 June 2010 at the Shilla Hotel in Seoul, Republic of Korea, to provide a forum for dialogue on reducing greenhouse gas emissions in East Asia and turning the challenges of climate change into sustainable economic opportunities. The Forum was an opportunity for high-level officials, experts from international organizations and think tanks, and other stakeholders to discuss various issues related to low-carbon green growth.

Sessions at the Forum addressed: green growth in the Republic of Korea; new paradigms for economic and social development; implementing green growth and energy issues; adaptation and water issues; and promoting international cooperation for green growth. During the Forum, the government of the Republic of Korea launched the Global Green Growth Institute (GGGI) to undertake research on shifting towards low-carbon economies.

A BRIEF HISTORY OF THE EAST ASIA CLIMATE FORUM

Climate change is considered to be one of the most serious threats to sustainable development, with adverse impacts on the environment, human health, food security, economic activity, natural resources and physical infrastructure. The UN Intergovernmental Panel on Climate Change (IPCC) has said that developing countries are particularly vulnerable to climate change. Therefore, adaptation measures are vital in helping vulnerable people and communities become more resilient. The government of the Republic of Korea is focusing on East Asia, which has experienced rapid economic growth, but continues to increasingly depend on the use of fossil fuels for energy and deplete its natural resources.

EAST ASIA CLIMATE PARTNERSHIP: The East Asia Climate Partnership (EACP) was announced by President Lee Myung-bak, Republic of Korea, at the 34th Expanded Group of Eight (G-8) Summit on 9 July 2008 in Toyako, Japan. The EACP aims to mitigate climate change, without stifling economic growth, by identifying an East Asian low carbon development path that promotes: win-win synergies between the climate and the economy; awareness raising and capacity building to combat climate change; and international cooperation toward solving climate change and achieving the Millennium Development Goals. The Republic of Korea called for the establishment of a US \$200 million assistance package (2008-2012) for developing countries in East Asia and beyond through the EACP.

FIRST EAST ASIA CLIMATE FORUM: The first East Asia Climate Forum was held on 29 May 2009 in Seoul, Republic of Korea, and was attended by high-level officials,



President of the Republic of Korea Lee Myung-bak opened the Second East Asia Climate Forum and noted that climate change is the greatest threat to humanity.

experts and researchers from international, regional and non-governmental organizations. Officials adopted the Seoul Initiative for Low Carbon Green Growth in East Asia, which calls for sustainable water and forest management, sustainable urban planning and increased renewable energy use. The Forum is closely linked to the Republic of Korea's Green Growth policy and the EACP.

COPENHAGEN CLIMATE CONFERENCE: The United Nations Climate Change Conference in Copenhagen, Denmark took place from 7-19 December 2009, which included the fifteenth Conference of the Parties (COP15) to the United Nations Framework Convention on Climate Change (UNFCCC) and the fifth Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP 5). On issues related to green growth, delegates at COP 15 made progress on the architecture for finance, adaptation, capacity building and technology transfer. The Copenhagen Accord was also produced containing funding commitments for fast-start financing through 2012. During the high level segment, President of the Republic of Korea, Lee Myung-bak, pledged creation of the GGGI to promote low-carbon green growth.

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In a video message, UN Secretary-General Ban Ki-moon, welcomed the launch of GGGI.

REPORT OF THE FORUM

OPENING CEREMONY AND KEYNOTE SESSION

EAST ASIA CLIMATE PARTNERSHIP AND GLOBAL GREEN GROWTH INSTITUTE (GGGI):

In the morning, Kim Hyung-kook, Chair of the Presidential Committee on Green Growth, made opening remarks, noting Korea's work in agriculture and natural restoration, and its dependence on energy and resources from developing countries. Kim Ca-eon, Chairman of the National Research Council for Economics, Humanities and Social Sciences (NRCS), welcomed participants, noting that NRCS has studied methods of cooperation in East Asia where 42% of global emissions originate.



Kim Hyung-kook, Chair of the Presidential Committee on Green Growth

In a video message, UN Secretary-General Ban Ki-moon welcomed the launch of GGGI, mentioning that President Lee Myung-bak had announced GGGI at the Copenhagen Climate Conference, and noted that climate change is a great challenge that can be met with best practices developed by countries such as Korea.

President of the Republic of Korea, Lee Myung-bak, opened the East Asia Climate Forum and noted that climate change is the greatest threat to humans. He observed that 100 heads of government and state attended the UNFCCC COP 15 in Copenhagen. He said that 40% of natural disasters and 90% of victims occur in East Asia, and that climate change plays a major role. He suggested that Korea will be an early mover in climate change policies, as demonstrated by the GGGI, to address both growth and environment. He highlighted Korea's five-year plan to transform to a green growth economy, which involves private sector development of batteries and electric vehicles, and government research and development on renewable energy. He observed that Korea wishes to facilitate the realization of green growth.

In a video message to the Forum, Lord Nicholas Stern, London School of Economics, underscored the enormous threat posed by climate change, and said Korea is an example of how to generate green growth. Stern emphasized that addressing environmental and growth challenges requires analytical thinking on low carbon growth, as well as country leadership.

The Chair of the GGGI, Han Seung-Soo, Former Prime Minister, Republic of Korea, emphasized using the GGGI as a tool to break free from the old paradigm presuming tradeoffs between growth and addressing climate change. He noted Korea's rapid transformation through its "low-carbon green



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Han Seung-Soo, Former Prime Minister, Republic of Korea; and Chair of the GGGI

growth" vision, and adoption of laws and national strategies on green growth. He underscored that all the creative forces of humanity must be mobilized in Asia's developing countries to find green growth pathways.

UNFCCC Executive Secretary Yvo de Boer welcomed the GGGI initiative as an opportunity to bring together theory and practice to replicate the success of Republic of

Korea's green growth model. He said that though COP 15 did not ring in a green revolution, progress on market mechanisms, a package on adaptation, finance and technology, and the Copenhagen Accord demonstrate the political intent to respond to climate change and constrain carbon. De Boer noted that while the UNFCCC moves towards a binding successor agreement to the Kyoto Protocol, there is still the need to boost green growth ambitions, using the post-economic crisis to transform the development paradigm. He underscored the role



Yvo de Boer, UNFCCC Executive Secretary

of the GGGI in providing advice and analysis on using nationally appropriate mitigation actions to leverage green growth.

Following a video on green growth and the objectives of the GGGI, Thomas Heller, Stanford University, stressed rethinking climate change as a development opportunity rather than a burden to be divided and shared. He



Thomas Heller, Stanford University

said the GGGI will be a part of that change, and emphasized that a climate change agreement should address the quality of, rather than limitations on, growth. He noted that the GGGI will help government leaders address these issues from an environmental perspective and also as they relate to growth, finance, development and trade. He emphasized that the GGGI is complementary to the UNFCCC process, increasing the likelihood of a common vision and providing a new foundation for government cooperation. He said the GGGI will offer country-driven technical support, help develop capacity, create transparency and build confidence in low-carbon growth pathways. He closed by underscoring that managing growth and environmental risk are parts of the same problem.

KEYNOTE SPEECH

THE OECD GREEN GROWTH STRATEGY AND ITS IMPLICATIONS FOR ASIA: In the morning, Mario Amano, Deputy Secretary General, Organization for Economic Cooperation and Development (OECD), outlined the OECD green growth strategy to be implemented in 2011 and its implications for Asia. He said that policy tools in the strategy will address: unsustainable costs to climate, water, biodiversity and health in the status quo; barriers to implementation of policies, including subsidies and protectionism; transformational changes needed to realize growth with zero emissions and new green industries; dislocations from transformational changes such as structural changes in labor



Mario Amano, Deputy Secretary General, OECD

markets; and measurement of progress with key indicators. He noted that policy barriers include fossil fuel subsidies and preferential tax treatment and that, if eliminated, could reduce greenhouse gas (GHG) emissions by 50%. He said that Asia is in the forefront of some of these changes due to Korea's national strategy for green growth, China's stimulus package with 40% allocated for green growth, and green energy innovation in India.

FORUM SESSIONS ON GREEN GROWTH

GREEN GROWTH – NEW PARADIGM FOR ECONOMIC & SOCIAL DEVELOPMENT:

In the morning, Moderator Thomas Heller, Stanford University,



Kang Sung-jin, Korea University and NRCS

introduced the topic and underscored issues, including, *inter alia*: the cost-benefit analysis of early action on climate change; energy security and public health through green growth; and taxation and pricing of natural resources.

Kang Sung-jin, Korea University and NRCS, discussed the relationship between GHGs, emissions and development, and questioned the tradeoff between poverty reduction

and low carbon growth. He mentioned the new national development plan introduced by President Lee Myung-bak in 2008, which emphasizes green technology, energy efficiency, synergy between growth and environment and quality of life. He outlined the current green growth strategy of Korea in contrast to previous five-year plans and said that green growth now requires strategies for energy, income and research and development capacity.

Lee Ji-soon, Seoul National University and NRCS,

presented a conceptual framework for green growth based on output analysis with inclusion of environmental costs. He stated that if the public is faced with choosing between environment and economic wellbeing they choose economic wellbeing. Lee Ji-soon emphasized, however, that if there is progress in green growth there will also be more opportunities for environmental protection. He said the price of environmental capital needs to be included in economic models of development.



Lee Ji-soon, Seoul National University and NRCS

Dominic Waughray, World Economic Forum, discussed integrating political analysis of green growth and calculating tradeoffs of energy, food and water. He said that governments are faced with choices among conflicting uses of water resources, including for increased food production due to swelling populations, economic growth and growing water demand by renewable energy. He stated that biofuels are particularly water intensive, using as much as 100% of the water allocated to agriculture.



Dominic Waughray, World Economic Forum

Paul Ekins, University College London, noted that in addition to



Paul Ekins, University College London

climate change, biodiversity loss and the abuse of the nitrogen cycle are areas where human activities are unsustainable. He highlighted from the Stern Report, a report on the economics of climate change, the need to: appropriately price carbon; incentivize investment in technology development; and promote adoption of these technologies. On pricing carbon, Ekins emphasized that environmental tax reforms (ETR), which shift the tax burden from labor

and profits to pollution and wasteful use of resources, increases employment and output and stimulates innovation and green technology development. Through ETR, he stressed that "brown growth," or dirty growth, can be turned into similar levels of green growth. Emphasizing that there will be no high-carbon high-growth future, he said that the GGGI will "pry open the door to the next great phase of human development."

IMPLEMENTING GREEN GROWTH IN ASIA – FOCUSING ON ENERGY ISSUES:

In the afternoon, a panel chaired by Shin Jeong-shik, Konkuk University, discussed, *inter alia*, opportunities and challenges for energy and green growth, and Korea's energy policy in the context of green growth.

International Energy Agency (IEA) Executive Director Nobuo Tanaka, highlighting the role of the IEA in promoting energy security, emphasized the need to achieve both energy security and environmental sustainability. He



Shin Jeong-shik, Konkuk University

said that to stabilize atmospheric concentrations of carbon



Nobuo Tanaka, Executive Director, IEA

dioxide at 450 ppm requires decoupling growth from carbon emissions in developing countries and the investment of US \$4.3 trillion in Asia through 2030. As a policy measure, he said fossil fuel subsidies should be phased out, which will achieve an international energy industry revolution, cause demand to peak before supply and enhance energy security. Noting the need for increased investment and development, he discussed, *inter alia*, the role of smart grids, increased nuclear and energy shifts in the transport sector.

Kang Nam-hoon, Ministry of Knowledge Economy, Republic of Korea, presented Korea's energy strategy for green growth. He said the country's GHG emissions have increased significantly since 1990 and in response the government has developed a framework to reduce GHG by 30% by 2030. He noted that the programme emphasizes increasing energy efficiency by 46% by 2030 and limiting the use of fossil fuel by further developing renewable and nuclear energy. He said Korea is fostering its green industry through renewables, carbon capture and storage, smart grids and production of light emitting diodes.



Kang Nam-hoon, Ministry of Knowledge Economy, Republic of Korea

Henry Derwent, International Emissions Trading Association, discussed emissions trading and its implications for green growth in Asia. He described the global carbon market, including: trade among developed countries; trade between developed and developing countries; and internal markets among companies. He said major pressure for increasing carbon trading comes from the European Union, with its GHG reduction targets. Derwent observed that some developed countries have regulations that reduce the extent of trading, such as the US, Canada and Japan, where trading markets are still largely voluntary. He noted that Korea is determined to participate in carbon trading and urged more involvement in world markets.

Heherson Alvarez, Philippines, noting the policy responses to climate change undertaken by the Philippines, he emphasized the importance of intellectual frameworks to



Heherson Alvarez (Philippines)

bring about a new renaissance of global green growth and underscored the need for transfer of capacity to developing countries. Boris Alikhanov, Uzbekistan, highlighted the acute problems facing the Aral Sea basin such as extreme drought and conflicts over water allocation. Zoal Azha Yusof, Malaysia, noted the importance of technology transfer and said three sectors are the focus of efforts to reduce carbon intensity: energy efficiency; renewable energy; and waste management. Lai Nguyen, Vietnam, emphasized the need for sharing experiences and best practices to grow green economies. Thein Aung, Myanmar, underscored the cost of inaction and described actions taken by Myanmar to implement green growth, including, inter alia: finalizing its first national communication; reforestation; and integrating conservation into its five year economic plan.

IMPLEMENTING GREEN GROWTH IN ASIA – FOCUSING ON ADAPTATION AND WATER ISSUES:

In the afternoon, Moon Jung-ho, Ministry of Environment, Republic of Korea, discussed climate change impacts on Korea, such as temperature and sea level rise, deforestation and floods. He said the government has taken action through implementation of a national strategy plan, including: helping local governments with adaptation; optimizing weather prediction; preserving biodiversity; improving forest and agricultural productivity; and strengthening the marine and fisheries sectors. He described the Four Rivers Restoration

Project as a major effort to ensure water security, prevent floods, develop regional economies and improve water quality. He said that the National Climate Change Adaptation Center is constructing a network of adaptation programs, developing an adaptation policy and providing a clearing house for information.

Yoshihisa Shimizu, Kyoto University, described water stresses in Africa, China, and other regions, and noted that 41% of the world population does not have access to clean water. He advocated for integrated water resource management (IWRM) as a response to these stresses, with emphasis on adaptation to climate change and attention to health, agriculture, biodiversity and ecosystem services.

Panelists discussed water issues in a number of Asian countries. Haji Osman, Brunei, described programs for flood



Haji Osman (Brunei)

protection, climate change risk assessment, and reduction of water wastage. Sam Khong, Cambodia, described his government's green-growth roadmap, financed by Korea in cooperation with the UN Economic and Social Commission for Asia and the Pacific (ESCAP) and involves public consultations to develop a national strategy that includes services for human capital

development.

Khempheng Pholsena, Laos, described the Laotian national strategy on climate change that promotes sustainable development through: sustainable management of land and forestry resources; sustainable development of hydropower and other renewable energy sources; and improvement of energy efficiency. Rex Cruz, University of the Philippines, emphasized adopting IWRM through a river basin approach that unifies upland, lowland and coastal stakeholders to implement synchronized programmes. Khursandkul Zikirov, Tajikistan,



Khempheng Pholsena (Laos)



Khursandkul Zikirov (Tajikistan)

highlighted the water related challenges faced by mountainous countries and the need for further study and conservation of glaciers to reduce climate risk. Pimuk Simaroj, Thailand, noted Thailand's IWRM strategy through supply and demand side actions, including infrastructure construction and implementation of efficiency practices. Lee Sang-Eun, Republic of Korea,

emphasized the importance of ensuring water security through international cooperation, noting that it cannot be guaranteed individually.

PROMOTING INTERNATIONAL COOPERATION FOR GREEN GROWTH: During the afternoon, participants in the panel on promoting international cooperation discussed, inter alia: the EACP; international treaties and initiatives related to climate change; and the work of various UN bodies and other inter-governmental organizations.

Chung Rae-kwon, ESCAP, described a paradigm shift toward green growth in terms of the rationale for low-carbon development, highlighting that it would reduce the risk of crises resulting from exceeding the environment's carrying capacity. He said that Asia-Pacific countries have to change growth patterns with a new climate-economic model that internalizes ecological costs. He cited key aspects of this new paradigm, including: integrating the ecological prices in markets; promoting green growth infrastructure; and shifting from labor to carbon taxes.



Chung Rae-kwon, ESCAP

Valerie D'Costa, the World Bank, described the Bank's climate technology innovation center programme, which facilitates growth of local businesses for sustainable development and green jobs in developing countries. She cited examples in Kenya and India that involve wind turbines and light emitting diodes. She noted that the World Bank is cooperating with the UK Department for International Development, the Global Environment Facility, the UNFCCC and UN Industrial Development Organization, and suggested that Korea's GGGI could be a partner.



Valerie D'Costa, the World Bank

Jung Tae-yong, Asia Development Bank (ADB), described ADB's priorities for Asian development as low carbon growth, resilient economies, and sustainable forest management and land use. He delineated ADB policies, including carbon markets, technology for clean energy, control of personal vehicle use, disaster response and adaptation funding to counter impacts of climate change.



Jung Tae-yong, ADB

Shin Boo-nam, Korean Mission to the United Nations, described the Preparatory Committee Meetings (PrepCom) of the Commission on Sustainable Development in anticipation of Rio + 20 in 2012. He said that the first PrepCom presented concepts of a "green economy" that have been criticized by: developing countries for lacking consideration of the risks of transition and the problems of the social dimension; developed countries for being weak on instruments and actions enabling transition to green growth; the EU for failing to link sustainable consumption and production; and UN Environment Programme for omission of resource depletion issues. He said that intersessional meetings and a survey of members states are being arranged to address these problems. He noted that Korea can play a major role by promoting its green growth strategy and the GGGI framework for international cooperation.

Lim So-young, Korea International Cooperation Agency, highlighted the disproportionate impacts of climate change on the most vulnerable and described initiatives by the Republic of Korea including founding of the EACP with US

\$200 million to address climate change. She noted that most projects under the programme have been in the area of low carbon energy, but that projects on water are a top priority. She stressed the need for developing and exchanging GHG reduction policies, implementation accompanied by training and technology transfer, and awareness raising.

Chung Chin-seung, Asia-Pacific Economic Cooperation Climate Center, noted that policies cannot simply be transplanted into countries and recommended an expert forum to assist with joint implementation, public participation and livelihood promotion in partner countries.

Lukita Tuwo, Indonesia, underscored their efforts at green growth planning, which focus on improved management of forests and peatlands, food resilience, green budgeting, energy efficiency and clean energy. Anatoliy Dernovoy, Kazakhstan, noting regional impacts such as glacial melt and the drying of the Aral Sea, emphasized Kazakhstan's commitment to emission reductions. He noted that the Sixth Ministerial Conference on Environment and Development in Asia on Environment and Development will take place from 27 September – 2 October 2010 in Astana, Kazakhstan, and announced the launching of the Astana Initiative at that conference to increase cooperation between Europe, Asia and the Pacific on promoting and implementing green growth. Luimed Gansuki, Mongolia, said that Mongolia has designated 2009-2010 for green development, with a national action program action on climate change, desertification, water management, renewable energy, and environmental sustainable production.

GLOSSARY

COP 15	Fifteenth Conference of the Parties to the UN Framework Convention on Climate Change
EACP	East Asian Climate Partnership
GGGI	Global Green Growth Initiative
GHG	greenhouse gas
IWRM	integrated water resources management
NRCS	National Research Council for Economics, Humanities and Social Science
OECD	Organization of Economic Cooperation and Development
UN-ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNFCCC	United Nations Framework Convention on Climate Change



Congratulatory Reception of the GGGI Launching.