

Opportunities, Challenges and Priorities for the Future

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Green economy roundtable, Heart of Borneo Forum, 19 April 2012

Definition of a green economy ...

No widely accepted definition

- Key characteristics: increased investments in economic activity that enhances natural capital, reduces ecological scarcity and risk
- Economic progress that fosters environmentally sustainable, low-carbon and socially-inclusive development.

Seoul Outcome - A-P Regional Preparatory Meeting for UNCSD (Seoul, 19-20 October, 2011)

- Lists many conditions for the green economy

Green growth - NOT A PANACEA

- Can help reduce poverty, BUT cannot solve the root causes of poverty
- Needs explicit focus on poverty reduction and must be complemented by sound social policy

Green Growth

Global policy development

General

- Greater levels of corporate responsibility being legislated
 - Nagoya Protocol, FDI links with CSR
- Supportive frameworks - OECD Guidelines for Multinational enterprises, Global Compact, other
- Interesting national innovation influencing Rio+20 discussions- Rights of Nature - Bolivia, Ecuador

At Rio+20 - Challenge - resolving “opposing” world views

- Resource constraints; Marketisation of nature
- Business and technology development
- Trade, Growth..

Business leadership in focus

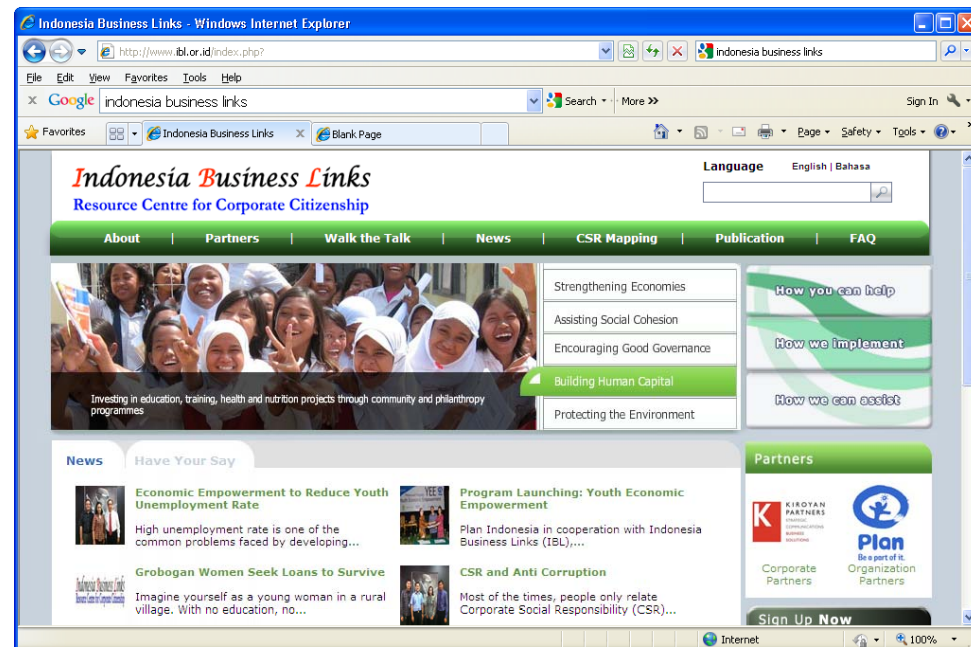
Examples of leadership

- Government - growing leadership on green growth/economy. Examples include the Republic of Korea, Kazakhstan, Cambodia, Malaysia and Indonesia
- Civil society leadership is not as evident, or is emerging
- Business leadership also emerging

Business leadership in focus

Indonesia Business Links

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Not for profit
foundation
established by
business to
support sound
and ethical
business
practices



Business leadership in focus

The business case for change

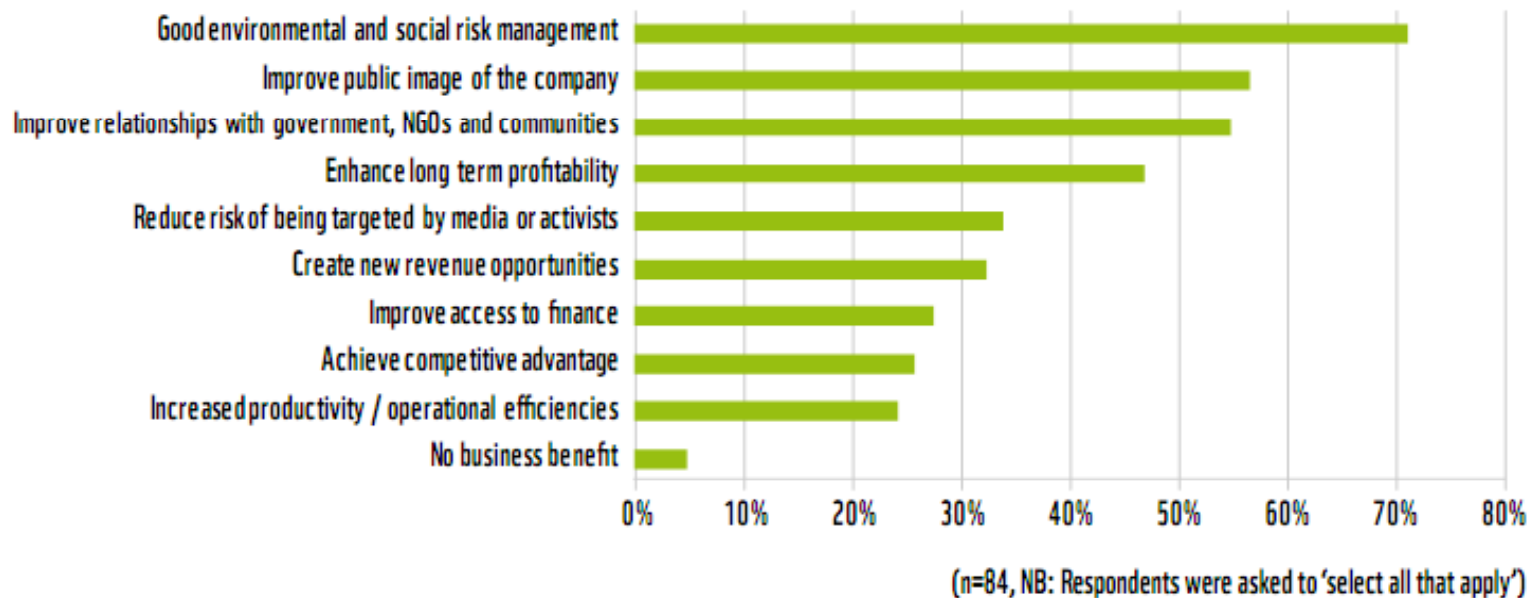


FIGURE 1.14: WHAT ARE THE BENEFITS OF GOOD ENVIRONMENTAL AND SOCIAL PRACTICES?

Source: Heart of Borneo Green Business Network Report

Business leadership in focus

- Opportunity for financing and business action
- CSR legislation mandates budgetary allocations by business for CSR and environmental action
- More awareness, understanding needed to ensure that CSR investments are strongly focussed on synergising economic, social and environmental benefits

Indonesia - a country of policy innovation

Indonesia among front-runners, or first in

- Renewable energy targets and independent power production
- CSR Legislation
- Public information disclosure programmes for companies
- Strong experience in payments for ecosystem services
- Energy subsidy and tax reform – coupled with pro-poor cash transfers (BLT programme)

Green Growth

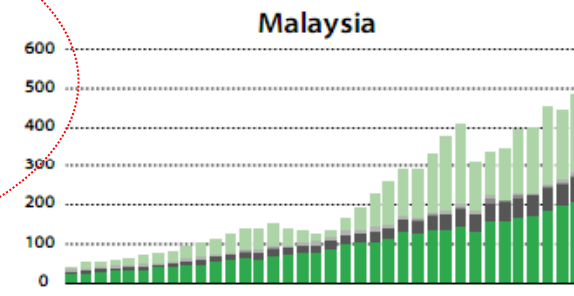
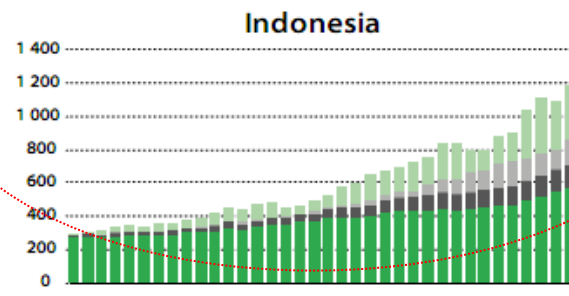
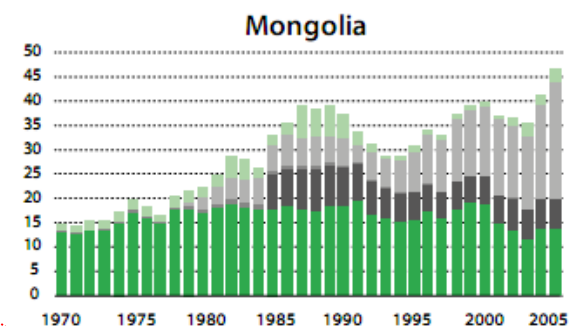
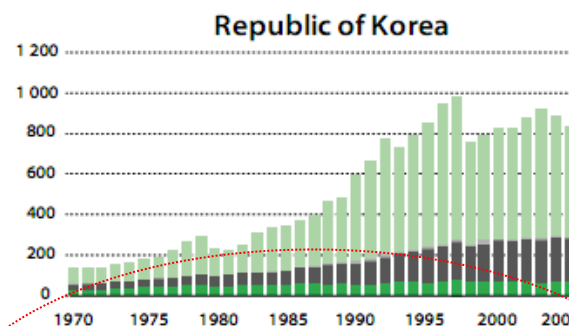
Priorities for Indonesia:

- changing resource use trends, maximising investment in people

Current trends:

- Highly biomass intensive

- Relatively low investment in infrastructure



■ Biomass ■ Fossil Fuels ■ Industrial Minerals ■ Metal Ores ■ Construction Minerals

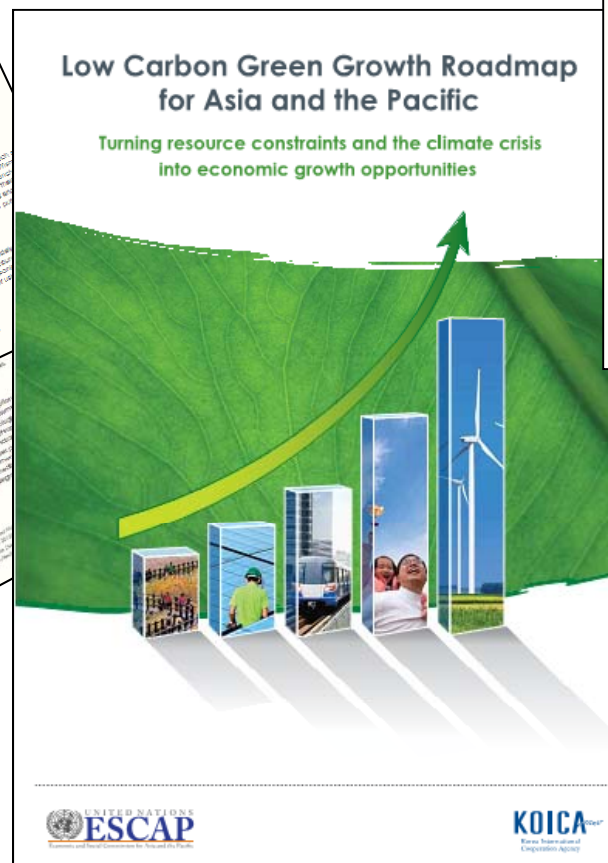
System change for low carbon green growth

- A green economy will not materialize through incremental changes
- Fundamental changes needed
 - visible structure of the economy (physical infrastructure)
 - invisible structures of the economy (market prices, fiscal policies, institutions, governance and lifestyles)

Green Growth

Low Carbon Green Growth Road Map for Asia and the Pacific

- Main guide
- Summary for policymakers
- 63 fact sheets
- 51 case studies
- 8 policy papers



8 policy papers

Thank you for your attention