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**SEOUL INITIATIVE ON ENVIRONMENTALLY SUSTAINABLE  
ECONOMIC GROWTH (GREEN GROWTH)**

(Item 7 of the provisional agenda)

**SUMMARY**

The Seoul Initiative on Environmentally Sustainable Economic Growth (Green Growth) aims at addressing some of the major policy issues highlighted in the Regional Implementation Plan for Sustainable Development in Asia and the Pacific, 2006-2010, a major outcome of the fifth Ministerial Conference on Environment and Development. The Initiative includes targets and policy areas to realize the theme of the Conference, "Achieving environmentally sustainable economic growth (green growth) in Asia and the Pacific". This document highlights the objective of the Initiative and identifies policy areas and modalities of operation, including the establishment of the Seoul Initiative Network on Green Growth, to exchange information, promote bilateral and multilateral cooperation and strengthen policy support. The senior officials are requested to review the draft Seoul Initiative on Environmentally Sustainable Economic Growth (Green Growth), with a view to recommending its endorsement by the ministers.

## I. PREAMBLE

1. The Seoul Initiative on Environmentally Sustainable Economic Growth (Green Growth) is aimed at addressing some of the major policy issues highlighted in the Ministerial Declaration of the fifth Ministerial Conference and the Regional Implementation Plan for Sustainable Development in Asia and the Pacific, 2006-2010, and furthering their successful implementation. The Initiative presents a justification, targets, policy areas and follow-up activities to realize the theme of the Conference, "Achieving environmentally sustainable economic growth (green growth) in Asia and the Pacific". It also identifies modalities of operation, including the establishment of the Seoul Initiative Network on Green Growth (SINGG), to promote the exchange of information and strengthen policy support to the members and associate members of ESCAP.

2. The Initiative is aimed at promoting regional cooperation through capacity-building and policy consultations among the members and associate members of ESCAP in the following areas:

- (a) Improving environmental sustainability (the way environmental resources are used);
- (b) Enhancing environmental performance (the way environmental resources are managed by reducing pollution and improving ecosystem protection);
- (c) Promoting environment as a driver and opportunity for economic growth and development.

## II. JUSTIFICATION

3. Relative to its large population, the Asia-Pacific region has limited environmental carrying capacity, and the environment is already showing signs of stress from the environmental pressures arising from the region's fast economic growth. The extent of future economic growth necessary to reduce poverty in the region is immense.

4. Environmental pressure arising from economic growth has to be reduced if economic growth is to be continued in the long run. Ensuring environmental sustainability is a necessary condition for maintaining economic growth. Green growth is a new paradigm required to continue the economic growth acutely needed to attain the Millennium Development Goal of poverty reduction while meeting another Goal, that of achieving environmental sustainability.

5. Conventional environmental management has primarily been focused on improving environmental performance in the areas of pollution control and ecosystem management. However, in view of the limited ecological carrying capacity of the region, ensuring environmental sustainability by improving the ecological efficiency of economic growth will be a pressing concern in the future. The success of green growth will depend not only on environmental performance as regards pollution control but also on environmental sustainability in improving ecological efficiency in the way environmental resources are used.

6. The Seoul Initiative aims to expand the scope of conventional environmental management from pollution control and ecosystem management to include improving resource efficiency in the way environmental resources are used.

7. The Johannesburg Plan of Implementation calls for a fundamental change in the way societies produce and consume. However, the issue of ensuring environmental sustainability by improving efficiency in the way environmental resources are used has not yet been seriously brought to the attention of the policy makers in the region. This is because improving environmental sustainability by enhancing ecological efficiency is a relatively new challenge and the policy options necessary to improve eco-efficiency are multidisciplinary and require the participation of all stakeholders in society and cannot be led by the environment ministry alone.

8. Conventional economic development planning has primarily focused on increasing the capacity of the supply side of the economy by building more power plants and dams to increase the supply of energy and water rather than improving the efficiency of energy and water consumption.

9. Policy measures to improve ecological efficiency require policy options focusing on demand-side management which include measures such as improving the efficiency of water and energy consumption and enhancing the efficiency of transport by improving public transport.

10. Pursuing economic growth while maintaining environmental sustainability also requires a fundamental change in the nature of the interactions between environment and economy. A win-win synergy has to be created between environment and economy if economic growth and environmental sustainability are to be harmonized. Interactions between the environment and the economy should no longer be regarded as a zero-sum game.

11. Green growth is feasible when environmental performance in pollution control is coupled with environmental sustainability in improving ecological efficiency in the way societies produce and consume and pursue economic growth.

12. Thus, in order to move towards a new paradigm of green growth shifting away from the conventional “grow first and clean up later” paradigm, it is also crucial to initiate a policy concept and system change towards:

(a) Presenting the environment as an opportunity for economic growth, investment, marketing, industry, employment and technological research and development;

(b) Creating win-win synergies between the environment and the economy, replacing the prevailing perception of environment and economy as a zero-sum outcome.

13. Drawing on the successes and failures of the Republic of Korea over the last 40 years of rapid economic growth, the Seoul Initiative is aimed at facilitating the shift towards a green growth paradigm and thus at contributing to the creation of an economically vibrant and environmentally sustainable future for Asia and the Pacific.

14. The Seoul Initiative will provide a regional cooperation framework for green growth and for achieving the Millennium Development Goals on poverty reduction and environmental sustainability in Asia and the Pacific, taking into account the economic, social, cultural and geographical features of the region, through the establishment of SINGG as its mechanism. The Seoul Initiative will provide a framework for policy consultations, capacity-building and networking for the promotion of Green Growth at the regional level.

### III. TARGETS AND POLICY AREAS

15. A number of programme and action areas with activities at the national, subregional and regional levels have been proposed in the Regional Implementation Plan. To support the implementation of these programme and action areas, the Seoul Initiative identifies the following targets:

- (a) Improving the environmental sustainability of economic growth;
- (b) Enhancing environmental performance in pollution control and ecosystem management;
- (c) Promoting the environment as a driver of economic growth and development.

16. Policy areas for the targets identified above are listed further in the document to serve as guidelines for the development of the regional cooperation framework of the Seoul Initiative.

17. SINGG will be established as the key support mechanism for the implementation of the Seoul Initiative. This network of government officials, local authorities, experts, industry and private sector representatives will be established to undertake activities to promote the targets and issues identified in the policy areas. It will also share information and monitor the activities undertaken within the framework of the Seoul Initiative.

#### **Target 1: Improving environmental sustainability**

18. This target area focuses on the efficient use of environmental resources and on improving the ecological efficiency of the economic growth of the ESCAP members and associated members, thus ensuring the environmental sustainability of the Asian and Pacific region. The policy areas identified below will focus on how to reduce environmental pressure arising from rapid economic growth, thus enhancing the capacity of the members to harmonize fast growth with environmental sustainability.

19. Since improving ecological efficiency and ensuring environmental sustainability are policy goals broader than conventional environmental management, which has been more focused on pollution control, this target area will require shifting the environmental management paradigm from pollution control by environmental administration towards improving the efficiency of resource use by all stakeholders in a society as a whole.

**Policy areas:** Identify and promote policy measures and concept and system change necessary to:

(a) Incorporate the concept of ecological efficiency and environmental sustainability into economic and social development planning, since ecological efficiency is critical in ensuring environmental sustainability;

(b) Assess the environmental pressure being placed upon limited ecological carrying capacity and improve resource-use efficiency;

(c) Enhance the ecological efficiency of economic growth and reduce the environmental pressure arising from economic growth;

(d) Promote sustainable production and consumption patterns by changing the way society produces and consumes as called for by the Johannesburg Plan of Implementation, possibly by linking them with traditional lifestyles and cultural values;

(e) Internalize environmental costs into the price structure by employing various economic instruments such as green GDP and eco-tax reform to promote resource-use efficiency;

(f) Promote demand-side management to improve the ecological efficiency in the way society produces and consumes natural resources such as water, energy and raw materials;

(g) Promote a circular economy by improving the way society uses the available resources;

(h) Promote capacity-building and awareness of Governments, the private sector and civil society concerning the need to improve ecological efficiency;

(i) Promote partnership among various stakeholders in society to improve ecological efficiency and environmental sustainability and awareness of the respective roles they are expected to play.

**Target 2: Enhancing environmental performance**

20. This target area focuses on improving the way we manage our environmental resources and control pollution. It also focuses on enhancing the environmental performance of pollution control and ecosystem management by improving conventional environmental administration.

21. While improving environmental sustainability focuses more on the resource efficiency of a society as a whole, enhancing environmental performance focuses more on improving the environmental governance of an administration. While environmental sustainability is more closely related with resource-use efficiency, environmental performance in reducing pollution is more closely related with production processes and regulations and standards for emissions and discharges.

**Policy areas:** Identify and promote policy measures and concept and system change necessary to:

(a) Promote the “polluter pays” principle in managing and protecting the quality of natural resources such as air, water and the natural ecosystem;

(b) Promote environmentally friendly production processes through the promotion of cleaner production and development and transfer of environmentally sound technologies;

(c) Promote the effectiveness of environmental governance by upgrading environmental regulations and standards and effectively enforcing legal instruments for pollution control and ecosystem management;

(d) Promote best practices such as integrated natural resources management and total pollution load control for water, air and oceans;

(e) Promote partnership among the various stakeholders to enhance their participation and compliance with environmental governance;

(f) Strengthen close cooperation among the member States to address transboundary pollution and environmental risks.

**Target 3: Promoting environment as a driver and opportunity for economic growth and development**

22. This target area aims to create a win-win synergy between environment and economy and present the environment as an opportunity for economic growth and private sector business. Green growth is feasible only when the prevailing perception that environment is a burden and cost for economic development can be replaced by a positive win-win solution between environment and economy.

23. This target area aims to promote the positive role of the private sector in supporting economic growth through environmental infrastructure investment, increasing demands for better-quality environmental goods and services, research and development for environmentally sound technologies, emerging environmental industry and the market. This target area also aims to maximize the role of the market and the private sector in presenting environmental regulations and demands for improved environmental quality as an opportunity for economic growth and development not as a burden for the economy.

**Policy areas:** Identify and promote policy measures and concept and system change necessary to:

(a) Promote environment-related investment and environmental technology research and development as an opportunity for economic growth, employment and industrial competitiveness;

(b) Promote and create a positive synergy between environment and economy;

(c) Promote the role of the private sector in presenting the environment as a business opportunity not as a burden or cost for the economy and private sector;

(d) Present environmental regulations and demands for environmental quality as an opportunity to promote the environmental industry and the market for environmental goods and services;

(e) Establish policy frameworks that encourage the creation of new market opportunities for infrastructure, goods and services as well as technologies related to pollution control and environmental resource management;

(f) Promote environmentally sound technologies and facilitate their adaptation, diffusion and transfer;

(g) Take advantage of government purchasing power in facilitating market-building and secure profitability for cleaner production activities in the early stages;

(h) Enhance consumer awareness of environmentally friendly products;

(i) Encourage sustainable ecotourism taking into consideration the natural environment of the Asia-Pacific region to generate income for its residents.

#### **IV. FOLLOW-UP ACTIVITIES**

24. As a follow-up to the fifth Ministerial Conference, the Seoul Initiative will commence with the establishment of SINGG. At its first meeting, SINGG will develop an implementation plan and activities with the participation of ESCAP members (associate members are also welcome).

#### **V. FUNDING**

25. Financing for follow-up activities to the Seoul Initiative will be mobilized through the Government of the Republic of Korea, ESCAP member States and the international donor community, including organizations such as the Asian Development Bank, World Bank and Global Environment Facility.

#### **VI. RECOMMENDATIONS**

26. Based on the target and policy areas proposed above, and to stimulate continued green growth in the Asia-Pacific region, the ministers are invited to:

(a) Endorse the establishment of the Seoul Initiative Network on Green Growth as an implementing mechanism to facilitate the promotion of the Seoul Initiative and invite Governments and relevant organizations from ESCAP members and associate members to participate in the Network;

(b) Agree that the main functions of SINGG are to provide a forum to strengthen regional cooperation among the Governments of ESCAP members and associate members and review progress on follow-up activities to the Seoul Initiative, as well as to set future directions for the Initiative;

(c) Agree that the first meeting of SINGG will be organized by the Republic of Korea with the assistance of ESCAP. At that meeting, SINGG will decide on the modalities, mechanisms and detailed procedures for its operations. It will also develop details of the activities under the Seoul Initiative policy areas;

(d) Encourage ESCAP members and associate members to make a determined and concentrated effort to assist in the implementation of the Seoul Initiative;

(e) In recognition of the contribution of the Government of the Republic of Korea to the funding of the Seoul Initiative, request the donor community to provide adequate financial support to implement the Initiative;

(f) Express deep appreciation to the Government of the Republic of Korea for its continued interest in sharing its experience with the other ESCAP member countries, in particular to further the process of achieving environmentally sustainable economic growth in Asia and the Pacific.

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