



# **Korea's Perspective on Green Growth and Climate Change Negotiations**

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Sung-hwan Son  
Ambassador for Climate Change  
Ministry of Foreign Affairs and Trade

# What is “Green Growth”?

## ▪ OECD

### – A new paradigm;

- Promoting economic growth and development
- Responding to environmental challenges
  - Climate change
  - Biodiversity loss
  - Inefficient use of natural resources
  - Increasing waste
- Making investment in environment a driver for economic growth and development.
- Improving health and creating jobs
- Strengthening energy security through less dependence on fossil fuels.



# What is “Green Growth”?(continued)

## ▪ UNEP

### – Green economy;

- improves human well-being and social equity
- significantly reduces environmental risks and ecological sacrifices
- is low-carbon, resources efficient, and socially inclusive

## ▪ Conclusion

➤ Green growth is a new economic growth paradigm which provides an integrated response to multiple crises.

- economic, ecological (climate, eco-system), food and energy



# Why is “Low-carbon Green Growth” necessary?

- **Current global crisis is complex and multi-pronged.**
  - Global demand for energy will increase up to 30% by 2030, particularly in developing countries.
  - Energy generation contributes up to 80% of total CO<sub>2</sub> emission.
    - Investment decision should be made now on energy sources.
- **Risks to sustainability are growing as growth continues to erode natural capital.**
- **Coordinated and integrated policy response to multiple crises is urgently needed.**



# Green Growth and Sustainable Development

- **Green Growth is;**

- not a replacement for SD.
- compatible with sustainable development(SD).
- considered a subset of SD with narrower scope.
  - *Sustainable development is a vital long-term goal.*
  - *Green Growth is a new strategy to realize the long-term objective of sustainable development.*



# Main Elements of the Green Growth Strategy(OECD)

## ▪ For the Green Growth Strategy to be successful, the following issues should be addressed.

- ① Green priorities: response to climate change, loss of biodiversity, ecosystem services, sustainable use of natural resources
- ② Address market failure;
  - Market-base instruments
    - Full-cost pricing of carbon and pollution
  - Non-market instruments
    - Regulations and standards
    - Public procurement
    - Support for innovation
    - Green public purchasing and eco-labeling



# Main Elements of the Green Growth Strategy(continued)

- ③ Address the opportunities as well as challenges of the transition to a green economy
  - impact on job(labor market) and existing industries
- ④ Foster green technologies and innovation.
- ⑤ Promote investment in renewable energy and energy efficiency
- ⑥ Develop green indicators



# Cancun Agreements: Achievements

- **Adopted comprehensive package of frameworks to help developing countries**
  - Green Climate Fund, Technology Executive Committee, Adaptation Committee
- **Provide a strong signal on the need to move toward low-carbon economies**
  - Holding the temperature increases by less than 2°C
  - Anchored emission targets of developed nations
  - NAMAs(Nationally Appropriate Mitigation Actions) of developing countries were officially recognized.
  - Firmly anchored the development of low carbon strategy





## Cancun Agreements: Achievements(continued)

- *“The most important result at COP16 was not text and decisions, but signals. Cancun reassures investors that countries are committed to developed a low-carbon economy.”*

*– Ole Beier Soresen, Chairman of the Institutional Investors Group*

- *“Regardless of the slow pace of negotiations, 194 countries at COP16 continue to make an effort to confront climate change and global emission of CO<sub>2</sub>... The Importance of this message will at the end of the day surpass the actual result of negotiations.*

*– Financial Times*



# Cancun Agreements: Challenges

## 1. Gap between objective and pledges

- Total of official pledges since Copenhagen amounts to 60% of what is needed.
  - Need to scale up the level of mitigation ambition to limit the temperature increase to 2°C.

## 2. Growing demand for primary energy

- In 2035, World demand for primary energy will be 35% higher.
  - Fossil fuels continues to be dominant, but its share drops from 81% to 74%.

Category	2008		2035	
	Demand(Mtoe)	Share in Energy Mix(%)	Demand(Mtoe)	Share in Energy Mix(%)
Coal	3315	27	3666	22
Oil	4059	33	4543	27
Gas	2596	21	4244	25
Nuclear	712	6	1196	7
Hydro	276	2	477	3
Biomass	1225	10	1944	12
Other renewable	89	1	697	4
<b>Total</b>	<b>12771</b>		<b>16765</b>	

# Cancun Agreements; Challenges(continued)

- **To meet growing demand, we need the equivalent of 4 Saudi oil production and 3 Russia gas production.**
  - “Peak oil” between 2020 and 2030
  - World population grows to 8.5 billion. (from 6.7 billion in 2007)
- **How can developing countries cope with the following vicious circle?**
  - Population growth, high oil price ► higher cost of living  
► aggravation of poverty

## 3. Global legal framework to curb GHGs emission

- **Unclear about the form of legal framework for GHGs mitigation targets and actions**
  - Future of the Kyoto protocol is unclear
  - Prospect for an agreement on a comprehensive legal arrangement is unclear.



# “Low-carbon Development Strategy” in Cancun Agreements

- Para.6: ... and bearing in mind that social and economic development and poverty eradication are the first and overriding priorities of developing countries and that a low-carbon development strategy is indispensable to sustainable development;
- Para.10: Realize that addressing climate change requires a paradigm shift towards building a low-carbon society that offers substantial opportunities and ensures continued high growth and sustainable development.
- Para.45: Further decides that developed countries should develop low-carbon development strategies or plans.
- Para.65: Encourages developing countries to develop low-carbon development strategies or plans in the context of sustainable development.



# Assessment

- **Most parties to the UNFCCC accept that paradigm shift towards low-carbon green growth is necessary.**
- **But, some developing countries still have some psychological reservation.**
  - Low-carbon development strategies are considered as a subset of all-encompassing sustainable development.
    - The strategies are just encouraged to developing countries.
  - They may have some concern about potential conditionality.



## **Concerns of developing countries on Green Growth**

- **Developing countries have concerns about the embedding of low-carbon green growth strategy in global agreements.**
  - One dimensional approach
  - “One size fits all” approach
  - Risks of using environment for trade protection
  - Potential new conditionality by developed countries for aid, loans and debt rescheduling or debt relief

- Martin Khor, Executive Director  
South Center





# Korea's Low-carbon Green Growth

## ▪ Turning Vision into Real Actions



# National Strategy for Green Growth

## ■ Five Year Implementation Plan

Three Objectives	Ten Policy Directions
Mitigation of Climate Change & Energy Independence	<ol style="list-style-type: none"><li>1. Effective mitigation of greenhouse gas emissions</li><li>2. Reduction of the use of fossil fuels and the enhancement of energy independence</li><li>3. Strengthening the capacity to adapt to climate change</li></ol>
Creating New Engines for Economic Growth	<ol style="list-style-type: none"><li>4. Development of green technologies</li><li>5. Greening of existing industries and promotion of green industries</li><li>6. Advancement of industrial structure</li><li>7. Establishing a structural basis for the green economy</li></ol>
Improvement in Quality of Life and Enhanced International Cooperation	<ol style="list-style-type: none"><li>8. Greening the land and water, and building the green transportation infrastructure</li><li>9. Bringing green revolution in our daily lives</li><li>10. Becoming a role model for green growth</li></ol>





## Efforts toward global cooperation

### ▪ **Global Green Growth Institute(GGGI)**

- To map out strategy and policy to link greenhouse gas mitigation and economic growth
- To provide support for green-growth efforts in developing countries
- To aspire to be a global hub of ideas and policies for green growth

### ▪ **East Asia Climate Partnership(EACP)**

- Korean government will execute the \$200 million between 2008 - 2012.
- The EACP is trying to provide custom-tailored support according to the different environmental challenges facing the recipient countries.



## Perspective of Korea on Green Growth in the Negotiations

- Climate change negotiations *incentivize domestic commitments and actions based on low carbon green growth* .
- However, inter-linkage between green growth and negotiations is not strong enough to facilitate the rapid expansion of the green growth strategy globally.
  - *Green growth has not been mainstreamed into the current negotiations.*
- To address the reserved attitude of some developing countries “leading by example” by other developing countries is most effective.
  - *Korea can demonstrate that transformational shift to low-carbon green growth is in their own self-interest.*



- Negotiations and green growth policy are **mutually reinforcing**.
  - The more embedded green growth policy of the parties , the more proactive and flexible they become in negotiations.  
⇒ Raise the hope for real breakthrough
- International agreement made through negotiations and national green growth policy need to **work in tandem**.



# Korea's Advantages in Promoting Global Green Growth Strategies

## ① Proven track record

- Play as a bridge builder between developing and developed countries
  - Unilateral CDM
  - NAMA Registry

## ② Early mover of green growth strategy

### [ UNEP report on Korea's Green Growth(2010) ]

- Republic of Korea has committed itself to moving away from the traditional "brown economy" growth-at-any-cost model to a "green economy" model where long-term prosperity and sustainability are the key objectives.
- This commitment by the Republic of Korea has the potential of creating a domino effect on other major Asian economies.



# Korea's Advantages in Promoting Global Green Growth Strategies(continued)

## ③ Initiator of a new form of partnership(GGGI)

- GGGI is not a traditional body.
  - Donors come not only from advanced economies, but also from developing countries like UAE
  - Open ended structure
- It does not fit into a traditional dichotomy
  - It's not a body for typical south-south cooperation. (promote triangular partnership)



# Conclusion

- **Green and growth can go hand in hand.**
- **Green growth is relevant to all economies.**
  - doesn't favor any political perspective.
  - not a replacement for sustainable development.
- **A transition to a green economy is already underway.**
  - Transformational shift to low-carbon green growth is a must.
  - Transition to green economy is taking place in various sectors in developing countries.
  - Private sector is already on the move.
  - Cancun has sent a strong signal to the world that green growth revolution is now underway.
  - Durban conference and Rio+20 offer a real opportunity to spread and anchor green growth strategy globally.



- **Alignment of global and domestic policy is a prerequisite.**
  - Put in place domestic regulatory and legislative framework.
  - Factor the concept of low-carbon green growth into long-term national development plan.
  - Support for capacity building of developing countries is vital for the global expansion of low-carbon green growth.



**Thank you**

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