UNU-IAS-IGES-ACP Joint Meeting
Greening Growth in Asia: Making Co-benefits Mainstream
27 July 2011 / 9:00 AM-12:30 PM at UNU-IAS Conference Room 27, 6th Floor

Meeting Summary

Introduction

On 28 July 2011, the United Nations University-Institute for Advanced Studies (UNU IAS) and the Institute for Global Environmental Strategies (IGES) held a joint workshop on "Greening Growth in Asia: Making Co-benefits Mainstream." Forty participants from government agencies, international organizations, and research institutions discussed 1) the linkage between green growth and co-benefits; 2) a researcher's perspective on co-benefits; and 3) a policymaker's perspective on co-benefits. The main goals of the session were:

- To exchange knowledge between policymakers and researchers on co-benefits;
- To identify pragmatic steps for mainstreaming co-benefits into decision making processes in Asia.

Key messages from the joint workshop were shared during a plenary session of the International Forum for a Sustainable Asia and the Pacific (ISAP) on 26 and 27 July 2011 in Yokohama, Japan.

1. Opening Remarks

- **Eric Zusman, IGES,** opened the meeting by thanking UNU-IAS for cooperating with IGES to the workshop. Dr. Zusman noted that green growth could support the mainstreaming of co-benefits into decision making processes; however, greater understanding is needed on how policymakers and researchers work toward that shared goal.

- **Jose Puppim de Oliveira, UNU-IAS,** outlined the objectives of the workshop and highlighted key linkages between green growth and co-benefits. Dr. Puppim de Oliveira noted that for the foreseeable future cities will be a major contributor to climate change. While studies have illustrated that it in the world's economic interest to mitigate climate change in cities, these warnings have not led to action in cities. He attributed the lack of action to limited information, lack of finance for innovative technologies, the political economy of reform (while benefits may be significant in aggregate, costs are often concentrated on key interests), and the complexity of internalizing a global externality. He suggested that co-benefits could potentially help overcome these barriers.

- **Akiko Miyatsuka, IGES,** followed with a framing presentation linking co-benefits and green growth. Ms. Miyatsuka explained that much of Asia has made progress toward achieving the Millennium Development Goals (MDGs), but this progress has come with significant increases in greenhouse gases (GHGs). Ms. Miyatsuka contended that co-

benefits offer a comprehensive but flexible framework to integrate both poverty alleviation and climate change mitigation into policy decisions. For this framework to work there is a need to understand how both researchers and policymakers view co-benefits.

2. Researchers' Perspective

- **Akiko Suwa, UNU-IAS,** chaired the second section. She opened the session by suggesting that it is important to recognize that there is often a brown resistance to green growth. This resistance can create path dependencies in decision making that are hard to break. The following presentations outline how researchers see the possibility of integrating co-benefits into decisions.

- **Chris Doll, UNU-IAS,** followed with a presentation on how researchers conceptualize co-benefits in the transport sector. He began by suggesting that transport policies can be divided into those that 1) reduce travel demand; 2) promote mode shifting; and 3) support fuel switching or advanced technologies. He then noted that the drivers behind transport policies are rarely climate change, but congestion reduction, energy security, economic growth, public health safety, and air quality improvement. He then reviewed a conceptual framework that could be used to assess those benefits. Dr. Doll asked would conceptual framework look like if co-benefits were considered *ex ante* rather than *ex post* in the decision making process. He felt that placing co-benefits at heart of the planning process might influence policy choices. He further suggested an equally important set of considerations involves institutional dimension. Institutions that govern, legislate and finance urban development can act as a multiplier on the effectiveness to a technical analysis.

- **Eric Zusman, IGES,** provided an overview of a co-benefits calculator developed in cooperation with the Clean Air Initiative for Asian Cities (CAI-Asia). Dr. Zusman noted that the calculator can be used to estimate vehicle operating costs, accident reductions, time savings, air pollution reductions, and GHG reductions. He then provided a summary of how the calculator could be applied to a planned Bus Rapid Transit (BRT) project in Manila. He showed that the calculator can be used within existing choice architecture, but its accuracy will depend on input data.

- **Jane Romero, IGES,** continued the presentation on quantifying transport co-benefits. She noted that the interest in quantifying co-benefits sits at the intersection of transport planning and climate finance mechanisms (from the clean development mechanism (CDM) to nationally appropriate mitigation actions (NAMAs)). She explained that data is a challenge, but there are ways to work around data constraints. More important is changing the perception that operationalizing co-benefits is hard work with limited incentives. If there is such a change, carbon finance could break inertias in existing decision making processes.

Questions and Discussion

- **Katsunori Suzuki, Kanazawa University/ IGES,** noted that it is important to consider co-benefits outside the transportation sector and other pollutants beyond the six Kyoto Protocol GHGs.

- **Liana Bratasida, Ministry of Environment, Indonesia**, argued that we have already disseminated information regarding green growth and co-benefits but it does not necessarily stay with government agencies because of a lack of institutional memory. She also suggested that the amount of finance to support co-benefits is not the problem; rather there is a lack of knowledge of how to access that finance. Finally, she suggested that we always talk amongst ourselves, but where are the people who need to make a decision (i.e. finance ministries)

- **Keiko Kuroda, Ministry of Environment Japan (MoEJ),** pointed out that there are various evaluation tools, but outreach is not complete. She then added that the key is to make the tool more practical to developing countries.

- **Jose Puppim de Oliveira, UNU-IAS,** contended that we need to incorporate tools transportation specialists are using already and integrate them into existing decision making processes as people are not going to stop doing what they are doing. Regarding institutional memory, there are several ways to overcome this barrier. For instance, installing someone in charge to oversee funding issues on a permanent basis.

3. Policymakers' Perspective

The second half of the meeting focused on the policymaker's perspective on co-benefits. Particular emphasis was placed on whether and how co-benefits are considered in decision making processes.

- **Supat Wangwongwatona, Pollution Control Department, Thailand,** is currently working on air pollution, water pollution, and waste management issues in Thailand. He suggested that many projects in Thailand have been successful in reducing local air pollution (i.e. lead reduction) and some claim to have reduced GHGs. However, the actual impacts on GHGs are not quantified. In terms of mainstreaming co-benefits, it may not be sustainable in long term to target practitioners at the local level. Rather it might be more effective to appeal to high-level decision makers. With a high level endorsement, an analysis of the co-benefits could become a mandatory requirement. If that becomes the case, the loss of institutional memory will not be a problem. In terms of the precision of the tool, he noted that at the conceptual level a very simple tool might be needed to sketch a project. But in the end, there will be a need for more sophisticated and precise tool for analysis.

- **Takata Koshin, Toyama City Environmental Protection Department,** began his remarks by noting that over the past three decades Toyoma city has become one of the

most sprawling and auto-dependant cities in Japan. This led to the decision in 2008 to adopt a compact city plan. The configuration of the city was to resemble "sticky rice balls" with residential districts built around modern public transportation systems. Tied to the plan were also targets for GHG mitigation of a 30% reduction by 2030 from 2005 levels and a 50% reduction by 2050 from 2005 levels. Toyama has introduced a series of reforms that promote public transport, decentralized electricity, sustainable use of biomass, renewable energy, and eco-friendly industries in line with that plan. The benefits of these reforms are not formally quantified but recognized after the project.

- **Liana Bratasida, the Ministry of Environment, Indonesia**, gave a presentation on green growth in Indonesia. She argued that one of the greatest difficulties is changing popular mindsets from "we need rapid growth" to "we need sustainable development." She felt that one of the keys to changing that mindset is stronger networking between NGOs, researcher, and scientists. She also felt that Indonesia's pro-poor, pro-growth, pro-environment and pro-job approach to development embodied this shift in mindset. She further felt that the international community can help in Indonesia leapfrog but horse jump stages of development.

- **Li Liping, the Policy Research Center for the Economy and Environment (PRCEE),** gave an overview of work that her institute has done on the co-benefits in Panzhihua (Sichuan Province) and Xiangtan (Hunan Province) China. The Panzhihua case underlined that there are significant benefits to be gained from reforms to and closure of energy intensive industries. She also noted, however, that there needs to greater integration across sectoral policies to capture those co-benefits. In the future, her institute plans to develop more co-benefit assessment methodologies and perform quantitative assessments of other pollutants (e.g. chemical oxygen demand (COD) in water).

- **Keiko Kuroda, MoEJ**, provided an overview of collaborations that the MoEJ has initiated between China and Indonesia as well as separate standalone projects in Malaysia and Thailand. She then highlighted some of the difficulties encountered in those initiatives. These included insufficient coordination, varying definitions of the term, a lack of institutional memory, and the used of limited budgets in the most effective way.

Questions and Discussion

The meeting closed with a series of questions and answers with the policymaker's panel.

- **Wanxin Li, Chinese University Hong Kong and Tsinghua University**, inquired whether there were requirements for co-benefits analysis in environmental impact assessment (EIA) as this might be a good entry point for quantifying potential benefits. Dr. Supat agreed with this claim.

- **Anindya Bhattacharya, IGES,** suggested that researcher's need to answer three questions to make co-benefits attractive to policymakers:

1. Who is financing?
2. Who is implementing?
3. Who is the audience (the intended recipient of the benefits)?

There was general consensus that these are the right questions to ask.

Key Messages
The meeting generated several key messages:

- There are many points of overlap between co-benefits and green growth, including alleviating poverty and capturing resource efficiencies. The synergies between co-benefits and green growth promise to be particularly significant in Asia's cities.

- It will be increasingly important for policymaker's to integrate co-benefits into their decision making processes. In so doing, it is important to position co-benefits at the heart of that process. It is equally important to recognize that institutional issues (such as better coordination between or sufficient capacity within key agencies) are outside the scope of the technical analysis but could multiply the benefits estimated in that analysis.

- There are several tools that could help ease the quantification of co-benefits. The co-benefits calculator offer a simple, easy-to-use tool to scope benefits before more rigorous calculations are made. It will be important to develop similar tools for other sectors and other pollutants (including short-lived climate forcers).

- A major challenge is the perception that quantifying co-benefits is difficult and there are insufficient incentives to overcome those difficulties. Another hurdle is the lack of institutional memory in key agencies. This can be overcome, however, by appealing to high-level decision makers to mandate the inclusion of co-benefits into decisions. Environmental impact assessments (EIA) may offer a useful entry point for project planning.