

Executive Summary

Promotion of sustainable development (SD) that simultaneously achieves poverty alleviation, economic development and environmental protection is the most urgent issue in East Asia where both rapid economic growth and aggravating environmental problems are actualised. This research project aims to mainstream SD concerns into the policy making process in this region. The geographical scope of the research is the member countries of East Asia Summit (EAS), i.e. ten countries of ASEAN, Japan, China, Korea, India, Australia and New Zealand, for which the Economic Research Institute for ASEAN and East Asia (ERIA) was established.

The research will first identify priority issues to promote SD. Then, effective policies to address priority issues will be formulated, based on prior (ex ante) policy assessment from the viewpoint of sustainable development, which is referred to in this project as Sustainable Development Policy Assessment (SDPA). SDPA is a prior policy impact assessment aiming to assess the impacts of policies from the view point of sustainable development. SDPA covers impacts of proposed policies on selected economic, environmental and poverty indicators. Policies to be assessed (SD policies) will include environmental policies, trade policies, energy policies and so on, as various categories of policies have significant impacts on sustainable development, even we narrowly focus on sustainable natural resources management and poverty reduction. SDPA employs the Integrated Policy Assessment Model (IPAM) based on a multi-regional computable general equilibrium (CGE) model as a core module of the analytical framework, but also employs other types of models, which are labelled as Thematic Models (TMs), to assess specific issues in more detail, as analysis on sustainable natural resources linking with poverty reduction, the focus of this research, often requires microeconomic models and/or spatial analysis models. TMs will provide assessment results directly or indirectly as input to IPAM. The results of research activities will be published as Sustainable Development Outlook. In addition, this research will establish ERIA Database on SD which will compile collected data and information and will be publicised through internet. This project is proposed as a pilot project for regular activities of ERIA to publish a series of Sustainable Development Outlook, and the main content of the Sustainable Development Outlook to be prepared by this pilot project will be a detailed explanation of methodologies, in particular SDPA, and illustrative examples of application of SDPA to selected priority SD issues.

In the fiscal year 2008, the Working Group of this project was established with 11 members, and three Working Group Meetings were held. The first Working Group Meeting was held on 31 July 2008 in Manila, the Philippines to discuss the research plan proposed by IGES. The second Working Group Meeting was held on 3 and 4 December 2008 at the IGES Headquarters Office in Hayama, Japan to discuss the draft of country review papers, which aim to provide background of a Sustainable Development Outlook, and report the progress of thematic studies that aim to develop TMs of priority issues. The third Working Group Meeting was held on 12 and 13 March 2009 in Bogor, Indonesia, to report the progress in this fiscal year and discuss the research plan of the next fiscal year.

The major outputs in the fiscal year 2008 were the conceptual design of SDPA, the three thematic studies to develop TMs for priority issues, and the country review papers that provide background of a Sustainable Development Outlook. As the conceptual design of SD, the overall framework consisting of IPAM employing multi-regional CGE model and TMs specific to priority issues was proposed, and a prototype of IPAM was developed with identifying necessary elaboration in the next fiscal year such as incorporation of forward-looking dynamics, explicit treatment of government sector and reflection of resource constraints. For the thematic studies, the research design were developed for three priority issues, i.e. China's enforcement of water pollution prevention and control, China's sustainable forest management, and India's sustainable livelihood based watershed management, and the research activities were commenced. For the country review papers, six working group members reviewed the existing SD conditions of the respective country with identifying priority issues. The country review papers captured the most of the negative impacts of the economic development in their respective countries and tried to come out with certain improvement direction subject to further investigation.