

## FOREWORD BY THE PRESIDENT

Asia's historical development is at crossroad. Eighteen months into the Covid-19 pandemic crisis, the cumulative economic and financial impacts were estimated to be much harder than that of the 2008 global financial meltdown and 1997 Asian economic crunch. Several projections express certain levels of doubt over whether Asian countries, which have been progressively integrated into the global economy, could continue to grow at the pace it had previously enjoyed for more than 3 decades, in the aftermath of pandemic. The deceleration of region's economic growth cannot be simply ignored, given the complex nature of the pandemic containment measures as well as its impacts on industrial production structures and the economics of sustainable development.

Countries in the region differ widely in terms of development stage, health infrastructure provision, and level of economic integration. As the number of countries in the Association of Southeast Asian Nations (ASEAN) and East Asia that have reached middle-income status increases, reaching the next stage needs much more creativity in successfully addressing other challenges such as inequality, resilience, and sustainability

The Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) stated categorically that the planet is heading irrevocably towards warming and that we should aim to keep climate change below pre-industrial levels by the turn of the century. In line with this, 52 countries have pledged to meet net zero emission targets. Within the region, Japan and the Republic of Korea have joined the pledge for net zero emissions by 2050, while China aims to achieve net zero emissions by 2060. Singapore has also announced ambitious plans to achieve net zero emissions beyond 2050. Although many ASEAN Member States have yet to set specific targets for net zero emissions, several are working hard to redesign their policies towards meeting the Paris Agreement climate targets, as expressed in the nationally determined contributions (NDCs).

This Economic Research Institute for ASEAN and East Asia (ERIA) study, *Rethinking Low-Carbon Green Growth in the Post-COVID-19 World: Towards a Net Zero Economy*, sheds light on the experiences and lessons of the East Asia Summit countries. This book reviews and assesses the low-carbon green growth policies and practices of the regional economies, and identifies policy gaps and new opportunities. With input from international experts and regional think tanks, this study facilitates forging a regional perspective on net zero transition challenges, options, and issues.

Governments across ASEAN and East Asia have deployed a significant amount of emergency capital in the response to the pandemic, with an initial focus on protecting lives and livelihoods. The pandemic has its own global economic impacts, but has also created a once-in-a-generation opportunity to implement difficult domestic reforms towards a sustainable future that will simultaneously require technology, regulatory policy, and financing innovations. One should never let a good crisis go to waste. In this regard, this book proposes three key points of action.

First, clear and long-term policy frameworks are needed in the post-COVID-19 era as part of the stimulus recovery. This will send the right market signals and help speed up the development and uptake of low-carbon, resource-efficient, and carbon capture and utilisation (CCU) technologies.

Second, investment must be scaled up. Mobilisation of the private sector – including development banks, institutional investors, and bond markets – is crucial to the financing of low-carbon green growth initiatives. Public financing and development aid are also critical for leveraging private capital and meeting the Paris Agreement climate targets.

Third, stronger regional cooperation is needed to share knowledge, technology, and finance effectively and to coordinate action – leading to the effective implementation of strategies such as the ASEAN Comprehensive Recovery Framework.

As an international organisation and a strategic knowledge partner, ERIA provides policy support to the East Asia Summit countries on low-carbon initiatives in a range of sectors, including energy, transport, waste

management, and agriculture. It promotes knowledge sharing by holding conferences, policy dialogues, and workshops; and by conducting research studies on the technical, economic, and legal standards of emerging technologies and the taxonomy of financing instruments. Holding capacity building and training workshops to bridge the knowledge gap amongst policymakers and the private sector is one of ERIA's most important contributions.

As countries around the world struggle to repair their battered economies, resetting policy measures during the pandemic recovery towards an inclusive low-carbon green growth path is more than a climate response – it is essential in scaling up actions towards sustainable economic development.

I hope this book will encourage policymakers and practitioners who are considering and evaluating important policy options for building a better future for the citizens of this region. The book will also serve as a valuable knowledge resource for those seeking a comprehensive overview of low-carbon green growth initiatives in ASEAN and East Asia.



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