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Imperatives of a Green Recovery in Southeast Asia

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Three Things to Know about Southeast Asia's Climate Problem

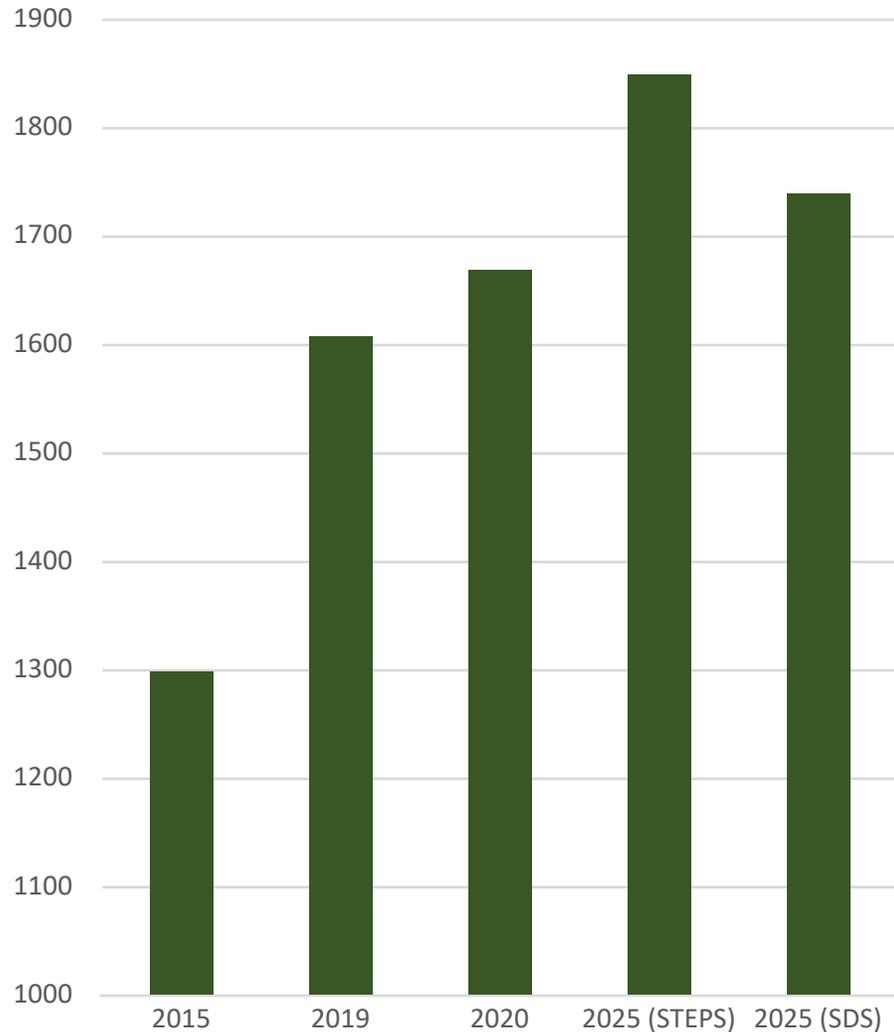
1. Existential
2. Disproportionate
 - Historical emissions
 - Impacts
3. Everybody's problem can become Nobody's problem

ASEAN's Projected Economic Recovery

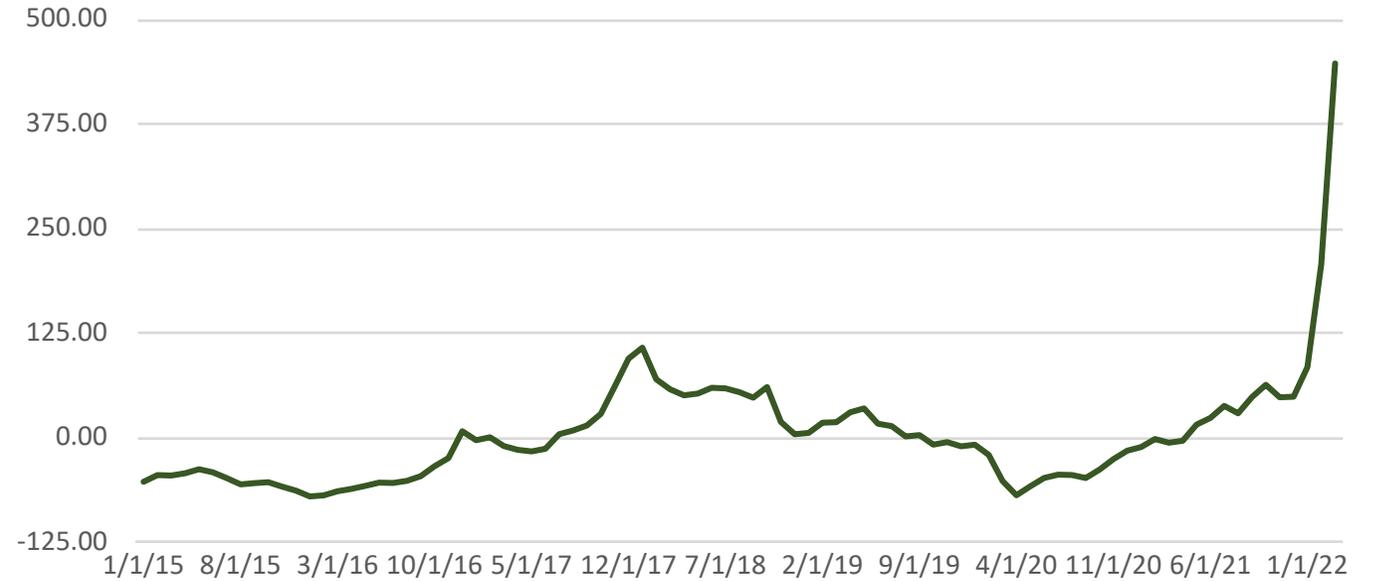
Estimated and Forecasted Growth in Southeast Asia (% per year)			
2020	2021	2022	2023
-3.2	2.9	4.9	5.2

- ASEAN was the 5th largest economy in 2019 and on track to be the 4th largest by 2030
- The region's economic growth is expected to rebound significantly in 2022 but
 - Geopolitical uncertainties caused by Ukraine/Russia leading to rising energy and commodity prices will complicate
 - Sustained inflationary pressures also a concern
- As economic activity picks up, greenhouse gases emissions rise rapidly in tandem

Carbon emissions (in Mt CO2)



World energy price growth (in %)



In Southeast Asia:

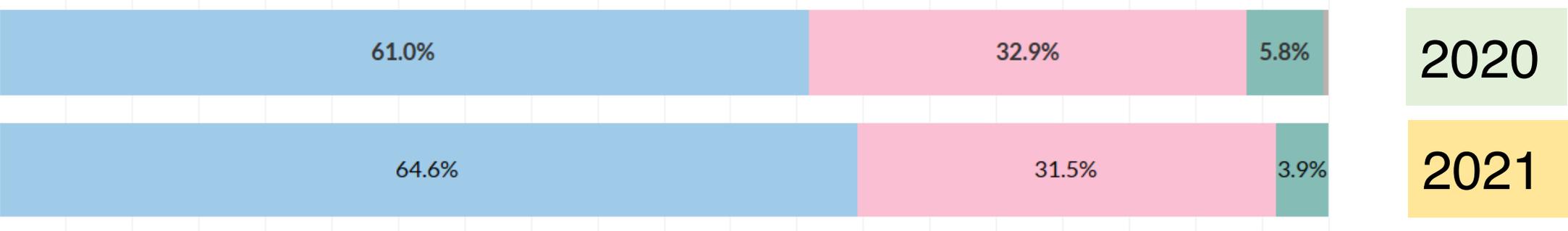
- Fossil fuel demand continues to surpass local production
- Demand for unabated fossil has been projected to exceed the demand for low-carbon/abated fossil fuels for as far as 2040

The background features a large, stylized green arrow pointing from the left towards the right. The arrow is composed of several parallel lines in varying shades of green and yellow. Behind the arrow, there is a faint, sketch-like illustration of a community of people engaged in various activities, including working in a field, using tools, and interacting with each other. The overall color palette is dominated by shades of green, with some blue and yellow accents.

Regional Climate Attitudes

Equal priority for COVID-19 and Climate Emergency

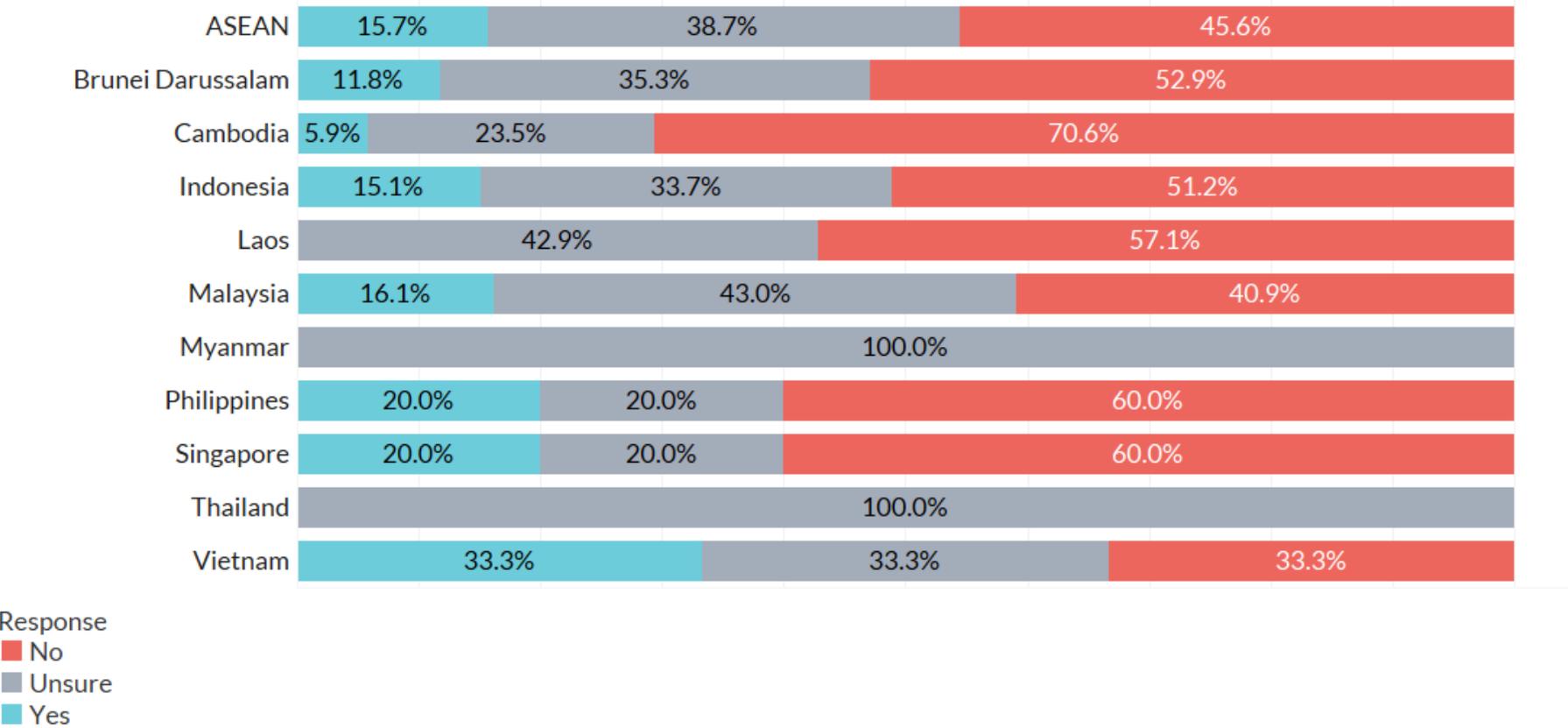
Which of the two crises – COVID-19 or the climate emergency – should governments prioritise?



Response
■ Climate emergency
■ COVID-19
■ Both are of equal priority

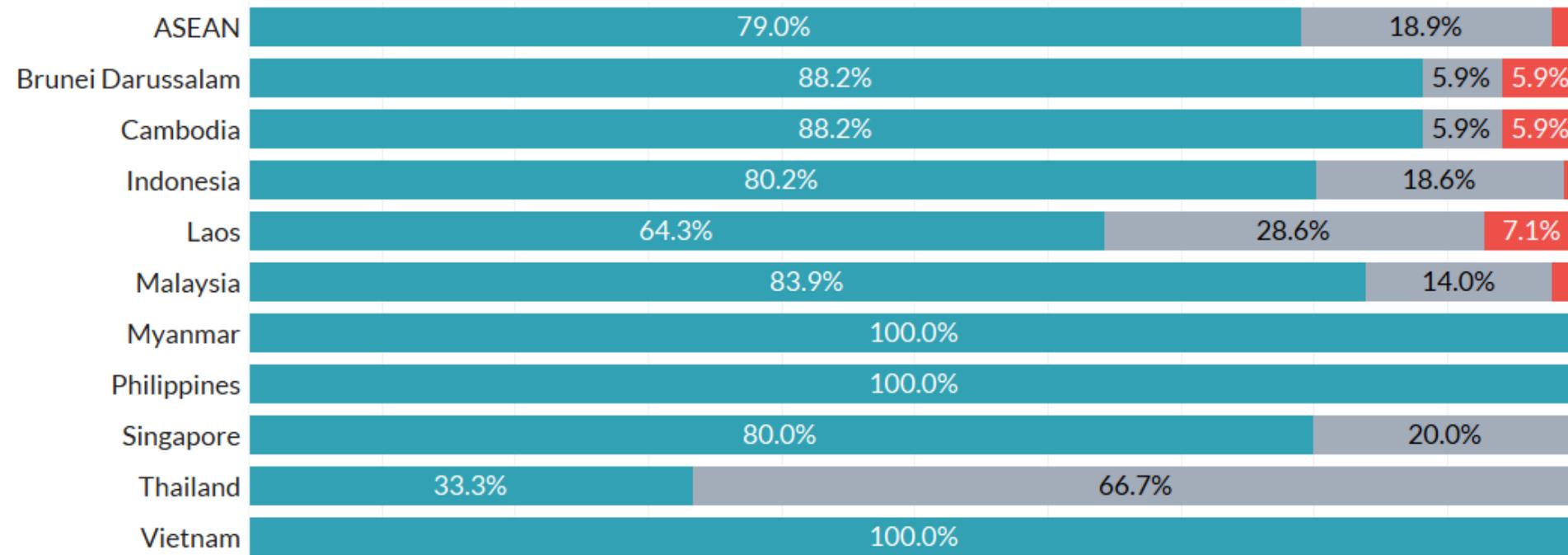
Is ASEAN missing the window for green recovery?

Do you think your government's stimulus spending contributed to a green recovery?



Cutting Reliance on Coal is Critical

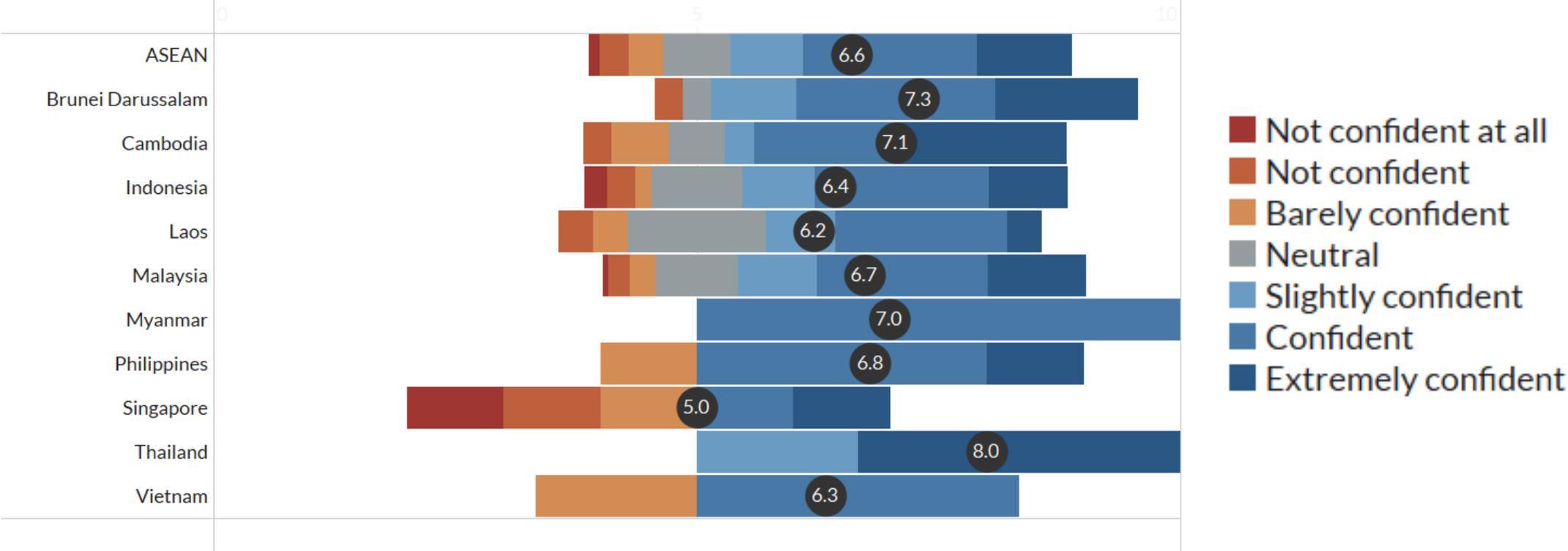
“ASEAN countries should cut their reliance on coal as soon as possible.” Do you agree?



Response
■ Disagree
■ Unsure
■ Agree

Climate measures drive innovation and economic competitiveness

On a scale of 0-10, how confident are you that adopting climate change measures and policies will drive the innovation and competitiveness of your economy?



The background features a green-toned illustration of various people engaged in different activities, such as working in a field, using a bicycle, and interacting in a community setting. Overlaid on the left side are several thick, diagonal stripes in shades of green, yellow, and brown, creating a sense of movement and depth.

Investing in climate action

Growing climate ambition

Eight out of ten ASEAN countries have set a net zero target through a political pledge or policy document.

	Long-term targets	
	Carbon neutrality target or Net zero GHG target	Submitted LT-LEDS
Brunei	Net zero by 2050	No
Cambodia	Carbon neutrality by 2050	Yes
Indonesia	Net zero by 2060 or sooner	Yes
Laos	Net zero by 2050	No
Malaysia	Carbon neutrality by 2050	No

Exceptions: Myanmar and the Philippines

	Long-term targets	
	Carbon neutrality target or Net zero GHG target	Submitted LT-LEDS
Singapore	Net zero after 2050 (old)	Yes (old target)
	Net zero by or around 2050	
Thailand	Carbon neutrality by 2065 and Net zero after 2050 (old)	Yes (old target)
	Carbon neutrality by 2050 and Net zero by or before 2065	
Vietnam	Net zero by 2050	No

Energy transitions

Installed capacity by energy source in 2020 (% year-on-year)

Country	Coal	Oil	Natural Gas	Renewables	Total
Brunei Darussalam	N/A	25.00%	0%	21.6%	0.37%
Cambodia	-4.76%	138.92%	N/A	9.1%	19.39%
Indonesia	-6.95%	-9.48%	-20.29%	1.87%	-1.47%
Lao PDR	5.32%	N/A	N/A	117.5%	84.93%
Malaysia	19.05%	-11.36%	-31.74%	19.73%	-6.96%
Myanmar	0%	0%	17.48%	0.2%	7.91%
Philippines	0.49%	-34.07%	-12.78%	2.84%	-4.04%
Singapore	N/A	N/A	0%	3.7%	0.15%
Thailand	2.79%	-35.91%	-6.55%	-4.21%	-2.86%
Vietnam	7.00%	-11.07%	-17.46%	129.57%	3.09%

Renewables - the only subsector that experienced capacity gains, not losses, in most AMS during the pandemic, showing their resilience compared to other energy sectors.

Governments have invested significantly in RE, including large new projects and renewable energy targets

Green Finance Building Blocks

- Development of the ASEAN Taxonomy for Sustainable Finance (common language)
- Growth of voluntary carbon markets
- Interest in implementing carbon pricing instruments in region

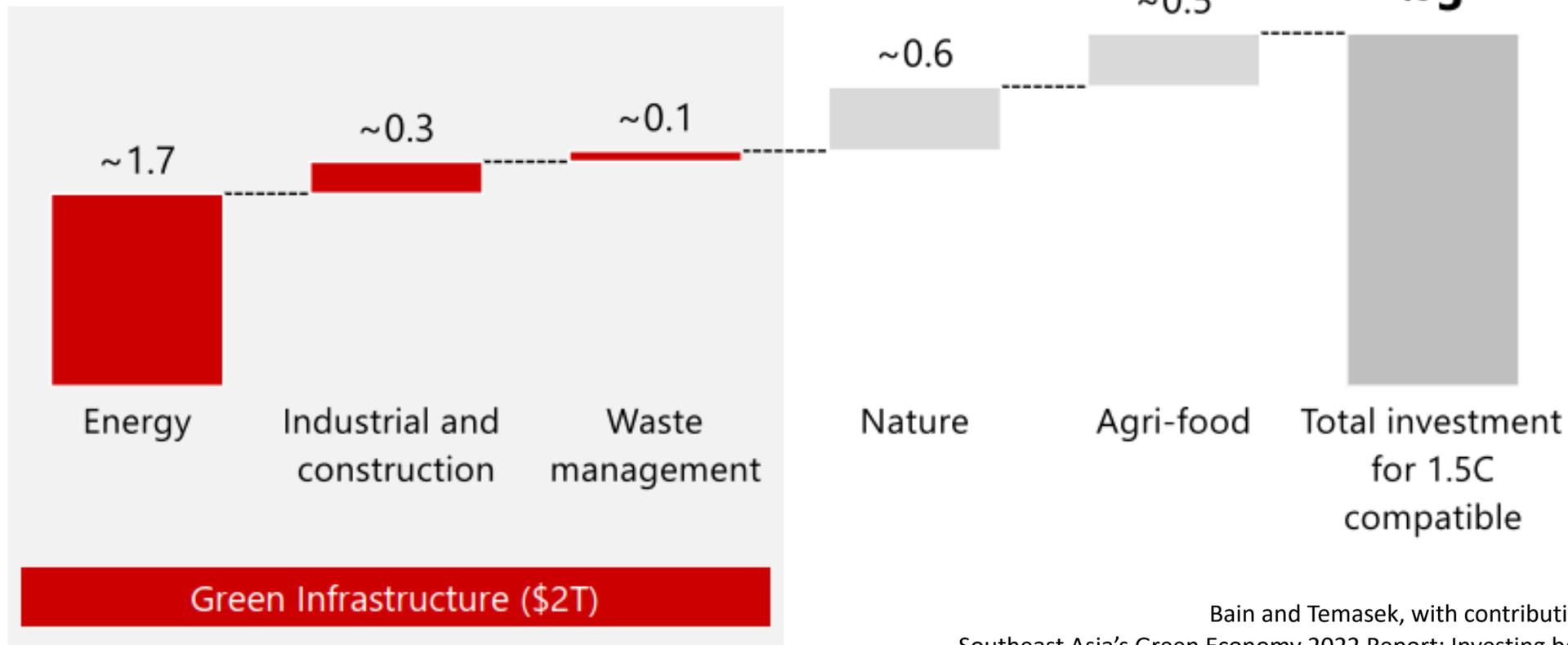
Carbon pricing instruments planned/implemented in SEA	
Brunei	Carbon pricing mechanism to be imposed by 2025
Indonesia	Carbon tax set at US\$2.10/tonne under a draft tax reform bill
Malaysia	Carbon pricing and carbon tax included in five-year economic plan
Thailand	ETS under consideration
Vietnam	ETS under consideration
Singapore	Carbon tax to be raised from S\$5/tonne (since 2019) to S\$60-80 by 2030
Elsewhere in the Asia Pacific	
China	National ETS operational since 2021
South Korea	National ETS operational since 2015
Tokyo	Cap-and-trade program since 2010
Saitama	ETS operational since 2011
New Zealand	National ETS operational since 2008

Private Sector Developments:

- Science-based targets set by corporations in SEA expected to triple in 2022
- In 2020-2021, 15% of investments in SEA related to sustainability
- Half of APAC investors consider climate change in decision-making

However, a large financing gap still exists, especially for infrastructure and energy:

SEA cumulative green financing need by theme (\$T, 2030)³



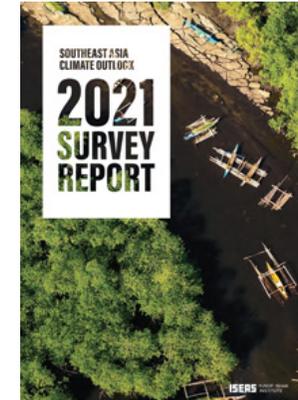
How to ensure a just, equitable and inclusive recovery?

1. Quality job creation -> ensure decent work
2. Challenges exist but not unsurmountable
3. “KPIs” of successful decarbonisation
 - social inclusion
 - gender empowerment
 - sustainable rural development

Take the 2022 Southeast Asia Climate Outlook Survey



Or go to [bit.ly/
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Survey Reports at
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Thank You

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