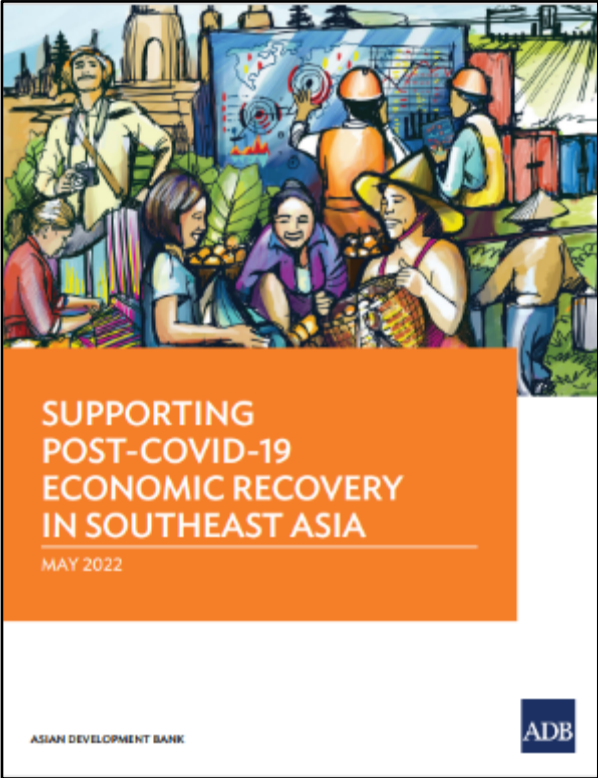


The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.

Implementing a Green Recovery in Southeast Asia

6 July 2022

The third in a four-part series, the report shows how COVID-19 has presented countries with a chance to hit the reset button and build a socially, economically, and environmentally resilient future





Safeguarding the environment is crucial to enhance resilience against future pandemics.

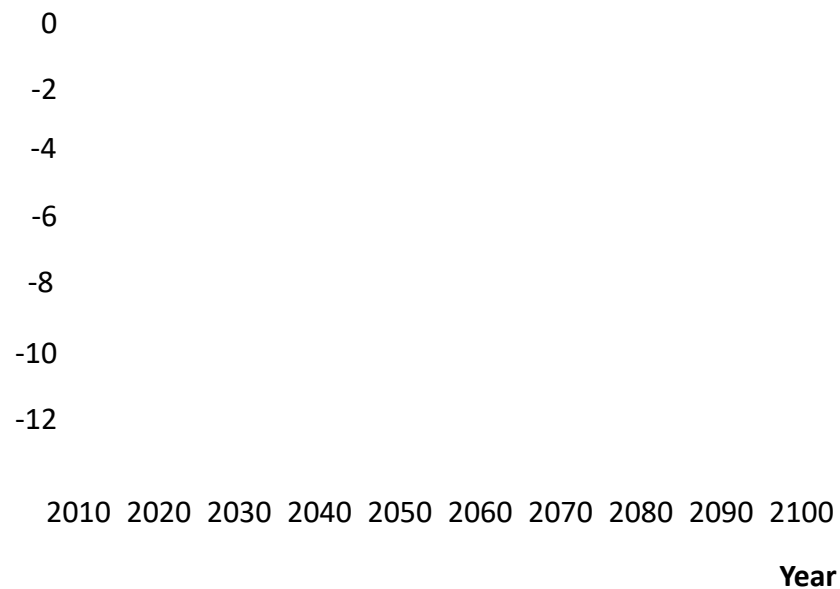
- Many deadly pathogens in recent history, including COVID-19, arose as a result of an unhealthy level of contact among wildlife, livestock, and people.
- Land use change (typically driven by urbanization) caused the emergence of more than 30% of all new diseases reported since 1960.

A green recovery approach would address the severe and worsening impact of climate change and declining biodiversity in Southeast Asia

Projected loss to Southeast Asia GDP due to climate change

Percent regional GDP loss due to climate change

GDP loss due to climate change



- Based on Southeast Asian market losses
- Based on Southeast Asian market losses + labor productivity losses
- Based on Southeast Asian market losses + labor productivity losses + non-market losses

Share of global GDP at risk from biodiversity loss

Percent of 2018 GDP by dependency on natural capital

\$44 trillion

at risk of disruption

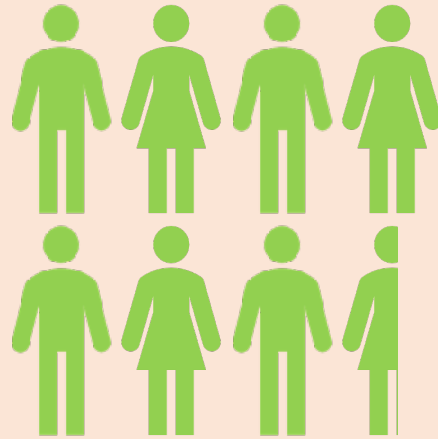
- Share of GDP coming from sectors that are highly dependent on nature
- Share of GDP coming from sectors that are moderately dependent on nature
- Share of GDP coming from sectors that are less dependent on nature



Government spending on renewable energy and energy efficiency has been shown to create more jobs than spending on fossil fuels

Renewable technologies

(wind, solar, bio-energy, geothermal, hydro)



7.49 jobs

Energy efficiency

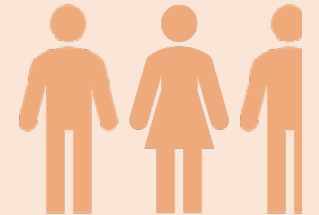
(industrial energy efficiency, smart grid, mass transit)



7.72 jobs

Fossil fuel

(oil & gas, coal)



2.65 jobs

Jobs created, directly and indirectly, per \$1 million in spending



A green recovery approach can strengthen Southeast Asia's long-term economic competitiveness

- Establishing green practices would allow countries to comply with ever more stringent regulations on the environmental footprint of imported products.
- Green investments would also ensure foreign direct investments from a growing number of multinational companies that have made public commitments to move toward renewable energy sources and infrastructure.

A green recovery from the COVID-19 pandemic is crucial in Southeast Asia for 4 reasons:



1. Strong link between the environment and public health – land use change, resulting in contact among wildlife and people, caused the emergence of **>30%** of all new diseases reported since 1960



3. Significant economic boosts from green stimulus – every \$1 million worth of government spending on renewables creates **5** more jobs than equivalent spending on fossil fuels



2. Severe impacts of climate change and biodiversity loss – **2 of the top 5** countries most impacted by climate change are in the region; this environmental crisis could cost Southeast Asian economies **11%** of their combined GDP in the year 2100



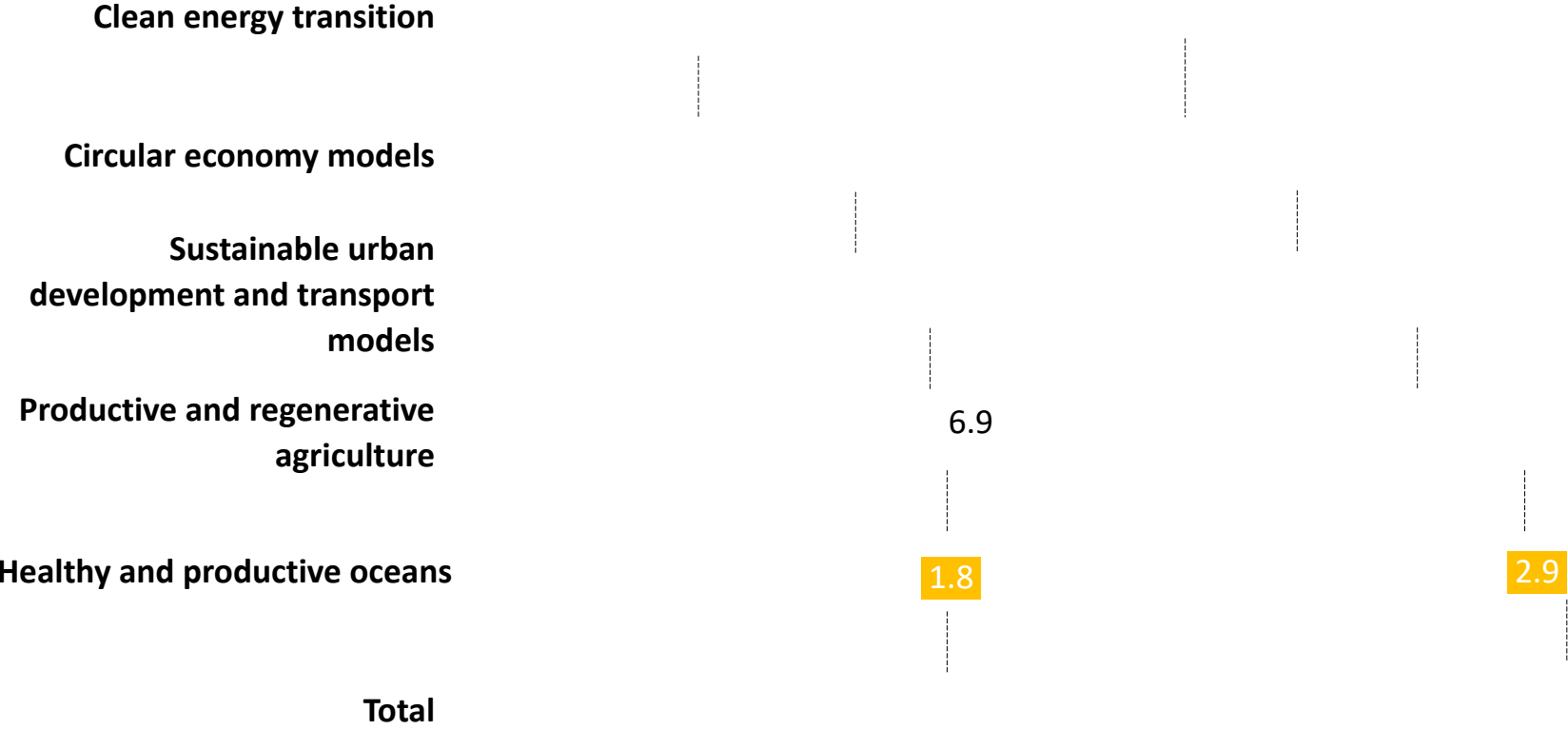
4. Vital opportunity to strengthen region's long-term competitiveness – with growing emphasis in FDI decisions on the environmental footprint of operations, devoting COVID stimulus budgets to improve this can allow economies to enhance their integration in global supply chains



Five green growth opportunities, requiring over \$172 billion worth of CAPEX could create 30 million jobs in Southeast Asia by 2030

Annual CAPEX required in Southeast Asia
\$ billions

Total jobs in Southeast Asia created by opportunity in 2030
Millions

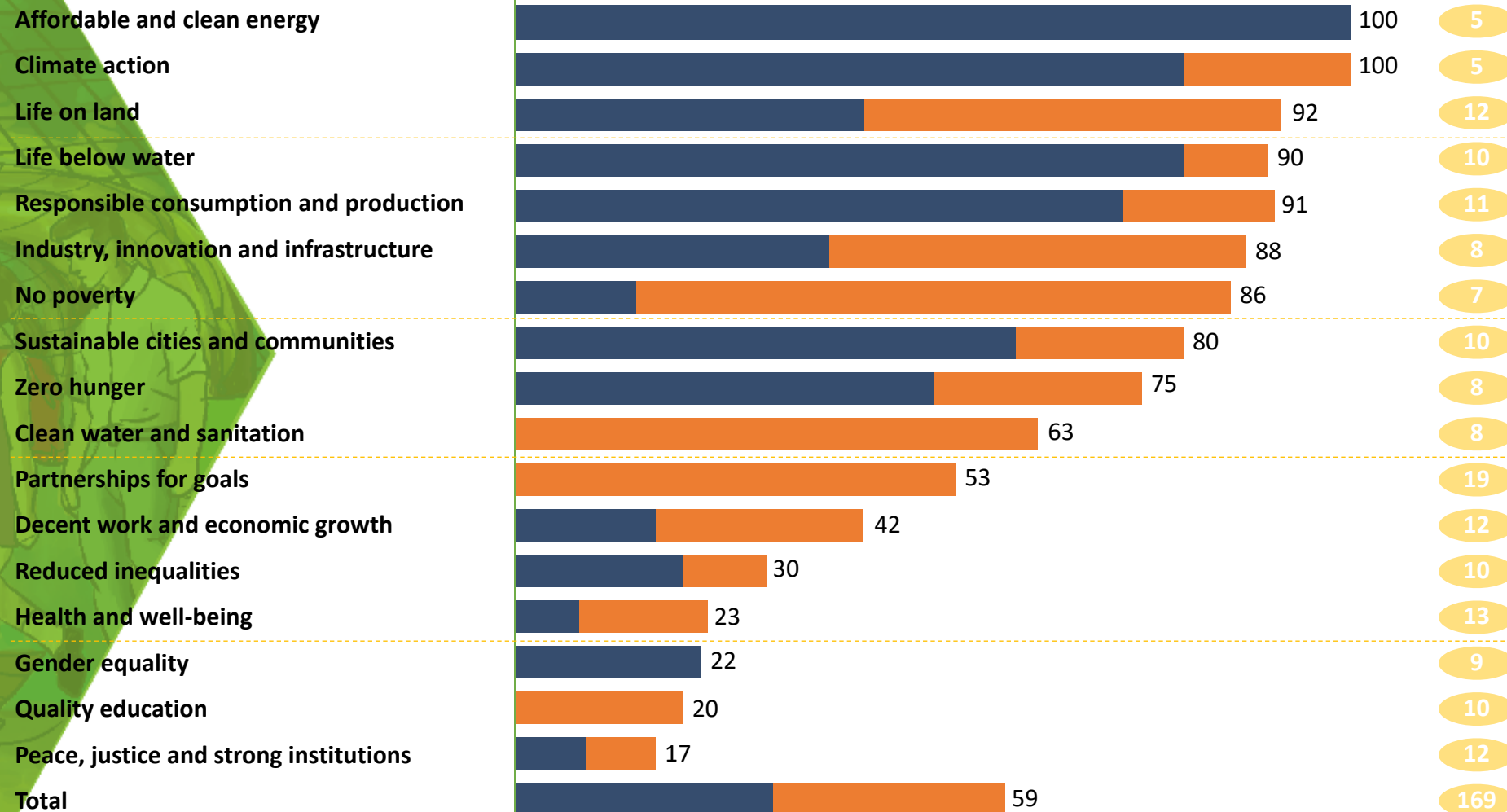


The identified green growth opportunities can achieve almost 60% of the 169 SDG targets

Degree of relevance ■ High ■ Moderate ● Total number of targets

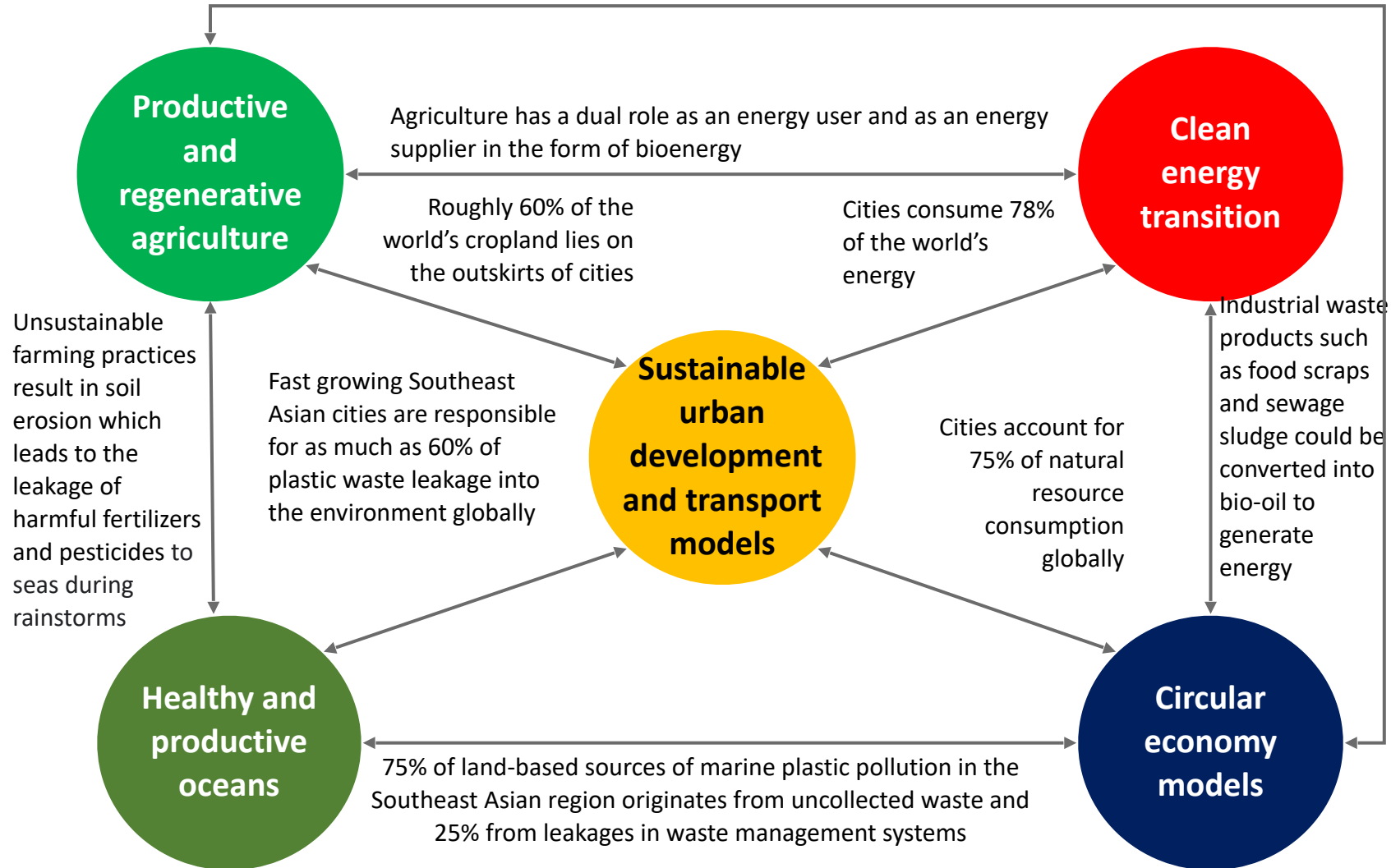
Sustainable Development Goal

Share of targets impacted by green growth opportunities (%)



The 5 green growth opportunities are highly interconnected

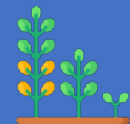
Agriculture offers opportunities for the circular economy from primary production using precision agriculture techniques, to the recycling and utilization of agricultural wastes and materials



Three key steps to implementing a green recovery in Southeast Asia

Centralize mechanisms to effect permanent transitions toward environmentally resilient pathways

Step 1



Identify sustainable sources of financing for green growth opportunities

Step 2



Step 3



Implement targeted policy interventions focused on the five green growth opportunities

Thank you.

You may access the report via

<http://dx.doi.org/10.22617/TCS220180>

