

**Joint ADB-ISEAS Webinar:
Implementing a Green Recovery in Southeast Asia**

**OPENING REMARKS BY MR CHOI SHING KWOK
DIRECTOR AND CEO
ISEAS - YUSOF ISHAK INSTITUTE
6 JULY 2022**

Excellencies

Distinguished Guests

Ladies and Gentlemen

Good morning to all.

On behalf of the ISEAS-Yusof Ishak Institute of Singapore, I warmly welcome you to this joint webinar on “**Implementing A Green Recovery in Southeast Asia**”. I wish to extend our appreciation to the Asian Development Bank for initiating this collaboration with ISEAS on a very important and timely topic.

Three years of fighting the COVID-19 pandemic has left us battle-weary and worn out but the fight is not entirely over. Although there were advocates for a green recovery in the early days of the pandemic, efforts to direct recovery measures towards a low-carbon transition have been limited in the region. Research conducted by ISEAS in 2020 and 2021 demonstrated that stimulus packages and annual parliamentary budgets have largely focused on boosting healthcare resources, stepping up cash assistance to the most vulnerable groups in society and fiscal support for worst-impacted sectors like tourism and aviation. While these measures are laudable, the little attention paid to greening priorities have meant that opportunities that were available during this period were lost.

That said, there were a few exceptions: Malaysia’s stimulus spending on infrastructure encouraged energy efficiency and renewable energy deployment in the form of improved street lighting, rooftop solar panels and transmission lines. Indonesia and the Philippines rolled out measures focusing on climate adaptation by enhancing disaster resilience and food security. Singapore, despite the pandemic troubles, persisted in rolling out the Singapore Green Plan 2030, and positioned itself so that when the time comes, these green opportunities can be harnessed to propel its economy forward.

On the flip side, some stimulus measures may have added to our climate burden. For instance, Indonesia provided tax incentives to oil and gas firms with the intention of safeguarding jobs in the industry, and reduced taxes on luxury cars to stimulate spending, while Vietnam reduced its environmental protection tax on jet fuel to support the aviation industry. Both missed the opportunity to put conditions on companies to address their emissions by investing in energy efficiency or on low-carbon technology.

Nevertheless, this isn't the full story. While stimulus packages and budgets may not have explicitly prioritised climate action, there is no doubt that some form of a green transition is under way. ASEAN countries are well aware of the urgency of climate action, not just to safeguard current and future generations from devastating climate impacts, but to increase energy security, expand electricity access and benefit from emerging sectors such as renewable technology, electric vehicles, and sustainable agriculture, while also pre-emptively lowering the chances of future pandemics and improving public health. The gears are turning in large-scale renewable projects, such as Malaysia's 1 GW Large Scale Solar programme and Indonesia's 145 MW Cirata Floating Solar Photovoltaic Plant. Neither did ASEAN shy away from green finance: the sustainable debt market in ASEAN continued its progress in 2020, with a cumulative issuance of US\$12.1 billion in such instruments, a 5.2% growth from the previous year, bolstered by a combination of supportive government frameworks and burgeoning investor demand. In fact, COVID-19 may have sparked an uptick in social and sustainability bonds in the ASEAN market as investors recognised the need for SDG-aligned projects, thus providing opportunities for investors to diversify their portfolios.

The region is steadily recovering after three years. ASEAN economies are projected to grow by 5.2% in 2022 and 2023, and borders are reopening. In 2021, the ASEAN sustainable debt market saw a record issuance of US\$24 billion, which was 76.5% up from 2020. ASEAN's Dialogue Partners are also beginning to take an interest in helping the region to decarbonise. This includes Japan's Asia Energy Transition Initiative that promises to assist countries to draw up individual roadmaps to achieve decarbonisation and US\$10 billion in finance support; the Indo-Pacific Economic Framework's clean energy and infrastructure pillar and most recently, the Global Partnership for Infrastructure and Investment launched at the G7 to help developing countries with clean infrastructure. All these initiatives show that the imperative of

creating new or upgrading existing infrastructure will in turn create enabling conditions for a transformative recovery.

As countries ramp up climate ambition and both public and private actors move forward on new commitments and projects, more pieces are falling into place for a greener economic recovery. We will hear from a panel of distinguished speakers on the crucial role that governments play in harnessing green growth opportunities in Southeast Asia, the strategies and policy approaches that might work for the region and how to ensure that a transition doesn't leave anyone behind.

Finally, I heartily welcome ADB's new report on "**Implementing a Green Recovery in Southeast Asia**". It will no doubt be an instructive guide for turning words into actions. I look forward to a robust panel discussion later.

Thank you.