

ASIA-EUROPE ENVIRONMENT FORUM



THE ASIA-EUROPE ENVIRONMENT FORUM ANNUAL CONFERENCE

SUSTAINABLE DEVELOPMENT GOALS AND FINANCING: NO LONGER BUSINESS AS USUAL

6-7 SEPTEMBER 2017 | HANOI, VIETNAM

In partnership with the Viet Nam Ministry of Planning and Investment:



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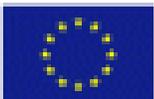


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About the Asia-Europe Environment Forum

Established in 2003, the Asia-Europe Environment Forum (ENVforum) is a partnership of the Asia-Europe Foundation (ASEF); ASEM SMEs Eco-Innovation Center (ASEIC); the Swedish International Development Agency (Sida) in cooperation with the Stockholm Environment Institute Asia (SEI); the Hanns Seidel Foundation (HSF); and the Institute for Global Environmental Strategies (IGES). During the first decade of its operation, the ENVforum organised over 50 high-level international meetings, roundtables, conferences and workshops, bringing together over 1,200 selected participants from government, ministries, academia, international organisations, NGOs and civil society and also authored seven prominent publications.

The ENVforum aims to foster inter-regional cooperation between Asia and Europe on sustainable development and its environmental dimensions. To support such collaboration, the ENVforum aims to provide a multi-stakeholder platform for knowledge-sharing, capacity building, to offer up-to-date information for policymakers and partner organisations on environmental themes, and to contribute to the formulation of sound political decisions that are mindful of their environmental impacts.

The 2030 Agenda for Sustainable Development

Since 2013, the ENVforum has been actively engaged in the global discussion surrounding the Sustainable Development Goals (SDGs), which were adopted by the UN Member States in the UN Sustainable Development Summit in September 2015. The ENVforum was given its mandate by the ASEM Summit in Vientiane, Lao PDR in November 2012. Going beyond its traditional format, the ENVforum launched a program to contribute to the bottom-up process that supports the implementation and monitoring of SDGs by providing Asian and European countries with key insights into sustainable development planning. The program is based on three pillars:

- It undertakes research on SDGs and their associated indicators;
- It organises knowledge-hub meetings of experts working on SDGs and indicators as well as on the Green Economy; and
- It disseminates the outcomes of consultations to policymakers.

Multi-stakeholder cooperation between international organisations, governments, businesses and the civil society will be required to address a variety of implementation challenges translating the SDGs into reality. The ENVforum provides a platform for such multi-stakeholder cooperation to take place and supports global discussions with insights gained from its research on SDGs.

Asia-Europe Environment Forum Conference 2017



Picture 1: ENVforum Annual Conference 2017 Speakers and Participants

The ENVforum held a two-day conference entitled, “Sustainable Development Goals and Financing: No Longer Business as Usual” for various stakeholders from Asia and Europe working on implementing the Sustainable Development Goals (SDGs). This conference was held on 6-7 September 2017 in Hanoi, Viet Nam and was co-organised by the Asia-Europe Foundation (ASEF) and the Viet Nam office of the Hanns Seidel Foundation (HSF) with the support of the ENVforum consortium. Sessions on Day 2, which focused on low carbon development, climate financing and sustainable practices, contributed to the Asia-Europe Energy Policy Forum which benefits from the support of the French Ministry for Europe and Foreign Affairs. The conference covered aspects of the implementation of SDGs with a focus on financing and partnerships.

This report offers an overview of the most pressing challenges in the implementation of Sustainable Development Goals for Asia and Europe as discussed during the conference, as well as providing a summary of the conference proceedings.

Day 1

Welcome Remarks

Ambassador Karsten WARNECKE, Executive Director, Asia-Europe Foundation (ASEF) began his opening remarks noting that the ENVforum provides learning space and opportunity for ASEM partners to share expertise among and within regions on sustainable development. He expressed his gratitude to ENVforum's partners, Hanns Seidel Foundation (HSF), Institute for Global Environmental Strategies (IGES), and ASEM SMEs Eco-Innovation Centre (ASEIC), for the almost 15 years of successful collaboration. Ambassador Warnecke concluded his remarks by highlighting objectives of this year's conference: contribute to a better understanding of the potential funding sources for the implementation of the 2030 Agenda; enhance exchange between the private sector and public sector representatives; and support multi-stakeholder, regional and international dialogue on Public-Private-Partnerships and Sustainable Businesses from the ASEM region.



Picture 2: Ambassador Warnecke delivering his opening remarks



Picture 3: Prof Männle delivering her welcome remarks. Also in picture Mr Yoshida, Ambassador Warnecke & Ms Jeong (From left to right)

Prof. Ursula MÄNNLE, Chairwoman, Hanns Seidel Foundation (HSF) began her welcome remarks thanking the Vietnamese Ministry for Planning and Investment (MPI) for their hospitality. She highlighted that the 3 most relevant points from the 2030 Agenda for Sustainable Development are Integration, Joint Responsibility – Leaving No One Behind and Monitoring and Review. Prof. Männle added that International Non-Governmental Organisations, like HSF, play a positive role in bringing different stakeholders together. Concerning financing global development, she stresses that collaboration is necessary. She concluded her remarks by urging governments to look beyond current

official development assistance (ODA) levels and effectively mobilise domestic resources, attract private sources and consider new forms of development finance.

Mr Tetsuro YOSHIDA, Task Manager & Senior Policy Researcher, Sustainability Governance Center, Institute for Global Environmental Strategies (IGES) provided the opening remarks on behalf of IGES and highlighted the importance of partnership among stakeholders, especially private companies, to finance and achieve the goals of the Paris Agreement and SDGs. He provided examples of how IGES has been working with Japanese companies to provide analysis, policy recommendations and share local and international best practices. Mr Yoshida highlighted that SDGs currently do not have an equivalent funding mechanism such as Green Climate Fund, and hence, measures to finance SDGs is a critical issue. He concluded his remarks stressing the need to maximise synergies, minimise trade-offs among the different SDGs and targets, and ensure co-benefits.

Dr Mi Hoon JEONG, Manager, ASEM SMEs Eco-Innovation Center (ASEIC) began her welcome remarks thanking speakers and participants for joining the conference, and the partners and MPI Viet Nam for their contributions. She gave a brief introduction to ASEIC's work on eco-Innovation, highlighting eco-Innovation as one of the tools to achieve SDGs. Dr Jeong concluded her remarks expressing ASEIC's intention to continue their support for SDGs.

Keynote Remarks



Picture 4: H.E. Mr Nguyen delivering his keynote speech

H.E. Mr NGUYEN The Phuong, Deputy Minister, Ministry of Planning and Investment (MPI) of Viet Nam began his keynote remarks stating that the achievements of SDGs is far from expectations and that mobilisation of financial resources from all stakeholders is critical to implement and achieve SDGs. Viet Nam has been considered successful in achieving MDGs and improving the lives of Vietnamese, and thus the Vietnamese government hope to replicate the success in achieving SDGs. Mr Nguyen noted that the government has placed high importance on SDGs and focused on all stakeholders for their implementation. He shared that the government engages the private sector to implement Viet Nam's National Action Plan with regards to legal frameworks. He highlighted that Viet Nam has transitioned into a lower middle-income country, and hence there is a decrease in support and aid for Viet Nam. In light of this, Mr Nguyen stressed that cooperation between the private and public sectors in Viet Nam is important and policies are needed to encourage participation. National organisations, on the other hand, need to leverage the experience of MDGs and support from international donor and corporations. Mr Nguyen concluded by stating that MPI's focal point for SDGs included promoting inter-regional hub and welcomed the ENVforum in Viet Nam.

Introductory Session

Ms Grazyna PULAWSKA, Project Manager, Asia-Europe Foundation (ASEF) gave an introduction to ASEF and the background of ENVforum. She then provided an overview of the 2-day conference programme. The first day of the conference would focus on the financing options for SDGs and the role of different partnerships in SDGs implementation. Day 2 would focus on low carbon development, climate financing and sustainable practices. Ms Pulawska encouraged participants to be active during the conference to ensure the exchange of knowledge among different regions on the important topic of SDGs.

How Can Financing for Sustainable Development Act as a Driving Force Behind Sustainable Development Goals (SDGs) Implementation



Picture 5: Session 1 - Ms Pulawska, Mr Shrestha, Mr Montalban, Mr Dunn & Mr Bhattacharya (From left to right)

The conference began with a panel discussing options to ensure high efficiency of sustainable development financing. The first session explored SDGs contribution to inclusive growth in Asia and Europe, the public and private sectors' role in enabling change, and existing joint initiatives.

Mr Alejandro MONTALBAN, Head of Cooperation Section, EU Delegation to Viet Nam, shared EU's upcoming projects in Viet Nam, stressing the importance of these projects to be complemented with measures to help the poor and vulnerable. He first stated that significant amount of funds is being directed towards the development of clean, renewable energy. He explained that the development of clean, renewable energy could simultaneously contribute towards achieving goals 7, 8, 9 and 13 in Viet Nam. First, access to energy services is necessary for the development of economic activities. Thus, providing energy services especially to residents in isolated areas can help alleviate poverty. Second, development of the energy sector creates new jobs and has the potential to support local industry, innovation and infrastructure. These improvements could then lead to the strengthening of institutions.

Mr Montalban also shared EU's upcoming foreign trade agreement (FTA) with Viet Nam. He explained that FTA has the potential to address distributional effects of international trade and promote frameworks that are consistent with their SDGs. These frameworks include environmental protection and reducing non-regulated trade, such as, trading of endangered flora and fauna, human trafficking and child labour. He highlighted that the FTA has a specific chapter on SDGs that considers these issues. The FTA is also dependent on the effective institution, good governance, the rule of law and peaceful societies – areas of which EU places great importance on. Mr Montalban concluded by stating that successful financing of SDGs requires an inclusive partnership involving the private sector and civil society.

Mr Jonathan DUNN, Resident Representative, International Monetary Fund (IMF, Viet Nam), focused on key options for financing SDGs and measures ensuring efficient use of the resource. First, he stressed that domestic resources need to be strengthened as a large share of financing for SDGs will come from public resources. Referring to the statistics on General Government Revenue in percentage of GDP, as reflected in Figure 1, most Asian countries are spending significantly lower than the OECD average. Hence, he highlighted that Asian countries could do substantially better in raising revenue spending for SDGs, particularly in areas such as education, health and infrastructure. These areas are key components to achieve overall better outcomes and more inclusive goals. To bolster the countries' revenue efforts, he proposed reviewing tax policies by increasing efficiency and fairness of taxes through tax administration. He also highlighted that while it is necessary to provide attractive tax incentives to investors at the start of a country's development process, it is worthwhile to review these policies when the development process has been sustained.

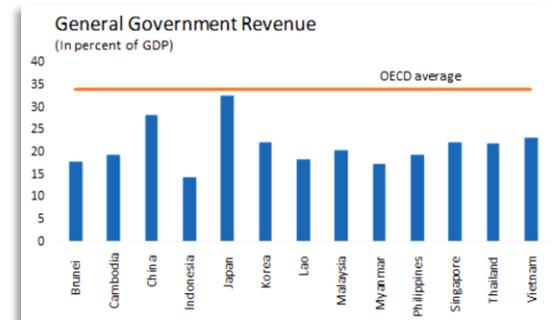


Figure 1 Source: IMF & OECD (n.d.)

Second, Mr Dunn stressed the need for efficient use of resources to implement SDGs. He noted that there is a downward trend in infrastructure spending globally. Infrastructure gap can be narrowed by increased spending, ensuring a more inclusive growth. Referring to the statistics on Efficiency of Public Investment, he noted that the efficiency gap in Asia is approximately 33%, while in advanced economies the gap is approximately between 17% and 25%. To improve, he proposed countries to move to multiyear budgeting framework to ensure that public investment is adequate, predictable and sustainable. The current lack of medium-term planning makes it harder for projects with a longer timeframe to be efficient. He also noted that the private sector would play a significant role in financing SDGs in the coming decade, and hence proposed developing an effective framework for public-private partnership.

Finally, Mr Dunn highlighted that non-concessional private flows are critical for actual implementation of SDGs. However, he added that the mobilisation of these resources is only possible in the circumstances in countries that

have coherent development strategies, are consistent in maintaining macroeconomic stability while delivering key public services and maintain a business environment that is supportive of growth.

Dr Debapriya BHATTACHARYA, Distinguished Fellow, Centre for Policy Dialogue (CPD, Bangladesh), began by sharing his observation that the global community is serious about financing SDGs to make up for some of the lapses of Millennium Development Goals (MDGs). He highlighted that there is sufficient liquidity globally to support the financial needs of SDGs. However, while business as usual, for example, macroeconomic stability, is necessary, it is insufficient to ensure that resources flow towards financing SDGs.

Dr Bhattacharya proposed distinguishing ODA flow in 3 terms: humanitarian assistance, development cooperation and security concerns. He shared that while the ODA flow figure is showing an upward trend, the incremental difference is mostly used for humanitarian issues and refugee management. He stressed that while all 3 terms are important, ODA flows towards development should not be diverted into security and humanitarian concerns. Additionally, despite the increase in ODA flow, there has been a fall in real terms received by the least developed countries (LDCs). This is problematic as the LDCs have not recovered fully from 2008 financial crisis and are facing additional economic stresses stemming from recent international developments, for example, Brexit and the protectionist measures of US. The marginalisation of LDCs has only been further aggravated in 2015/17.

Dr Bhattacharya concluded by stating that measures to attract private flows into developing should include new standards, incentives and institutions. Socio- and macroeconomic stability is interconnected globally. Hence global institutions must be reformed to assist in the global agenda of achieving SDGs.

Ms Grazyna PULAWSKA, Project Manager, Asia-Europe Foundation (ASEF) shared insights on possible financing options that challenge existing norms, covering topics on innovative taxes, cutting subsidies and mobilising funds.

First, as reflected in Figure 2, Ms Pulawska shared that global and innovative taxes have the potential to raise USD 460-480 billion revenue annually. Taxes reflect the real cost of environmental resource and pollution and can offer innovative ways to raise a significant amount of revenues while addressing socially and environmentally harmful behaviours.

Second, Ms Pulawska highlighted that the reduction of fuel subsidies and the gradual elimination of harmful agricultural subsidies are amongst the largest sources of additional funding for SDGs. Cutting ineffective fuel and agricultural subsidies by 50% and 25% respectively could mobilise USD 395 billion funds annually. For example, in the Southeast Asian region, government expenditure on fossil fuel subsidies, which is significantly higher than their expenditure on health or education, could have been redirected towards development and social spending.

Third, Ms Pulawska shared that primary institutional investors, such as pension funds, insurance companies, and Sovereign Wealth Funds (SWF), hold USD 64.3 trillion in total assets (UNTT, 2013). Although the funds are suitable for investment in long-term projects, they tend to be kept in liquid instruments and are rarely invested in sustainability objectives. 10% of the total assets invested towards SDGs would amount to approximately USD 6.43 trillion being invested into sustainable activities. Ms Pulawska highlighted the need for governments to ensure stable and predictable macroeconomic conditions to attract these funds. Additionally, governments should go beyond concessional loans and utilise blended financing mechanisms such as public-private partnerships, risk guarantee schemes and performance-based instruments.

Carbon pricing (USD 25/ton carbon)	USD 300 billion annually (OECD/IEA statistics)
Financial Transaction Duty	EUR57 billion fund per year (World Bank, 2013)
Currency Transaction Tax (0.005% on the four main currencies)	USD 40 billion yearly (UNTT, 2013)
Billionaire tax (1%)	USD 40–50 billion (EP, 2014)
Solidarity Air Ticket Levies (extended to other countries)	USD 1–10 billion annually (UNTT, 2013 and EP 2014)
Levy on sport revenues (a 0.4% levy on the five largest European football leagues)	USD 45 million

Figure 2 Source: Grazyna Pulawska, "Who Will Pay for SDGs?"

As moderator of the session, **Mr Surendra SHRESTHA, Vice President for Development, Asian Institute of Technology (AIT, Thailand)**, moderated discussions that covered topics of efficiency of and challenges to investment in developing countries, measuring outcomes of SDGs, defining the private sector, and issues regarding the availability of data on private sector.

Financing National SDG Implementation

As explored in the first session, a number of available funds in the private sector often outweighs national capacities. The next session then explored existing and potential collaboration with private sector to finance SDGs, and national development strategies that promote business engagement.

Ms NGUYEN Le Thuy, Deputy Director General, Department of Science, Education, Natural Resources and Environment, Ministry of Planning and Investment (Viet Nam), shared Viet Nam's financial resources for national SDGs implementation and policies to mobilise domestic resources and provided recommendations to strengthen domestic resources and mobilise private resources.



Picture 6: Nguyen Le Thuy delivering her presentation

Ms Nguyen firstly shared that resources from the Vietnamese budget for SDGs implementation are allocated in the annual estimated budgets of ministries, organisations and localities, and are integrated into the budgets for the Five Year and Annual Socio-economic Development Plan (SEDP). Regarding policies to mobilise financial resources, she stated that Viet Nam promotes public-private partnership and is improving the taxation system, public expenditures savings, and transparency of public finance management. On top of those, Sustainable Development Support Fund will also be set up to mobilise domestic and external resources.

To strengthen domestic resources, Ms Nguyen recommended improving the effectiveness of tax system. This includes reducing tax evasion and corruption through strengthened national regulation and improved domestic governance and transparency. She also recommended enhancing national savings by reducing costly subsidies, increasing accountability and transparency of public financial management, and strengthening the capacity of central and local agencies.

In efforts to mobilise private resources, Ms Nguyen recommended building a favourable domestic environment by improving the investment environment; harmonising business practices with sustainable development in regulatory frameworks; developing preferential policies and investment incentives for the private sector; and implementing balanced state management and policy to ensure stability and access to finance. She also proposed developing the domestic financial sector including developing capital market for sustainable development and domestic institutional investors. Additionally, households and SMEs should be trained in financial literacy and have access to financial services.

Mr David TIMIS, Growth Engine Manager, Google (Romania) shared about Google's Growth Engine for Europe Initiative which has been investing in businesses, non-profits and individuals in Europe to help them grow online. In particular, Google's Growth Engine for Non-profits aims to accelerate social impact through technology by supporting them to formulate solutions, find donors and volunteers, and garner support from the public. For example, Google's philanthropic arm helps non-profits accelerate and scale by giving strategic grants and mobilising employees' skills. Their initiatives include supporting Pratham Books to translate books published in India into native languages using an open-sourced platform and committing \$50 million to support non-profits that expand economic opportunity. These initiatives directly support SDGs 4 and 8. Next, the Google Ad Grant programme provides funding to non-

profits in an unconventional way by offering \$10,000 per month in in-kind AdWords to promote the non-profits' mission and initiatives. Google also organises the Google Impact Challenge which is an open call for non-profits to solve challenges through the use of technology, providing the best ideas with grant funding and mentorship. Mr Timis concluded by highlighting that although the Google Engine Initiative was not originally designed to support SDGs, the various ways in which it supports non-profits do ultimately lead to the promotion of SDGs.

Ms LE Thanh Thao, National Programme Officer, UNIDO Vietnam Country Office, shared UNIDO's experience in leveraging financial options for sustainable development in Viet Nam's rice sector using Resource Efficient and Cleaner Production Program (RECP) and VnSAT Credit Line.

RECP, UNIDO's key intervention in Viet Nam, supports the government to improve resource efficiency, minimise waste and improve human well-being. The programme includes cleaner production audits which give short-term recommendations, impacts and technological or process-oriented improvements including business case development and facilitation of access to finance. Ms Le highlighted that the RECP has moved from only supporting companies at the factory level to the chain level, engaging other emerging industries in Viet Nam. She shared that collaborating with different industries along the rice value chain can ultimately lead to value chain eco-innovation.

The RECP programme, in collaboration with Viet Nam Cleaner Production Centre (VNCPC), will first identify technical optimisation solution and then support the development of business case and investment proposal. The companies' access to finance will then be supported by Bank for Investment and Development (BIDV) and VnSAT Credit Line. The RECP programme facilitates application to VnSAT Credit Line as RECP's business case development tools provide sufficient details on the key elements of context and financial data required for an investment project analysis.

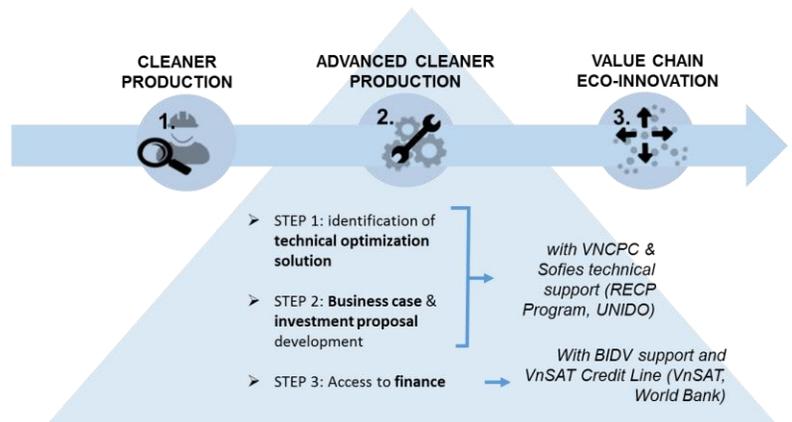


Figure 3 Source: Le Thanh Thao, "Leverage Financial Options for Sustainable Development"

Ms Le concluded by recommending institutions to internalise credit line processes so that finance is more accessible to private companies. For example, complicated formalities can be disguised as a more focused business case. She also reminded the audience that what is deemed as 'business and usual' or not differs among stakeholders and countries, thus the best way forward is to learn best practices.



The moderator of the session, **Prof Laszlo PINTER, Central European University & Senior Fellow and Associate, International Institute for Sustainable Development (IISD, Hungary)**, moderated discussions that covered the topics of who is responsible to implement SDGs, public-private partnership and promoting the 2030 Agenda.

Picture 7: Session 2 - Le Thanh Thao, Laszlo Pinter, David Timis & Nguyen Le Thuy (From left to right)

No Longer Business As Usual – Making the 2030 Agenda Work: Initiatives that Matter

Moderator **Dr Jong-Soo YOON, Head of Office, United Nations Office for Sustainable Development (UNOSD, Korea)** began the third session by putting the title into context with the High-Level Political Forum (HLPF). He compared the numbers of HLPF voluntary reports of the years 2016 and 2017 and the integration of the private sector. Although there has been an increase in participation, only a few countries have integrated businesses into their report. Against this backdrop, Dr Yoon continued with the two main questions for the panel: “What are the best practices for various actors’ engagement with the 2030 agenda?” and “Is No Longer BAU just a catchy CSR phrase or an actual trend?”



Picture 8: Session 3 - Marja Inanan, Naoko Ueda, Daniele Ponzi, Jong-Soo Yoon & Tetsuro Yoshida (From left to right)

Ms Marja INNANEN, Deputy Secretary General of the National Commission on Sustainable Development and Special Advisor at the Prime Minister’s Office of Finland, shared best practices from Finland. In her presentation, Ms Inanan shared how Finland managed to get all of the society engaged in the implementation of the 2030 Agenda, particularly companies and presented a survey of how Finish companies perceive the SDGs. She highlighted Finland's profound experience in building a common understanding of sustainable development (SD) and explained the key strategy of the National Commission on Sustainable Development, namely “Society’s Commitment”. This strategy provides a long-term sustainable development policy framework for the administration, civil society and other stakeholders as well as an implementation tool for companies, organisations, schools, municipalities, citizens and anyone else who wish to participate: the idea is simple - concrete actions with measurable results. Alongside eight national goals, which include all SDGs, companies can make one or more concrete operational commitments that are innovative but measurable and enhance at least one of the National Goals. Ms Inanan then highlighted the top reasons for companies to commit, one of them being the great benefits for image, brand, and marketing as well as the access to a globally acting network of fellow committers. According to Ms Inanan, almost 700 operational commitments were made in the meantime, which together has the potential of recreating mechanisms away from “Business as Usual”. She concluded her presentation explaining that keeping it simple and non-bureaucratic is the way to go and that ultimately “actions speak louder than words.”

Ms Naoko UEDA, Deputy Director, Development Centre, OECD, gave an overview of instruments the OECD provides to countries facilitating the implementation process of the 2030 Agenda. Firstly, Ms Ueda introduced OECD’s Development Center (DC) and stated that Viet Nam had joined the DC in 2008. She continued presenting the SDG

challenges in the case of Viet Nam, highlighting the greatest strengths and weaknesses. According to Figure 4, Viet Nam shows strong efforts in good health as well as gender equality, biodiversity or affordable and clean energy, on the other hand, is not given enough attention yet to achieve the 2030 Agenda. Following this, Ms Ueda explained how the OECD could support countries in aligning their national strategies with the SDGs. One of the instruments she presented is the OECD Multi-dimensional Country Review (MDCR). MDCRs provide national policymakers and their partners with the inputs needed for a nationally-owned and implemented development strategy; underlining the set of concrete steps that will address the key constraints across all dimensions of national development. A second tool is the OECD Initiative on Global Value Chains (GVCs), Production Transformation and Development, which creates a platform for policy dialogue and knowledge sharing between OECD and non-OECD countries. It aims at improving evidence and identifying policy guidelines to support production transformation and better integration of global markets. The third instrument Ms Ueda presented were the OECD Inclusive Policy Tools to foster social dialogue. These include among others the Social Cohesion Policy Review, the Social Protection System Review, and the Youth Well-Being Policy Review.



Figure 4 Source: Naoko Ueda, "The SDGs Reflect Development as Multi-Dimensional"

Ms Ueda concluded her presentation by highlighting the fact that much more needs to be done in a world of high uncertainty, growing complexity and power pressures. "There will be no unique formula, but solutions will come from achieving shared values and mobilising actions for change."



Picture 9: Florian Beranek delivering his presentation

Mr Florian BERANEK, Lead Expert Societal Responsibility & RBC, UNIDO Viet Nam shared his experience in encouraging businesses to integrate SDGs into their supply chain. He highlighted two points. The first one was the necessity to translate the 2030 Agenda to working language. It is highly important to domesticate the SDGs and make them tangible for businesses, in particular for SMEs. Mr Beranek suggested making it "short and simple". For his second point, he highlighted the fact that price and quality are the driving forces in a marketplace, quality being the sum of expectations of a product. With regards to the achievement of the 2030 Agenda, the SDGs have to become part of these expectations and therefore a reference point for quality products. Mr Beranek then concluded his presentation with the metaphor of what is needed to prepare a great meal: a kitchen, a recipe and the ingredients. Same goes for a successful SDGs' implementation, the kitchen being SDG 16 *Peace, Justice and Strong Institutions*, the recipe being SDG 17 *Partnerships for the Goals*, and the ingredients being SDG 15 *Life on Land*.

Mr Daniele PONZI, Technical Advisor (Environment) and Chair, Environment Thematic Group Committee, Environment Safeguards Division, Sustainable Development and Climate Change Department, Asian Development Bank (ADB) Philippines provided insights on how to scale up private sector investments for green growth. He began by highlighting the enormous amount of financial resources required for achieving the 2030 Agenda and that all sources of finance, including public, private, domestic and international, need to contribute. Especially the increase of private sector finance is crucial for the implementation of the SDGs, particularly for green investments, as there is a huge financing gap. Mr Ponzi stated that the required annual investments for oceans, forestry, land and agriculture range from \$300 billion to \$1 trillion globally, while the actual amounts are much lower. For example, research has shown that only 13% – 17% of the funding needs for forest restoration and conservation are met,

leaving a shortfall of about \$250-\$350 billion per year. To fill this gap much greater flow of investments from the private sector is needed.

As Figure 5 shows, the importance of private sector finance in financial landscapes has already been continuously growing. With this in mind and the need for greater funding for green growth, it will be critical to increasingly align private sector investments with green growth objectives and more generally with the SDGs agenda. Part of this process is scaling up the greening of businesses' supply chain. Therefore, Mr Ponzi concluded his presentation by highlighting the key drivers for going green. First, companies see opportunities to invest in process efficiency, cost reduction, and product quality improvements. Second, companies' strategies are influenced by reputation risk and product differentiation. Third, companies are under increasing regulatory pressures and they often proactively work together with the public sector to improve their environmental performance. Finally, green finance and green lending, as well as de-risking instruments, are becoming more common. From often being a barrier to green business in the past, finance is now becoming a key driver.

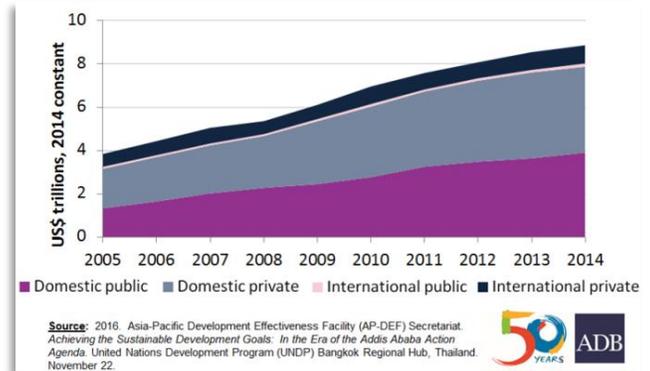


Figure 5 Source: Daniele Ponzi, "Scaling up Private Sector Investments for Green Growth"

Mr Tetsuro YOSHIDA, Task Manager & Senior Policy Researcher, Sustainability Governance Center, Institute for Global Environmental Strategies (IGES, Japan) shared Japan's progress on SDG implementation. He explained that many Japanese companies started to review the existing corporate principles and activities in the light of the 2030 Agenda. However, only a limited number of Japanese companies have integrated SDGs into their core business operations, while some set time-bound goals and targets. In most cases, companies implemented activities through public-private partnerships and multi-stakeholders collaboration. Mr Yoshida highlighted that it is and will be important to consider cross-sectorial synergies and scale up the activities. He continued with potential roles of other stakeholders including investors, the UN and research organisations, as well as civil society organisations. Mr Yoshida suggested that investors should include companies' position on SDGs in their investment decisions. The UN and research organisations should share information on progressive cases and inform stakeholders on international trends promptly as well as provide assistance in planning, monitoring and review. Civil society organisations should seek opportunities for collaboration among stakeholders and support companies, governments and others in partnership building, implementation and awareness-raising. Mr Yoshida concluded his presentation by explaining that SDG implementation in Japan is still led by government, while companies are seeking more concrete and practical guidance from the government.

Thematic Workshops on the Role of Different Types of Partnerships in SDGs Implementation

Workshop 1: Public-Private Partnerships 2030 explored common strategies, resource mobilisation and blending which were crucial for synergistic cooperation between government and business. The topics discussed included opportunities and challenges of PPPs; incentives SDGs could offer via PPP for the private sector; frameworks required to create synergies; and measures to ensure more than incremental changes in existing practices.

Mr M.S. SEMBIRING, Executive Director, KEHATI, Indonesia Biodiversity Foundation, presented the work of the organisation KEHATI and its concrete examples of Public-Private Partnerships (PPPs). He explained that KEHATI acts as a facilitator between communities, public and private sectors while protecting vulnerable areas of Indonesia through more than 1000 programmes across the country. The organisation has launched a series of initiatives thriving for ecological, sociological and economic progress. These include the Green Index Stock Exchange, a responsible index used as an indicator for sustainable development, or Retail Stores Partnerships, where businesses are encouraged to make a small donation from their consumer's purchases.



Picture 10 Source: M. S. Sembiring, "KEHATI Experience: PPP 2030"

Ms Ella Antonio, President, Earth Council Asia-Pacific, presented a comprehensive overview of Public-Private Partnerships in the ASEAN context and more specifically in the Philippines. She started by underlining the importance of an adequate regulatory framework for PPPs which is often an issue in the ASEAN due to weak capacities regarding regulations, leadership and institutions. She called for a broader definition of PPPs to include the participation of all stakeholders, communities and citizens. Highlighting that there is money available to undertake PPPs, Ms Antonio concluded by providing insights on how to go beyond business as usual. By doing so, she recommended the provision of mechanisms directly involving stakeholders in SDGs financing and implementation, the development of dynamic and simple PPPs regulations and the establishment of mechanisms ensuring the organised and transparent utilisation of private resources

Mr Ugis ZANDERS, Senior Expert, Green Public Procurement, Ministry of Environmental Protection and Regional Development of the Republic of Latvia, shared the case of the Government of Latvia's creation and implementation of a framework for PPPs. Mr Zanders presented how Latvia created a national policy plan foreseeing public spending in initiatives respecting environmental criteria's in different industries such as transportation or waste management. Mr Zanders addressed the concerns the Latvian government faced when launching this initiative, especially coming from the private sector. He emphasised the importance of providing a good framework and strong guidelines to encourage the market to react positively. By seeing the increase of opportunities and productivity, the private sector will start developing more sustainable products and services. He stressed some key positive elements such as a change of mindset for all stakeholders to focus on a life-cycle approach to sustainable development and the importance of conducting open and honest meetings gathering all stakeholders to ensure an efficient framework.

After the presentations, the moderator of the workshop, Mr Moritz MICHEL, Deputy Director, Hanns Seidel Foundation (HSF, Viet Nam Office), opened the floor by encouraging the participants to discuss challenges and incentives for PPPs. They started by highlighting the need for a broader definition of the PPPs to include fairly all stakeholders. Participants also concluded that the role of governments is essential in facilitating Public-Private Partnerships. Governments should provide strong legal and regulatory frameworks for efficient Public-Private Partnerships and comprehensive SDG financing at national and local levels. Discussions also underlined how PPPs are more common for infrastructure projects and should also promote environmental projects. Thus, there is a need for regulations formulated more specifically towards certain industries or sectors, such as agriculture for example. The role of the private sector was also addressed by participants, who stressed the importance of increasing its participation in international forums by giving it equal voting powers. Finally, participants shared concrete ideas combining SDGs implementation and PPPs such as the example of data philanthropy, where private companies provide governments with useful data necessary to observe SDGs indicators for free.

Workshop 2: Corporate Approaches to Multistakeholder Partnerships 2030 explored the engagement with different stakeholders while considering the unique profiles and needs of each stakeholder. The topics discussed included

fostering growth and sustainability through stakeholder dialogue; negotiating conflicting demands; and cultivating new initiatives.

Ms Jacqueline KACPRZAK, Coordinator, Unit of CSR and Stakeholders' Affairs Minister's Office, Ministry of Economic Development of Poland provided an overview of Poland's efforts to meet the 2030 Agenda. She presented different instruments for implementation including the Strategy for Responsible Development and the CSR Advisory Board among others. She referred to *Partnerships for Translation of International Documents into Polish* as an example of effective efforts.

Mr Tim HILL, Research Director, Eco-Business presented a survey asking multiple stakeholders from ASEAN and Europe on SDGs. The results have shown that the drivers of sustainability are different in ASEAN in Europe. While



Picture 11: Workshop 2 in progress

the main driver in ASEAN is the government, NGOs take the pole position in Europe. In general, the survey reflects stronger efforts from European than ASEAN countries.

Mr Mani Kishore VAJIPEYAJULA, Cofounder & CEO, Banyan Sustainable Waste shared his experience on plastic recycling in India and how business opportunities have arisen in this niche. He explained that especially in Asia government action is crucial to make the private sector more sustainable. In this case, India's plastic waste management rules were crucial to scale up the business.

Mr NGUYEN Xuan Thang, General Director, Grundfos provided insights on Grundfos' sustainability engagements. First, Mr Nguyen particularly pointed out that there is no separate CSR department at his company, but CSR is integrated into all the departments. He then presented one of Grundfos' projects in the Mekong Delta in which multiple stakeholders, including NGOs, the government, and entrepreneurs are involved. For a successful corporation, he emphasised that benefits for all stakeholders are crucial and everyone involved needs to commit to certain standards.

The moderator of the workshop, *Ms Grazyna PULAWSKA, Project Manager, Asia-Europe Foundation (ASEF)* moderated discussions concluding that governments are one of the key enablers for businesses to integrate sustainability into their supply chain and hence approach different stakeholders. Also, businesses need to be incentivised by different stakeholders to integrate SDGs. These stakeholders are International Organizations, NGOs, consumers, suppliers, governments and other businesses. Ultimately, for good business to be profitable, a company needs to be able to translate moral values into economic value.

Workshop 3: SDGs Marketplace: Business Interlinkages looks at a methodology that facilitates business interlinkages for SDGs to pool resources and create synergies.



Picture 12: Workshop 3 in progress

Mr Florian BERANEK, Lead Expert Societal Responsibility & RBC, UNIDO Vietnam Country Office, facilitated an interactive session which introduced a methodology that makes SDG tangible for businesses. Through the SDGs marketplace, businesses and other institutions define what they can contribute, i.e. their offers, to the realisation of SDGs, and what they need, i.e. their demands. By challenging stakeholders to think about their demands and offers, potential partnerships and business interlinkages can be mapped.

The discussions that ensued from the workshop's hands-on session concluded that the exchange of ideas required in the methodology facilitates the visualisation and understanding of the demands and offers present in an interconnected system.

Day 2

Low Carbon Development – How Does Climate Change Transform Business Operations?

The second day of the conference focused on climate action-related topics. The first panel was on low-carbon development. Speakers were invited to share their expertise on how climate change transforms business operations.

Ms VU Tuoang Anh, Programs Leader, Vietnam Industrial Resource Efficiency, Vietnam Sustainable Energy Finance, International Finance Corporation (IFC), World Bank Group provided her experience in industrial resource efficiency and renewable energy for low carbon development in Vietnam. She first introduced the work of IFC. The approach for integrated sustainability solutions is to provide practical solutions to address climate risks, reduce operating costs, and increase productivity. These include simple, low-cost modifications as well more complex projects with good developmental impacts and engaging with multiple global brands, NGOs, associations, government. Ms Vu continued presenting different projects from China and Bangladesh which were successfully implemented and contributed to low carbon development. In the case of Viet Nam, she saw opportunities for resource efficiency and renewable energy as the country is the most energy-intensive country in East Asia and had the fastest growing CO₂ emission rate in the world between 2000 and 2010. So far IFC's Vietnam Improvement Program (VIP) helped to scale up impacts in apparel, textile and footwear sector by catalysing supply chain renewable energy solutions and promoting circular economy solutions in industrial zones. Ms Vu concluded her presentation by stressing the main challenges for Viet Nam, namely the lack of awareness and incentives as well as existing regulations that do not allow industries to engage in waste exchange and recycling.



Figure 6 Source: Vu Tuong Anh, "Industrial Resource Efficiency and Renewable Energy for Low Carbon"

Dr LUONG Quang Huy, Director, Department of Climate Change, Ministry of Natural Resources and Environment of Viet Nam introduced Viet Nam's GHG emission reduction policies that lay down the foundation for carbon markets. Among others, Dr Luong especially saw opportunities in GHG pricing. As Graphic 3 shows, GHG pricing drives innovation in green technologies, which in turn creates macroeconomic spillovers that provide wider economic efficiency, which ultimately paves the way for technology leapfrogging by reducing technology costs and increasing

competition. He also highlighted that carbon pricing initiatives have doubled since 2011, jumping from 20 to 38 instruments implemented. Dr Luong continued to point out the major challenges arising from GHG pricing including the volatility of energy commodities and their price dynamics. He concluded his presentation with roadmaps for scaling up and crediting readiness for carbon markets which include facilitating contributions to national mitigation action, serve broader policy objectives, and offer opportunities to design and pilot future mechanisms. Lastly, Dr Luong stressed the point that crediting readiness can contribute to a wider climate policy development fostering mitigation under multiple policies.

Dr George SAFONOV, Director, Center for Environmental and Natural Resource Economics, National Research University Higher School of Economics of Russia provided insights on decarbonisation efforts around the world. Firstly he stressed the need for transformation of the world's economy towards GHG emission reduction by 50%-80% 2050. He highlighted that massive action had been taken already, given examples from the Americas, Europe, Asia, and Africa. In India, for example, 40% of electric generation capacity will be based on non-fossil fuels by 2030. However, collective action is necessary to reach the global goal. Therefore Dr Safonov presented an initiative *2050 Pathways Platform* that will support countries seeking to develop long-term, deep decarbonisation strategies, including the sharing of resources, knowledge and experiences and that will create space for collective problem-solving. Also, the Deep Decarbonisation Pathways Project is seeking to grow its decarbonisation network, currently consisting of 16 countries from across the world. Dr Safonov concluded by highlighting the urgent need for quick action in South-East Asia's fast-growing economies to avoid carbon lock-ins and higher mitigation costs.

Ms Bulganmurun TSEVEGJAV, Senior Program Officer, Global Green Growth Institute (GGGI) shared GGGI country cases on low-carbon development. First, she briefly introduced the GGGI, an organisation whose member countries move towards a model of green growth. At its core are strategies that simultaneously achieve poverty reduction, social inclusion, environmental sustainability and resource security. Ms Tsevegjav then presented the first case, a project in Mongolia for Public-Private Partnership for Green Educational Buildings. The initial costs of investment are 25% greater than the BAU-Model, however operating costs including heating, electricity, water, and wastewater treatment are significantly lower, reducing the pressure on state and local budgets. The total operating and maintenance costs are half of the BAU-Model. Furthermore, the building would remove up to 120 tons of CO₂ emission by reducing the use of coal for heating and provide improved air quality, hence the health of children and staff. The payback period for this project would be 14 years. The second case presented, was a project from the Philippines which gathered data on green practices of MSMEs in the Food Processing Sector. Ms Tsevegjav concluded her presentation with some the key findings, among them that greening is profitable, as a cost-benefit analysis resulting in 58-75% cost saving has shown.



Picture 13: Bulganmurun Tsevegjav delivering her presentation. Also in picture, Grazyna Pulawska (right)

The moderator of the session, **Ms Grazyna PULAWSKA, Project Manager, Asia-Europe Foundation (ASEF)** facilitated discussions on strategies to transition into low-carbon emissions. The strategies include having realistic and practical long-term vision that includes chronological substitution of one technology to another and the 'greening' of MSMEs. The discussions highlighted that having highly efficient coal plants will not reduce low-carbon emissions in the long run as it will make coal-based industries profitable. There is also a need for push and pull

factors – push from the government and pull from the industry to suppliers. With regards to the push from government, it is stressed that weak enforcement will be detrimental to the country’s transition efforts.

Climate Finance on the National Level

While the prior session provided examples of low-carbon development initiatives in the private and public sector, the following session gives an overview of country-specific progress and action plans to finance climate action.



Picture 14: Session 5 - Melissa Low, Nguyen Tuan Anh, Jacqueline Kacprzak, Bernhard Seliger & Tiza Mafira (From left to right)

Moderator **Prof Suh-Yong CHUNG, Division of International Studies, Korea University**, introduced the topic by firstly referring to the Paris Agreement, as a mechanism providing opportunities for everyone to combat climate change. He also pointed out that climate change is not only an environmental issue, but it affects every sector of human life. Prof Chung called out for a better understanding of templates to reduce carbon emission and mobilising resources. Saying this he invited the panellists to the stage and gave the word to the first speaker.

Ms Melissa LOW, Research Fellow, Energy Studies Institute, National University Singapore presented the case of Singapore. She began by introducing demographical and economic facts of the country as well as its contribution to global emissions, which was at approximately 0.11% in 2012. Singapore per capita emission, however, is extremely high, being ranked 15th in 2011 by WRI CAIT 2.0 with 12.49 tCO₂/person. According to Singapore’s intended nationally determined contribution (INDC) to the UNFCCC Secretariat, the country intends to achieve a 36% reduction from its 2005 levels and stabilise its emissions with the aim of peaking around 2030. Singapore will continue implementing a “whole-of-government effort” under its Inter-Ministerial Committee on Climate Change (IMCCC) to achieve its goals. To complement existing and planned efforts to reduce emissions and increase energy efficiency, stimulate clean technology and market innovation the country is introducing a carbon tax to be implemented in 2019. 30 to 40 larger emitter will be taxed SGD\$10 – 20/tCO₂e. This will create a price signal to incentives emitters to change their behaviour and reduce emissions. It also provides sufficient time for companies to comprehend the new carbon tax requirements, develop monitoring and reporting plans, put in place systems, processes and capabilities to comply. It is likely to increase operating costs, equivalent to a 6-12% increase in

current oil prices and increase household expenditure on electricity prices between 2-4%. Ms Low continued explaining that complementary standardisation and policies are crucial to a carbon tax for it to be efficient. These could be a Minimum Energy Performance Standard for common industrial equipment and systems as well as a liberalisation of the electricity market for increased competition. She concluded her presentation introducing Singapore's Green Finance efforts which include The Monetary Authority of Singapore announcing a Green Bond Grant Scheme to offset 100 per cent of the cost of obtaining an external review for green bonds for qualifying issuances, up to \$100,000 per issuance.

Mr NGUYEN Tuan Anh, Deputy Director General, Department of Science, Education, Natural Resources and Environment, Ministry of Planning and Investment (MPI) of Viet Nam shared insights on Viet Nam's nationally determined contribution (NDC) plan and initiatives that paved the way for and complement the process. Mr Nguyen began by explaining that the NDC Action Plan inherited viewpoint and policies of existing green growth and climate



Picture 15: Nguyen Tuan Anh delivering his presentation

change adaptation actions. These focus on greening the economy for long-term mitigation, GHG emission reduction, resource mobilisation, MRV systems, and developing and finalising legal documents and technical guidance. The key tasks related to the NDC implementation are divided into governance, mitigation and adaptation, finance and MRV. To achieve the targets, the NDC is required to determine priority action and finance. This includes identifying sector targets, determining priority actions with good synergistic effects, integrating priorities into plans and investment pipelines, finance mobilisation, and finally MRV. The leading agency in charge of advising the government to prepare and implement the NDC is the MPI.

After this brief overview, Mr Nguyen continued by providing information on climate finance in Viet Nam. Viet Nam's domestic sources of climate finance account for 64%. The government

invests around \$1 billion annually in climate change projects and programs integrating green growth. Other domestic sources are REDD+, Vietnam Environment Protection Fund, CDM and private investments. The remaining 36% are provided through ODA. Mr Nguyen concluded by highlighting the need to design a systematic funding scheme for priority actions and one coordinated framework that tracks funding options and progress in order to overcome the following challenges: (1) to implement the Green Growth Strategy, around \$30 billion will be needed by 2020 of which 70% would be provided by non-public sources; and (2) the shortage of policies to mobilise financial sources, particularly International Climate Funds and foreign and domestic investors.

Ms Jacqueline KACPRZAK, Coordinator, Unit of CSR and Stakeholders' Affairs Minister's Office, Ministry of Economic Development of Poland gave a brief introduction to Poland's national strategy for responsible, sustainable development. She explained that with regards to the economic development, there is the main emphasis on building a strong industry. Hence investments in innovation are crucial to solve major issues in Poland. Ms Kacprzak concluded that the financial sector has not yet been very supportive of the sustainable development in the country. As one of the main reasons she highlighted that financial sector and sustainability terminology are currently difficult to link, she highlighted that actions to create connections and synergies between the two are being taken.

Dr Bernhard SELIGER, Resident Representative, Hanns Seidel Foundation, Korea Office provided insights on climate finance in South Korea. He began by emphasising the strong institutions in Korea but the lack of policy consistency and long-term perspective. Looking at climate developments, there is an urgent need for action. In the last 100 years, Korea's average temperature has risen 1.5 degrees, and the sea surface temperature has risen 1.1 degrees, both counting for more than two times the global average. Dr Seliger explained that from 2008 to 2013 the country was very engaged in climate action conducting aggressive marketing of green growth. However, with the government change in 2013, all action was suddenly ceased. For almost 4 years South Korea's government has not reacted to the changing climate nationally and globally. Now, with the Moon administration, climate action has been resumed and integrated into the political debate. Policy goals include setting the percentage of production using renewable energy to be 20% by 2030, a temporary re-introduction of a small-scale electricity generation support system, an upgrade of Renewable Energy Ratio (RPS) Targets, intensive investment in Namhaean offshore wind power, establishment of a model between energy new industries and SMEs, and the activation of the GHG Emission Trading System. The administration is also planning a shift in nuclear policies. Dr Seliger continued to share concerns that emerge from this shift. For example, does a stop of nuclear projects also mean a stop to nuclear export policies, or which financial mechanisms are available to invest in alternative energy resources? He then concluded his presentation by giving an outlook for international cooperation, including the prospects for "Gobitec", a large-scale SP-network and comprehensive renewable energy grid in Northeast Asia.



Picture 16: Bernhard Seliger delivering his presentation

Ms Tiza MAFIRA, Senior Analyst, Climate Policy Initiative (CPI, Indonesia) shared the case of Indonesia and the lessons to be learned. She began by giving an overview of the climate finance landscape in the country. In 2011 nearly USD 1 billion of public climate finance was disbursed to the Indonesian economy. This amount came from the 11 line ministries whose budgets provided 66% and around 20 international development partners that provided the remaining 34%. Ms Mafira stated that public finance often makes private investment possible by increasing project revenues, reducing project costs, or developing the frameworks that enable investment. However, government and private actors face various challenges blocking climate investments on both sides: risks in green investments that threaten their ability to access returns especially in developing countries, viability gaps as well as knowledge and awareness gaps. Ms Mafira continued explaining that mitigation risk could be reduced by enabling private investment through sovereign guarantees and long-term Feed-in-Tariffs (FIT). Viability gaps could shrink through public funding which supports better bankability of, e.g. individual farmers or provides initial capital for them to become organised. Furthermore, Ms Mafira highlighted that in Indonesia, the mainstreamed use of a Trust Fund or Public Service Agency model for channelling climate finance could also increase government units understanding of innovative funding mechanisms, closing the knowledge gap. Ms Mafira concluded her presentation with the following key lessons: first, take actions that help private actors to reduce their exposure to risks and improve their access to financing, such as providing state-backed guarantees; second, increase access to concessional finance and targeted extended tenor debt to help investors to reduce project costs and support the expansion of large projects; and finally, support opportunities to demonstrate the effectiveness of new methods and approaches, for example, channelling public resources through private or quasi-private entities.

Thematic Workshops on Sustainable Development Practices

Workshop 4: Renewable Energy as an Engine for Growth explored renewable energy projects funded and executed through Public-Private Partnerships. The topics discussed included measures to facilitate the transition towards renewable energy while making the transition profitable and regulatory best practices which promote green energy.



Picture 17: Divya Datt delivering her presentation

Ms Divya DATT, Senior Fellow and Associate Director, Integrated Policy Analysis Division, The Energy and Resources Institute (TERI, India) shared about renewable energy in India which aims to support India's growing energy demand, improve energy access and electrification, and reduce GHGs and local pollutants. She highlighted that although solar energy is deemed successful in India, the key challenges ahead include mobilising investment; coal-based generation being significantly cheaper than renewable energy; lack of effective and economically viable storage solutions; regulatory uncertainties and delays; and subsidies to fossil fuels.

Gaurav GHOSH, Manager – Strategy & Business Intelligence Services, Asia Pacific, Valmet (Thailand) presented on Valmet's multi-fuel power boilers. Valmet's HYBEX and CYMIC boilers replace fossil fuels with renewables in continuously varying proportions, offering fuel flexibility, high efficiency and reliability, and low emissions. In the case of HOFOR Energiproduktion A/S, the largest utility company in Denmark, the use of Valmet's CYMIC boiler in replace of a 600 MW coal-fired plant has successfully reduced 1.2 million tonnes of CO₂ annually.

Mr Daniel PLANKERMANN, Deputy Director, Coordinator, Energy Sector, KfW German Development Bank shared KfW's project in Viet Nam, the Phu Lac Wind Park. Mr Plankermann stated that the opportunities presented to develop the wind park include the ambitious renewable energy targets adopted by the government and good technical potential for wind power. However, key challenges include the lack of purely privately developed wind power projects; low feed-in tariffs; power purchase agreement not meeting international standards; and low experience with new technology. He concluded that even with the government's ambitious renewable energy targets to support the growing energy demand, fossil fuels would continue to play an important role as they are deemed cheaper, feed-in tariffs are too low, and they are no auctions yet.

Ms LE Thi Ngoc My, Head of Sustainability, Heineken Brewery (Viet Nam) provided a case study on Heineken Viet Nam's use of biomass renewable energy. She shared that through the use of biomass, 50% of Heineken Viet Nam's CO₂ emission was reduced in 2 years. Furthermore, the production of biomass energy uses organic materials such as rice husk which can be sourced from local fields, increasing the economic yield of the local farmers. She also highlighted that the use of biomass energy has resulted in cost savings as there is no capital expenditure – the biomass energy is sourced from a local supplier – and no oil price volatility.



Figure 7 Source: Le Thi Ngoc My, "3 Ps of Sustainability with Biomass"

The discussions moderated by Mr Moritz MICHEL, Deputy Director, Hanns Seidel Foundation (HSF, Viet Nam Office) concluded that to facilitate transition into renewable energy, there is a need for countries to oversee the provision of legal framework to attract business transition into renewable energy, for example having competitive feed-in tariffs and regulatory certainty at multiple levels. Additionally, companies which embed sustainability in the business or have renewable energy as part of their CSR are more likely to transition.

Workshop 5: Sustainable Development Practices for Industrial Transformation explored the embedment of sustainability in development strategies for the industrial sector. The topics discussed included the transition towards sustainable development business model and the incentives required.



Picture 18: Workshop 5 in progress

Ms Younji KANG, Project Manager, ASEM SMEs ECO-Innovation Center (ASEIC) introduced ASEIC and presented some of its projects. She especially stressed the point that eco-innovation and technologies must adapt to local conditions and that SMEs, in particular, are in need of support for greening business operations.

Ms Yujin CHUN, Cleaner Production Planning Officer/Researcher, Korea National Cleaner Production Center (KNCPC), Korea Institute of Industrial Technology (KITECH)

shared different technologies enabling cleaner production. She highlighted that cleaner production technologies needed to be incorporated into the entire supply chain, supporting the concept of circular economy.

Mr Soo-Man JUN, Environmental Management Team Manager, POSCO Engineering & Construction presented eco-friendly infrastructure projects. He especially emphasised the importance of creating and supporting Low-Carbon Societies.

The discussions moderated by *Mr Surendra SHRESTHA, Vice President for Development, Asian Institute of Technology (AIT)* covered ideas on how the transition towards sustainable development in the private sector can be managed. Some of the major points were the adaptation of eco-innovation to local circumstances and the support of SMEs as well as the B2B exchange and other partnerships for sharing experiences on carbon management.

Workshop 6: Sustainable Resource Management as a Tool for Reducing Carbon Emissions looked at sustainable resource management which could ensure economic profit and growth. The topics discussed included existing best practices and the impact of fuel subsidies and environmental regulations on resource management.

Ms Melissa LOW, Research Fellow, Energy Studies Institute, presented Singapore's energy issues with a focus on resource management in the power sector. She highlighted the specific energy profile of the island, which imports 100% of its energy, including 90% of natural gas. In order to tackle power generation emissions, Singapore implemented the Energy Conservation Act (ECA) based on principles of the Japanese similar Act. The ECA requires companies to submit energy efficiency plans and has been enhanced in 2017 to include more penalties to companies that don't submit data or implement energy efficiency plans. Ms Low also highlighted that Singapore would implement a Carbon Tax in 2019, putting power companies under more pressure.



Picture 19: Workshop 6 in progress

Mr Candido ASTROLOGO, Assistant National Statistician, Philippine Statistics Authority, presented a statistical approach to resource management. He presented the gaps regarding SDGs indicators in the Philippines. Among 232 SDGs indicators, only 155 are available in the Philippines. Around 66% of Filipino government agencies produce

SDGS & FINANCING: NO LONGER BUSINESS AS USUAL

data on the SDGs. Indicators relating to air quality are lacking for example. Mr Astrologo highlighted several issues affecting the statistics in the country, namely the timeliness of data, the lack of disaggregation as well as methodological issues across the country. He stressed the need for capacity-building and funding to ensure the sustainability of statistical activities.

Mr Niall O'CONNOR, Asia Centre Director, Stockholm Environment Institute, provided a review of resources used in South-East Asia and its impact on SDGs. He introduced the tool developed in SEI's research to transform the understanding of sustainability in global supply chains by looking at a series of factors including production and consumption while measuring the associated risks such a territorial deforestation. He also stressed the key issues of low productivity in the region showing slow economic growth and poor land management practices.

Mr O'Connor addressed the concept of SDG integration including preventing the implementation or targeting of one SDG to affect another negatively. He stressed the importance of looking at the interaction between the different goals, to avoid making actions on certain SDGs at the expense of others. Research identified constraints and conditions that require coordinated policy interventions to manage competing demands on natural resources to support economic and social development within environmental limits. He concluded by providing examples of policy recommendations, encouraging for more regional coordination, mainstreaming of concepts across sectors as well as intensify monitoring and evaluation.



Picture 20: Niall O'Connor presenting his ideas

Mr Jörg Rüter, First Secretary for the Environment, Building and Urban Development, German Embassy to Viet Nam, presented the German case of sustainable resource management. Germany adopted a resource efficiency programme in 2012, to reduce the link between economic growth and resource consumption. Mr Rüter shared a series of measures to improve resource efficiency taken by Germany, including in its public spending with the establishment of strict rules on energy impact for public suppliers. He also mentioned the use of energy for waste management and recycling that sometimes presents an issue when the price of recycled products becomes more expensive than the raw material. Aware of the impact on receiving developing countries, Germany decided to ban the exports of broken German electronic goods. Mr Rüter recommended strong government commitment and cost-saving initiatives helping the enforcement of policies as key elements to replicate the successful case of Germany.

In the workshop moderated by *Prof Laszlo PINTER, Central European University & Senior Fellow and Associate, International Institute for Sustainable Development*, participants concluded that the resource management perspective, in a broad sense materials, water, energy and land use, was not fully mainstreamed. They identified a need to look beyond country-level resource efficiency profiles and take into account the footprint left in other countries. This mindset change should be translated into next-generation policies. Moreover, strategies for mainstreaming resource efficiency and integrated it in a supply chain perspective should be further developed.

Discussions also pointed out the need for new forms of enabling legislation such as national plans and public spending standards and the need to go beyond statistics as usual by using statistics to “humanise” data on SDGs. Finally, participants agreed on stressing the importance of national context as copy and pasting good practices from one country to the next does not work.

Asia-Europe Sustainable Development Goals and Financing: No Longer Business as Usual

6–7 September 2017 | Hanoi, Viet Nam

CONFERENCE PROGRAMME

Day 1 – Wednesday, 6 September 2017

Venue: InterContinental Westlake Hotel, Hanoi, Viet Nam

08:15 – 09:00 Registration

Chair for the morning session: H.E. Mr Karsten WARNECKE, Executive Director, Asia-Europe Foundation (ASEF)

09:00 – 09:45 Welcome Remarks

- H.E. Mr Karsten WARNECKE, Executive Director, Asia-Europe Foundation (ASEF, Singapore)
- Prof Ursula MÄNNLE, Chairwoman, Hanns Seidel Foundation (HSF, Germany)
- Mr Tetsuro YOSHIDA, Task Manager & Senior Policy Researcher, Sustainability Governance Center, Institute for Global Environmental Strategies (IGES, Japan)
- Dr Mi Hoon JEONG, Manager, ASEM SMEs Eco-Innovation Center (ASEIC, Korea)

09:45 – 10:00 Keynote Remarks

H.E. Mr NGUYEN The Phuong, Deputy Minister, Ministry of Planning and Investment of Viet Nam

10:00 – 10:30 Coffee Break & Group Photo

10:30– 11:00 Introductory Session: Asia-Europe Environment (ENVforum) & the 2030 Agenda

Ms Grazyna PULAWSKA, Project Manager, Asia-Europe Foundation (ASEF, Singapore)

11:00 – 11:45 How Can Financing for Sustainable Development Act as a Driving Force Behind Sustainable Development Goals (SDGs) Implementation

- Ms Grazyna PULAWSKA, Project Manager, Asia-Europe Foundation (ASEF, Singapore)
- Mr Alejandro MONTALBAN, Head of Cooperation Section, EU Delegation to Vietnam (TBC)
- Mr Jonathan DUNN, Resident Representative, International Monetary Fund (IMF, Viet Nam)
- Dr Debapriya BHATTACHARYA, Distinguished Fellow, Centre for Policy Dialogue (CPD, Bangladesh)

Moderator: Surendra SHRESTHA, Vice President for Development, Asian Institute of Technology (AIT, Thailand)

11:45 – 12:30 Financing National SDGs Implementation

- Ms NGUYEN Le Thuy, Deputy Director General, Department of Science, Education, Natural Resources and Environment, Ministry of Planning and Investment (Viet Nam)
- Mr David TIMIS, Growth Engine Manager, Google (Romania)
- Ms LE Thanh Thao, National Programme Officer, UNIDO Vietnam Country Office

Moderator: Prof Laszlo PINTER, Central European University & Senior Fellow and Associate, International Institute for Sustainable Development (IISD, Hungary)

12:30 – 13:30 Lunch

Chair for the Afternoon Session: Mr Moritz MICHEL, Deputy Director, Hanns Seidel Foundation (HSF)

13:30 – 14:45 No Longer Business As Usual - Making the 2030 Agenda Work Initiatives that Matter

- Ms Marja INNANEN, Deputy Secretary General, Ministerial Advisor National Commission on Sustainable Development, Prime Minister's Office of Finland
- Ms Naoko UEDA, Deputy Director, Development Centre, OECD (France)
- Mr Florian BERANEK, Lead Expert Societal Responsibility & RBC, UNIDO Vietnam Country Office
- Mr Daniele PONZI, Technical Advisor (Environment) and Chair, Environment Thematic Group Committee, Environment and Safeguards Division, Sustainable Development and Climate Change Department, Asian Development Bank (ADB, Philippines)
- Mr Tetsuro YOSHIDA, Task Manager & Senior Policy Researcher, Sustainability Governance Center, Institute for Global Environmental Strategies (IGES, Japan)

Moderator: Dr Jong-Soo YOON, Head of Office, United Nations Office for Sustainable Development (UNOSD, Korea)

14:45 – 15:00 Introduction to Workshops on the Role of Different Types of Partnerships in SDGs Implementation

15:00 – 15:15 Coffee Break

15:15 – 16:30 Workshop 1: Public-Private Partnerships 2030

- Mr M.S.SEMBIRING, Executive Director, KEHATI, Indonesia Biodiversity Foundation (Indonesia)
- Ms Ella ANTONIO, President, Earth Council Asia-Pacific (Philippines)
- Mr Ugis ZANDERS, Senior Expert, Green Public Procurement, Ministry of Environmental Protection and Regional Development of the Republic of Latvia

Moderator: Mr Moritz MICHEL, Deputy Director, Hanns Seidel Foundation (HSF, Viet Nam Office)

Workshop 2: Corporate Approaches to Multistakeholder Partnerships 2030

- Ms Jacqueline KACPRZAK, Coordinator, Unit of CSR and Stakeholders' Affairs Minister's Office, Ministry of Economic Development (Poland)
- Mr Tim HILL, Research Director, Eco-Business (Singapore)
- Mr NGUYEN Xuan Thang, General Director, Grundfos (Viet Nam)
- Mr Mani Kishore VAJIPEYAJULA, Cofounder & CEO, Banyan Sustainable Waste Management Solutions (India)

Moderator: Ms Grazyna PULAWSKA, Asia-Europe Foundation (ASEF, Singapore)

Workshop 3: SDGs Marketplace: Business Interlinkages

Interactive discussion with participants moderated by Mr Florian BERANEK, Lead Expert Societal Responsibility & RBC, UNIDO Vietnam Country Office

16:30 – 16:50 **Thematic Workshops' Highlights /Discussions**
Rapporteurs' Presentation on the Outcomes

16:50 – 17:00 **Conclusions of Day 1**

17:00 onwards **Cultural Performance: Lotus Dance & Gala Dinner @ Intercontinental Ballroom**

Day 2 – Thursday, 7 September 2017
Venue: InterContinental Westlake Hotel, Hanoi, Viet Nam

Chair for the morning session: Ms Ella ANTONIO, President, Earth Council Asia-Pacific

08:15 - 08:30 **Rationale & Objectives of the Programme for Day 2**

8:30 - 09:00 **Low Carbon Development – How Does Climate Change Transform Business Operations?**

- Ms VU Tuong Anh, Programs Leader, Vietnam Industrial Resource Efficiency, Vietnam Sustainable Energy Finance, International Finance Corporation, World Bank Group
- Dr LUONG Quang Huy, Director, Department of Climate Change, Ministry of Natural Resources and Environment (Viet Nam)
- Dr George SAFONOV, Director, Center for Environmental and Natural Resource Economics, National Research University Higher School of Economics (Russian Federation)
- Ms Bulganmurun TSEVEGJAV, Senior Program Officer, Global Green Growth Institute (GGGI, Philippines)

Moderator: Ms Grazyna PULAWSKA, Project Manager, Asia-Europe Foundation (ASEF)

09:00 – 09:45 **Climate Finance on the National Level**

- Ms Melissa LOW, Research Fellow, Energy Studies Institute (ESI, Singapore)
- Mr NGUYEN Tuan Anh, Deputy Director General, Department of Science, Education, Natural Resources and Environment, Ministry of Planning and Investment of Viet Nam
- Ms Jacqueline KACPRZAK, Coordinator, Unit of CSR and Stakeholders' Affairs Minister's Office, Ministry of Economic Development (Poland)
- Dr Bernhard SELIGER, Resident Representative, Hanns Seidel Foundation (HSF, Korea Office)
- Ms Tiza MAFIRA, Senior Analyst, Climate Policy Initiative (CPI, Indonesia)

Moderator: Prof Suh-Yong CHUNG, Division of International Studies, Korea University

09:45 – 10:00 **Introduction to Thematic Workshops**

10:00 – 10:15 **Coffee Break**

10:15 – 11:30 **Workshop 4: Renewable Energy as an Engine for Growth**

- Ms Divya DATT, Senior Fellow and Associate Director, Integrated Policy Analysis Division, The Energy and Resources Institute (TERI, India)
 - Gaurav GHOSH, Manager – Strategy & Business Intelligence Services, Asia Pacific, Valmet (Thailand)
 - Mr Daniel PLANKERMANN, Deputy Director, Coordinator, Energy Sector, KfW German Development Bank
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- Ms LE Thi Ngoc My, Head of Sustainability, Heineken Brewery (Viet Nam)

Moderator: Mr Moritz MICHEL, Deputy Director, Hanns Seidel Foundation (HSF, Viet Nam Office)

Workshop 5: Sustainable Development Practices for Industrial Transformation

- Ms Younji KANG, Project Manager, ASEM SMEs Eco-Innovation Center (ASEIC, Korea)
- Ms Yujin CHUN, Cleaner Production Planning Office/Researcher, Korea National Cleaner Production Center (KNPC), Korea Institute of Industrial Technology (KITECH, Korea)
- Mr Soo-Man JUN, Environmental Management Team Manager, POSCO Engineering & Construction (Korea)

Moderator: Surendra SHRESTHA, Vice President for Development, Asian Institute of Technology (AIT, Thailand)

Workshop 6: Sustainable Resource Management as a Tool for Reducing Carbon Emissions

- Ms Melissa LOW, Research Fellow, Energy Studies Institute (ESI, Singapore)
- Mr Candido ASTROLOGO, Assistant National Statistician, Philippine Statistics Authority (PSA, Philippines)
- Mr Niall O'CONNOR, Asia Centre Director, Stockholm Environment Institute (SEI Asia Center, Thailand)
- Mr Mr. Jörg Rüger, First Secretary for the Environment, Building and Urban Development, German Embassy to Viet Nam

Moderator: Prof Laszlo PINTER, Central European University & Senior Fellow and Associate, International Institute for Sustainable Development (IISD, Hungary)

11:30 – 12:00

Thematic Workshops' Highlights

Rapporteurs' Presentation on the Outcomes

12:00 – 12:30

Conclusions of the Conference & Closing Remarks

- Ms NGUYEN Le Thuy, Deputy Director General, Department for Science, Education, Natural Resources and Environment, Ministry of Planning and Investment of Viet Nam
- Dr Geneviève BARRÉ, Director of the Political & Economic Department, Asia-Europe Foundation (ASEF, Singapore)
- Mr Moritz MICHEL, Deputy Director, Hanns Seidel Foundation (HSF, Viet Nam Office)
- Ms Younji KANG, Project Manager, ASEM SMEs Eco-Innovation Center (ASEIC, Korea)

12:30 – 13:30

Lunch

14:00 – 16:00

Guided Hanoi Sightseeing Tour

Organised by the Hanns Seidel Foundation (HSF, Viet Nam Office)

About the Organisers



The Asia-Europe Foundation (ASEF) promotes understanding, strengthens relationships and facilitates cooperation among the people, institutions and organisations of Asia and Europe. ASEF enhances dialogue, enables exchanges and encourages collaboration across the thematic areas of culture, education, governance, sustainable development, economy and public health.

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ASEF runs more than 25 projects a year, consisting of around 100 activities, mainly conferences, seminars, workshops, lectures, publications, and online platforms, together with about 125 partner organisations. Each year over 3,000 Asians and Europeans participate in ASEF's activities, and much wider audiences are reached through its various events, networks and web-portals.



ASEM SMEs Eco-Innovation Center (ASEIC) was established in 2011 with the principal mandate of promoting Asia-Europe cooperation to create and enhance eco-innovation of small and medium sized enterprises (SMEs) in both regions. Having agreed upon the importance of SMEs as main engine of innovation and growth, ASEM member countries have joined together to create ASEIC as international platform where growing environmental regulations and eco-innovative technologies are shared and new business opportunities are created, and ultimately implementing the vision of green growth around the globe.

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