

Headline: Shift to clean energy ensures future competitiveness – WEF exec

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Published Date: 01:50 PM May 21, 2014

Section: business

Word Count: 4076

Content:

MANILA, Philippines—For emerging economies, the shift to risk reduction and sustainable development should no longer be a choice, said a senior officer from the World Economic Forum (WEF).

“It is almost a false choice between economics and sustainability,” Bernice Lee, WEF Director for Climate Change, said in an exclusive interview with INQUIRER.net.

Lee explained that recent events in Asia were proof to the pressing need to push for climate-resilient systems and sustainable growth.

Economics of sustainable development

Super Typhoon “Yolanda” (international name: Haiyan), for example, not only devastated lives and livelihood but also directly affected the country’s industries and gross domestic product (GDP).

“The floods in Thailand probably cost Thailand 3% of GDP,” she said, adding that it wrecked both industrial estates and small businesses. Whatever growth Thailand achieved in the years leading to 2011 was undone by the flooding and extreme weather.

“And this is exactly why, when we make decisions on our investment structure, we have to bear those costs in mind,” the official said.

Lee pointed out that economics and sustainability go hand in hand.

She said many countries now understand that investing in “cleaner options” is not a “distraction from growth but on that prepares them better for future competitiveness.”

China, which in the past has been criticized for its coal stock, now has more solar and wind investments. Lee said the country now has a lower share of “carbon emissions growth” in its GDP growth.

“We know ultimately that we need to clean them up, we should be investing in cleaner options upfront,” she said of emerging economies seeking to address their carbon footprint.

Climate resilience

With extreme weather caused by climate change becoming a serious problem for many countries, especially in Asia, changes across the industries have become more pressing.

“Climate change is a reminder that there is no such thing as the normal anymore,” Lee said. This is why people should be more focused on risk reduction than disaster response.

"We need to do more than just preparing ourselves against disasters but also change the way we think about our production system," she added.

Shifts in agricultural and energy industries are among the most crucial.

"We obviously not only need to figure out better crop insurance. We also need to make sure that we're investing in smart agriculture production methods that would handle water better, that can help us manage drought, as well as floods," she said. "We need to make sure whichever pathway we choose agriculture production would be more sustainable."

She said that energy solutions should both address lower carbon emissions and the effects of climate change.

"I think the direction is very clear, that it is our only way forward," Lee said.

In the end, it is more cost-efficient to invest on risk reduction than disaster response.

"The United Nations reminds us that every dollar we spend on preparedness and risk reduction, we save \$7. And at the moment the number says that every dollar we spend today on risk reduction is outmatched by about \$9 dollars we are spending on recovery globally," the WEF official said.

For countries with limited resources, Lee suggests transferring risk to the market. Incentives, for example, could be offered to companies willing to invest on stronger and climate-resilient infrastructure.

The WEF will be holding its three-day conference on East Asia from May 21 to 23 in the cities of Makati and Pasay. The sessions will tackle a wide range of topics, from economy to climate change.

More than 600 delegates from 30 countries have started to arrive in the Philippines for the much-anticipated event.

Originally posted at 10:31 am |Wednesday, May 21, 2014

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