

2013년 제1회 인천발전연구원 GCF TF 정책토론회

“GCF 맥락에서 본 국제기구와 국제기구 유치 도시”

- 일 시 : 2013년 3월 22일(금) 14:00~16:00
- 장 소 : 인천발전연구원 2층 대회의실
- 주 최 :  인천발전연구원



인천발전연구원
Incheon Development Institute

- 진행 순서 -

□ 개회식

14:00~14:20

- 개회선언, 참석자 소개
- 인사말씀: 김민배 (인천발전연구원 원장)

□ 주제발표

14:20~15:00

- 발표자 : 김정환 (Senior Program Manager, GGGI)
“Rethinking Partnership Strategy for Global Green Growth
- in the GCF context & from GGGI Perspective”

□ 종합토론

15:00~16:00

- 사회자 : 조경두 (인천발전연구원 도시기반연구부 선임연구위원)
- 토론자 : 윤동구 (인천광역시 환경정책과 GCF TFT 팀장)
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손동필 (인천발전연구원 도시기반연구부 연구위원)
서봉만 (인천발전연구원 도시경영연구부 연구위원)

※ 전체사회 : 조경두 (인천발전연구원 선임연구위원)

주제 발표

Rethinking Partnership Strategy for Global Green Growth

김 정 환

(Senior Program Manager, Public-Private Cooperation, GGGI)



Global
Green Growth
Institute

Rethinking Partnership Strategy for Global Green Growth : in the GCF context & from GGGI Perspective

@ Incheon Development Institute, Korea

KIM, Jung Hwan / March 22, 2013
(junghwan.kim@gggi.org / www.gggi.org)



Agenda



- The Shifting Power Equation : *Changing International Landscape*
- Sustainable Development: *Revisited, in context of GCF*
- Changing Development Context: *Issues and Prospects for Korea*
- Why New Partnership Models Matter?
 - ✓ New Partnership Models: Enabling Platforms in Korea
 - ✓ Enabling Platforms: World Economic Forum, Global Green Growth Institute
 - ✓ Green Growth Perspectives on Public-Private Cooperation(PPC)
- Key Questions on Enabling Environment for PPC
 - ✓ Case Initiatives on Building Enabling Environment for PPC
- Public-Private Cooperation: *International Landscape*
- Enablers for Transformation: *Policy, Finance and Technology*
- Public-Private Cooperation: *Challenges, but Opportunities*
- Potential Recommendations

The Shifting Power Equation: *Changing International Landscape*



- Theme of 2007 Davos Forum (World Economic Forum, Geneva)
 - ✓ *Emerging Markets Account for Global Population Growth*
 - ✓ *Emerging Markets Account for Growing Percentage of World GDP*
 - ✓ *Young Employment is a Global Issue, esp. in developing world*
 - ✓ *Urbanization Increases with Economic Growth, and Major Cities' contribution is increasing*
 - ✓ *Network Technology Penetration and the Generational Divide*
 - ✓ *Resource Races and Environment Pressure*
- Phasing-out era of 'Agenda Setting/Regime Formation' in Multi-Polar World, rather 'Shaping Agenda/Multilateral Coalition'
- Fill the 'Vacuum' in global changing order, based on new, changing development paradigm (e.g. *Korean Green Growth Model, GGGI*)
- A Bridge, or 'Shaping Platform(Shaper)' through Convening Power in Multi-stakeholder environments and Stakeholders engagement

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Green Climate Fund in the Shifting Power Equation



- Why in Songdo
 - ✓ Away from existing platform, such as NYC, DC, Geneva, Bonn
 - ✓ A new type of institution, thus should be separate from the UN (Non-UN culture and practice for innovative Public-Private funding solutions)
- National/Local Bottom Up Approaches with Country Ownership (Strong engagement with developing partner countries needed)
 - ✓ Focus on Country/local-level coordination, South-South Cooperation, Knowledge Sharing and Capacity Building
- Building Enabling Environments which catalyze technology innovation and new investment solutions

=> New Climate Finance : catalytic environments which 'redirect' resources (a Funding Instrument, rather another Development Bank)

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Sustainable Development : *Revisited (1/2)*



- Sustainable Development (The United Nations)
 - ✓ Economic + Environmental + Social Development *inter-dependent*
 - ✓ UNCED(1992) -> WSSD(2002) -> Rio+20 (2012)
- UNCSD (aka 'Rio+20') ('12.06, Brazil)
 - ✓ Green Economy in the context of sustainable development and poverty reduction
 - ✓ Institutional Framework for Sustainable Development
 - ✓ New Development Paths explored
- Green Economy Initiative (UNEP & etc)
- Low Emission Climate-Resilient Development (UNDP)
- Green Growth (UNESCAP, 2005)
 - ✓ By improving 'ecological efficiency' (resource use efficiency + pollution impact minimization)

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Sustainable Development : *Revisited (2/2)*



- Green Growth Strategy (OECD, 2009)
 - ✓ *Green growth is about fostering economic growth and development while ensuring that the quality and quantity of natural assets can continue to provide the environmental services on which our well-being relies. It is also about fostering investment, competition and innovation which will underpin sustained growth and give rise to new economic opportunities*
- Green Growth (Denmark's Vision)
 - ✓ Economic Development through **Green Energy System** Without Fossil Fuels by 2050
 - ✓ Denmark – Korea **Green Growth Alliance** ('11.05)
- Roadmap 2050 (EU)

> *More to Come ! in the context of Development*

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A New Climate Change Regime: Durban Platform ?



- New Climate Change Regime from 2020 ?
 - ✓ Developing Countries as well as Developed Countries
 - ✓ More Efforts needed in Developing World !
 - ✓ From Kyoto Protocol to Doha Climate Gateway on Durban Platform
- Green Climate Fund : + USD 100 Billion (~2020)
 - ✓ Specialized for Climate Change Actions (More Opportunities !)
 - ✓ Supports to Mitigation and Adaptation Needs of Developing and Least Developed Countries
 - ✓ Plus, Adaptation Committee and Technology Mechanism Operational
- Complementary Actions
 - ✓ International Climate Regime Building
 - ✓ Bottom-up Approaches through Country-specific and Industry-involved partnership cases

> *Reflecting Changing International Governance Framework*

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Changing Development Context (1/2)



- Environmental Sustainability, **Rio+20**
 - : *An Integral Issue of Development Agenda*
 - ✓ Challenges to meet the World's needs on energy, natural resources, food, water, etc. due to faster economic and population growth, e.g., in Asia Pacific
 - ✓ Development is negatively impacted by environmental threats
 - : Vulnerable to the effects of climate change
 - ✓ Development needs of developing countries require sustainable use of environment
- Aid Effectiveness for Effective Development Partnership, **OECD**
 - : *from Busan 4th High-Level Forum on Aid Effectiveness*
 - ✓ From Aid to Development : Climate Change Adaptation Aids integrated to National-wide Development Plans
 - ✓ Broader Partnerships with emerging donors (e.g., Korea, BRICs) and private sectors
 - ✓ South-South & Triangular Cooperation : A Bridging Role of Korea

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Changing Development Context (2/2)



- Green Growth Proposals for G20 Development Agenda, **G20**
 - ✓ The Greening of Infrastructure through green finance structure, market incentives and GHG mitigation measures
 - ✓ Climate-resilient Development for the most vulnerable countries to climate change
 - ✓ Viable Low-carbon Energy Access to ensure equitable social development
 - ✓ International Architecture of Green Growth to catalyse enabling environments for creating synergies between Top-down and Bottom-up progress
 - ✓ Knowledge Sharing and Power of Example through South-South cooperation
 - ✓ Green Job Creation applicable through development of new Skill-sets
 - ✓ Public-Private Partnership for private sector development in developing countries

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Why new Partnership Models matter/emerge here?



- UN MDGs (United Nations Millennium Development Goals)
 - ✓ Example : Target 8 - Global Partnership
 - : SDG (Sustainable Development Goals) through Green Economy (@Rio+20)
- New Global Development Partnership (@Busan HLF-4)
 - : Emerging Donors, CSO and *Private Sectors*
- The Aid Trap* : How to overcome '*Aid Fatigue*' in International Development Cooperation : *Private Sector Development*
 - ✓ Spill-Over Effects (Job & Infrastructure) through **Public - Private Partnership**
 - ✓ Advancing Green Sectors through **Private Sector Investment & Green Venture / SME**
 - ✓ GHG Mitigation through **Business Engagement & Public Awareness on Climate Change**
 - ✓ Social Innovation and Green Job Creation by Engaging **Social Enterprises**
- From **Shareholders To Stakeholders****
 - ✓ Multi-Stakeholders Theory
 - : Government, IOs, Business, Academics & Think Tank, Civil Society, Media, etc
 - ✓ Public Diplomacy
 - ✓ Corporate Global Citizenship from CSR (Corporate Social Responsibility)
 - : UN Global Compact, Global Report Initiative, WBCSD, Carbon Disclosure Project

* The Aid Trap : Hard Truths About Ending Poverty (Hubbard & Duggan, Columbia Business School)

** Multi-Stakeholders Theory : Klaus Schwab (Founder & Executive Chairman, World Economic Forum)

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New Partnership Models: *Enabling Platforms in Korea*



Green ODA

- Increase from 14% in 2009 to 30% by 2020
- More effective and efficient operation of ODA

East Asia Climate Partnership (EACP)

- New and Additional Resources for global climate action, esp. for Adaptation measures
- USD 200 Million for 5 years (2008-2012)

Global Green Growth Institute (GGGI)

- To assist countries in formulating their own green growth plans
- To serve as a global think tank in leading developing countries to a low carbon society

Green Climate Fund (GCF)

- New and Additional Fund through Innovative Finance Mechanism
- Copenhagen Accord agreed on fast start fund of \$30 billion(2009-2012) / \$100 billion by 2020 +
- WB Green Growth Partnership Trust Fund (USD 40M) from Korea

Green Technology Center Korea (GTC-K)

- To coordinate national R&D of Green Technology
- To share experiences of Korea's technology innovation program with developing partner countries

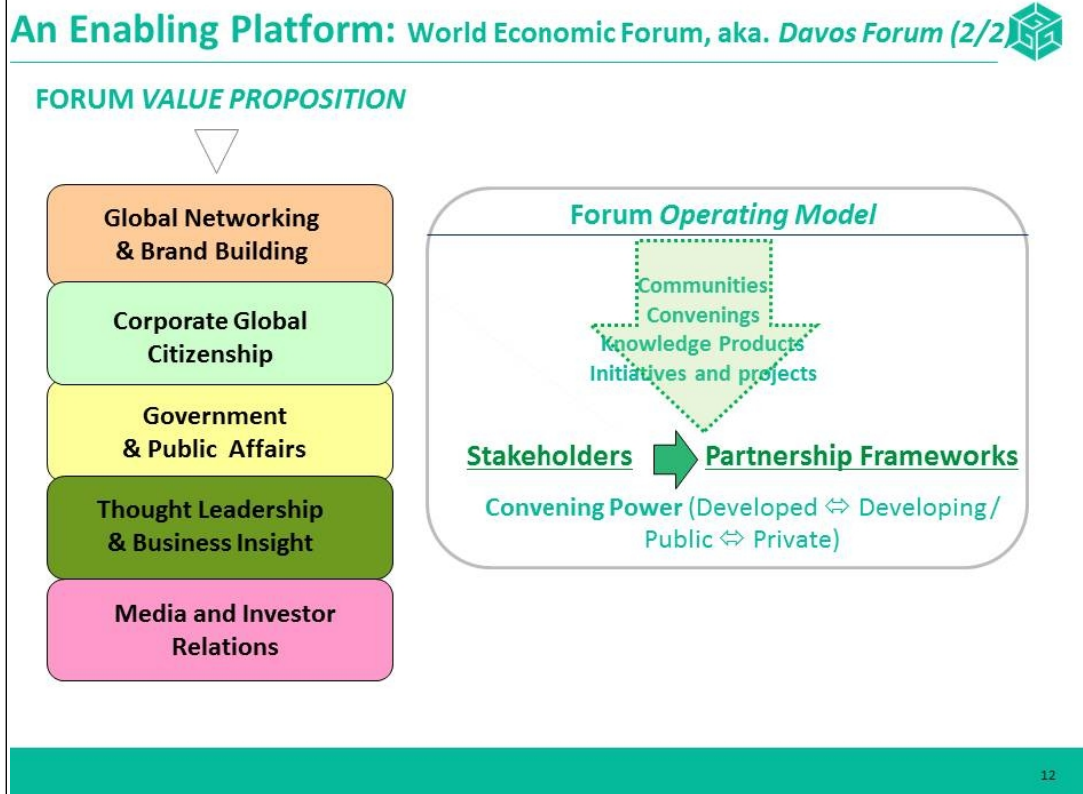
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An Enabling Platform: World Economic Forum, aka. *Davos Forum* (1/2)



- A Swiss Not-for-profit Foundation in Geneva (founded in 1971), with more than 40 years' evolution (changed from European Management Forum in 1989)
- Davos(an unique venue in Switzerland), But Global venue to shape global, regional, industry agenda with global impacts
- 100% Private Funding & Strong Business Engagement
HOWEVER, Systemic Partnership Mechanism with Other Stakeholders: Government, IOs, CSO, Think Tanks/Academics, and Other Players, (Social Entrepreneurs, Young Global Leaders, Technology Pioneers, Global Agenda Councils, etc.)
- Strong Stakeholders Management: 'Community' & 'Gatekeeper' concept : Business Leaders, Governments, IOs, Media, Academia and Civil Society
- Synergies with 3 Program-based Approaches (Not Just MOUs),
 - ✓ *Convenings* (Annual Meeting, Summer Davos, Regional, GAC/GRI)
 - ✓ *Initiatives* (Thematic Projects-Water/Climate Change, Regional, Industry Issues)
 - ✓ *Knowledge Program* (Competitiveness, Risks, Scenarios, Regional/Industry Analysis)

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An Enabling Platform: Global Green Growth Institute (2/4)



Toward a new model of economic development: facilitating a South-South dynamic of policy innovation and evidence-based learning

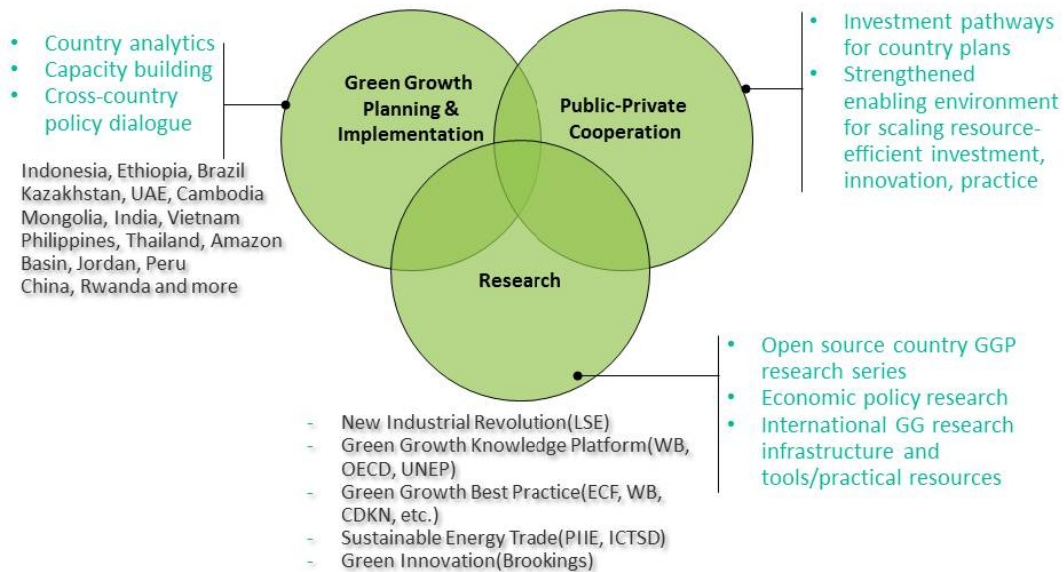
- There is no proven model of “green growth” in the developed world to copy.
- There is thus a need for an evidence-based international platform to:
 - Mobilize for governments that wish to engage in rigorous green growth planning the best available micro, macro and institutional analysis from academic, private and official sources
 - Build the capacity of such governments and affiliated research institutes to apply these tools for their own purposes
 - Stimulate the cross-fertilization of policy experience and learning among governments pursuing green growth strategies
 - In so doing, accelerate efforts by emerging and developing countries to leapfrog traditional approaches to industrial development

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An Enabling Platform: Global Green Growth Institute (3/4)



THREE interlinked functions at the core of GGGI

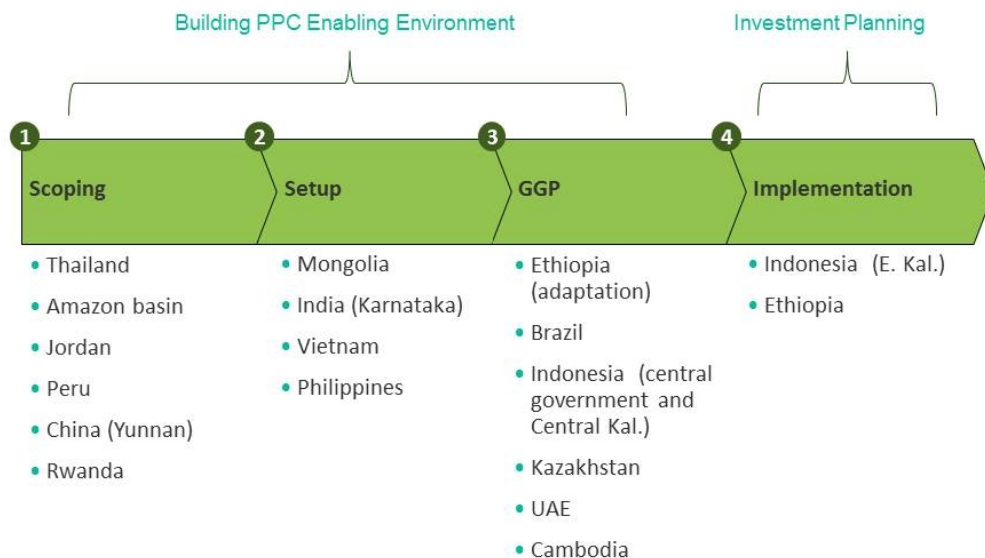


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An Enabling Platform: Global Green Growth Institute (4/4)



: Country Projects with Public-Private Cooperation



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GGGI's Public-Private Cooperation for Green Growth



: As a new kind of International Organization – interdisciplinary, multi-stakeholder, We engage the private sector in supporting and promoting green growth plans and initiatives

TWO focus areas:

1) Engaging public and private providers of finance and technology in the implementation of country green growth plans through **investment planning**;

2) Building intra- and cross-industry processes to strengthen **enabling environment** for resource-efficient innovation, investment, markets in cooperation with key governments and intergovernmental processes

• Green Growth Implementation
e.g. Ethiopia, Indonesia, etc.

• Global/sectoral:
– Global Green Growth Forum
– IPEEC/IEA, UNIDO
– Water Resources Group (IFC)
– Clean Energy Ministerial
– G20/B20

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Key Questions on Enabling Environments



To accelerate **Scale and Speed of Transformation** toward Green Growth:

- What kinds of *investment uncertainties, fragmentation of information and markets, barriers to entry or scale or market imperfections* stand in the way of more rapid expansion of green products and services?
- How could these obstacles be remedied through *governmental, public-private or intra- or cross-industry cooperation*?
- How should bottom-up PPC frameworks and initiatives be integrated into the broader *political agenda* for and governance of international economic and environmental cooperation?

**: Then, Enabling Environment for International City Strategy,
esp. Home to GCF, Green Growth and Sustainable Development ?**

Source : GGGF Concept Paper

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Facilitating Public-Private Cooperation Activities @GGGI



- Public-Private Partnership Projects
 - Grid Integration of Renewable Energy (with Clean Energy Ministerial)
 - Energy Efficiency Standards and Metrics (with IPEEC/IEA and UNIDO)
 - Sustainable Energy Trade Agreement (SETA) (with ICTSD, PIIE and POSRI)
 - Green Public Procurement in Developing Countries (with IISD)
- Strategic Initiatives Design for Inter-/Intra Sector Agenda
 - Energy & Finance: Energy Efficiency, Renewable Integration, Financing
 - Transport: Electric Vehicle Test Markets, Fuel Gap, Biofuel for Aviation
 - Crosscutting Agenda : Water Resource, Green Public Procurement, Sustainable Goods & Services Trade, Waste Management, Urban
- Corporate Community Building
 - Corporate Council (with 20+ Industry Champions in Green Growth)

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Public-Private Cooperation: International Landscape(1/4)



◆ Emerging Mega Partnership : SE4All, G2A2, CEM, 21CPP

- Sustainable Energy for All(SE4All) Initiative by UN Secretary-General
 - : To meet the following THREE global targets by 2030
 1. Ensure **universal access** to modern energy services
 2. Double the global rate of improvement in **energy efficiency**
 3. Double the share of **renewable energy** in the global energy mix
 - Private sector engagement in High-Level Group and Technical Group
- Green Growth Action Alliance(G2A2) by G20/B20 Task Force on Green Growth
 - : Launched at G20 Summit in Los Cabos (June 2012)
 1. A public-private partnership designed to address the shortfall in green infrastructure investment in developing countries, which is estimated at up to USD 1 trillion/year
 2. Around 50 of the world's largest energy companies, international financial institutions and development finance institutions
 3. To scale and replicate the public-private finance mechanisms required to help developing countries finance their green growth plans

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Public-Private Cooperation: International Landscape(2/4)



- Clean Energy Ministerial(CEM)'s Public-Private Roundtables
 - : Private sector engagement by CEM series- CEM1(DC), CEM2(Abu Dhabi), CEM3(London)
 1. Large-Scale Efficiency Program, Electric Vehicles, Variable Renewables Integration, Renewable Energy Finance, Super-Efficiency Appliances, Carbon Capture, Use and Storage, Solar Photovoltaics, Energy Efficiency Finance
 2. Market and implementation barriers to be addressed and recommendations to be incorporated into the CEM process and into individual technology initiatives
 - Further consultation on CEM4(New Delhi, April 2013) and CEM5(Korea)
- 21 Century Power Partnership(21CPP)
 - : Intergovernmental initiative on the power sector launched in April 2012
 1. Targeted investments in smart grids, energy efficiency and renewables
 2. Dedicated collaboration among electricity providers, grid operators, regulators and equipment manufacturers, e.g. super grid
 3. Facilitate multilateral public-private information sharing and exchange of best-practice solutions
 - Focus on how effectively engage the private sector in the transformation, e.g. electricity market reform, business model innovation

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Public-Private Cooperation: International Landscape(3/4)



◆ Regional Partnerships: EU, ASEAN Power Grid, Asian Super Grid

- European Union
 - : Based on EU Commission Strategy Roadmap 2050 (7 Scenarios)
 - 1. Open, integrated, competitive market(biggest in the world of 500 million customers)
 - 2. System changes involved, e.g. unbundling, new regulations for cross border trade
 - 3. Renewables and Energy Efficiency Directives
 - Need for partnerships involving governments, electricity sectors and finance
- ASEAN Power Grid
 - : Common ASEAN policy on power interconnection and trade
 - 1. Cross-borders issues as well as different geographical characteristics of 10 nations
 - 2. Different stages of power sector development and national energy master plans
- Asian Super Grid
 - : Initiative by SoftBank to connect Mongolian Renewables to power pan-Asian network

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Public-Private Cooperation: International Landscape(4/4)



◆ Country-level Partnerships

- Global Green Growth Forum(3GF)
 - : To catalyze partnerships that can rapidly bring to scale green growth
 - 1. Country: Denmark, Korea, Mexico, China, Qatar, Kenya
 - 2. Private Sector: Vestas, Danfoss, ABB, BYD, McKinsey, Siemens, GE, Hyundai, Novozymes, Samsung C&T
 - 3. Institutions: GGGI, OECD, IEA, UNGC, IFC, CPI
 - A platform for governments and private sectors to collaborate at multiple levels
- Denmark-Korea Green Growth Alliance
 - : A unique bilateral alliance between two states (not in national security agenda!)
 - 1. A package of dozens of collaboration agreements involved, such as:
 - Ministry of Knowledge Economy(KR) – Ministry of Energy and Climate Change(DK)
 - Korea Energy Management Corp. – Danish Energy Agency
 - Korea Adv. Institute of Science & Tech. – Denmark Technical University
 - Korean Wind Power Association – Danish Wind Power Association
 - Korea Electric Power Corp. – DONG Energy, and etc.
 - Collective Coordination by government to advance diverse partnerships

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Enablers for Transformation: *Policy, Finance & Technology*



- **Policy**
 - ✓ Political & Institutional leadership needed to create enabling environment to non-state actors to move
 - ✓ International political economy mechanism to be adjusted/redesigned, such as : political & country risk, carbon pricing, fossil fuel subsidy, etc.
 - ✓ Measures to mobilize complementary public and civil Society resources
- **Finance**
 - ✓ Urgent need to close the gap in financing for the transformation
 - ✓ Innovation needed to catalyse private investment to leverage scarce public finance resources
 - ✓ Instruments needed to ensure various risks involved in private investment
- **Technology**
 - ✓ 'Disruptive' technical innovation to be catalyst
 - ✓ Industrial ecosystem to integrate value chain seamlessly
 - ✓ Convergence to advance cross-cutting areas, such as ICT, Smart Grid & City, etc.



'Triangular' Enablers for Transformation

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Public-Private Cooperation: *Challenges, but Opportunities*



- **Leadership Matters**
 - ✓ Political & Institutional Will through Common Vision
 - ✓ Private and Civil Society Engagement from the Beginning
- **Key to Success : *Enabling Environments***
 - : to accelerate *Scale and Speed of Transformation* toward new Development Alternatives
 - ✓ Public-Private, Multi-stakeholders approach
 - ✓ Regional & Global Level Engaging Base of Pyramid
- **Power of Examples : *Learning by Sharing Practices***
 - ✓ Global & Local Solutions together for Pervasive Impacts
 - ✓ Holistic Approach to deal with Multi-dimensional issues(social, economic, environmental)

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Potential Recommendations: *Home to GCF, Songdo (1/2)*



- Showcasing Local Ownership (i.e. central -> de-central & bottom up)
 - ✓ Local Leader / Model City in Sustainability Agenda, i.e. Sustainable Urban
e.g. City of Copenhagen (the most energy efficient city in the World, leader in green life style(e.g., Cycling), **Carbon Neutral by 2025 Plan**)
 - ✓ Integrating Sustainable/Green Growth Practice into local business model and management
 - ✓ Focus on cross-cutting(convergence, creative industry) enabling factors, e.g. finance scale-up, ICT, Innovation and technology, and culture
- What does GCF aim for? *Enabling Platform for Public-Private Cooperation*
 - ✓ As Home to GCF, Songdo needs to be a model for Public-Private Cooperation (The question is HOW! The first step is to build Partnership Framework)
e.g. Copenhagen : Green Week, Green Growth Leaders, Sustainia
 - ✓ Feasible Framework/Mechanism on **How to** Engage Non-state actors in Sustainability / Green Growth Agenda

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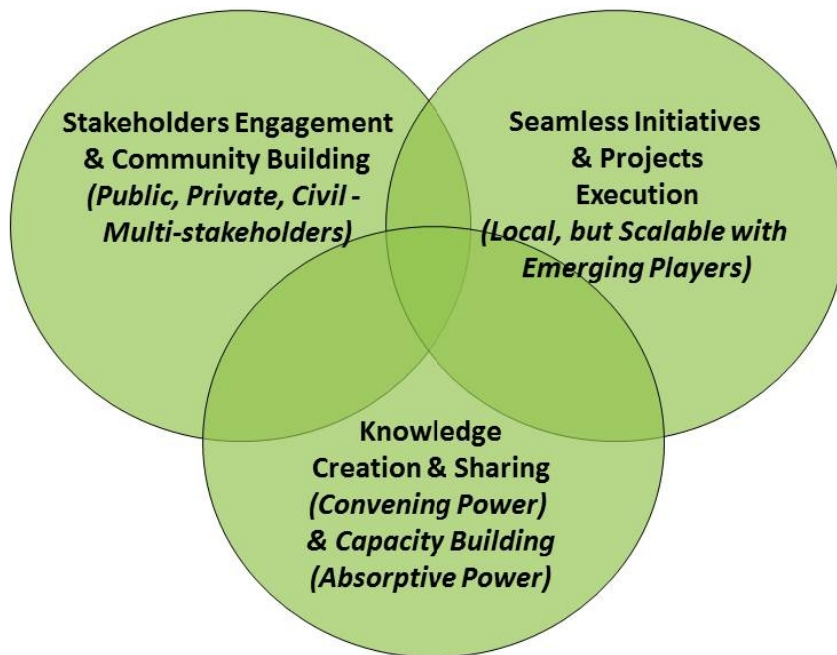
Potential Recommendations: *Home to GCF, Songdo (2/2)*



- Power Shift to South, so *Get Closer to where to be needed/engaged*
 - ✓ More than a Bridging Role, rather **Engaging** Gateway to Asia and the Pacific where new global order is emerging
 - ✓ International Partnership with Key Public-Private Cooperation Platform to advance global/regional/industry agenda
e.g.
- Dubai – WEF's Summit of Global Agenda Council, Summit of Regional Organizations
- Abu Dhabi – Abu Dhabi Sustainability Week (IRENA General Assembly, World Future Energy Summit, International Water Summit, The Zayed Future Energy Prize Awards)
- Rethinking Role of Think Tanks
 - ✓ Building Network of Think and Act Tanks in emerging players (public, civil and private)

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Triangular Enablers for Songdo as International City



END OF PRESENTATION

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