

THE THE REPORT KEBOKI

1st July 2010



NATIONAL
ENVIRONMENT
CONFERENCE
BRUNEI DARUSSALAM

ASIAINC*FORUM*
Building Asia's future through dialogue

National Environment Conference 2010:

Sustainability & Growth: Can we have both?

Executive summary

Over 280 participants attended the National Environment Conference 2010. The sessions featured a keynote opening address by the Minister of Development followed by 2 open forum discussions in the morning, a documentary screening during lunch and an open forum discussion in the afternoon. The National Environment Conference 2010 also featured a recognition ceremony during lunch to recognize outstanding organisations and an individual for their commitment to sustainable development. A green showcase featuring 16 organizations and institutions was opened to the public by the Minister of Development. The summary of the key points raised by the panels and the key takeaways are outlined below.

Key summary:

- 1. Keynote address:** For a country with limited resource base like Brunei, environmental sustainability is the sine qua non for sustaining quality of life and economic competitiveness. Economic growth generates income that can be put to use to improve infrastructure and services that contribute to environmental sustainability. Therefore, Brunei must achieve sustainable growth by integrating this need into the nation's development policy and process. However, the success of this effort depends on the support and participation of the stakeholders, business and civil society.
- 2. Sustainable Development for Brunei:** While there is no sustainability without growth, there is no growth without sustainability and without capital there is no income, which translates into economic growth of an economy. In the case of Brunei, it is natural capital that produces income for the economy. The fundamental of sustainable development is in preserving the productive base of the economy. The importance of increased production in human or physical capital to replace limited natural resources should be continually prioritised. In this case, Brunei is heading in the right direction with explicit policies that increase expenditure through the development of human capital and physical (or human made) capital into a knowledge based economy. However, the challenge is in translating this expenditure into income that, in the future, can supplement and replace the running down of natural capital. Therefore, Brunei needs to really look at the share of its human and physical capitals to replace the natural capital (i.e. oil and gas) in producing the income, or GDP, of the economy.
- 3. Brunei's Energy Future:** While oil and gas is likely to account for more than 50% of the world's energy consumption by 2030, renewable energy will not exceed 20% of the primary energy supply of the world in 20 years time. Therefore, the stakes for Brunei remain in meeting energy demand and simultaneously protecting the climate. Frontier exploration is critical to make new resources available and also crucial is for Brunei to diversify its energy mix or alternative energy options (such as nuclear, biomass or photovoltaic) to secure the future. The best alternative of all is end-use efficiency – such as combined cycle and co-generation. The challenges for Brunei are in mandatory upfront investments (whether through efficiency or exploration); a proficient workforce that will fuel growth in other sectors and mandatory technological innovations, which are available via partnerships.

There are many important policies and practices that can be case studied from British Columbia, Canada and can potentially be applied to Brunei. The government of British Columbia has put into place aggressive policy actions (which are achieved through various climate action plans, incentives, energy plan and a clean energy act) and more importantly, through leading by example which has by far result in tremendous success for the economy in its commitment to becoming a low carbon economy. Their success story incorporates four major elements: 1) abundant resources; 2) proactive policies and legislation; 3) academic and industrial clean tech talent; and 4) local, regional and international markets.

- 4. The Burning Season:** Is a documentary about Dorjee Sun, a young Australian Entrepreneur on a mission to establish cutting-edge carbon trading scheme which effectively re-values forests. He believes there is money to be made from protecting rainforests in Indonesia, saving the Orangutan from extinction and making a real impact on climate change. In Indonesia, rainforest areas equivalent to 300 football fields are cut down and burnt every hour to clear land for crops such as palm oil. Armed with a laptop and a backpack in a battle against time, he sets out across the globe to find investors in his carbon trading scheme while convincing governors, NGOs, activists and financiers that his plan is feasible and viable.

In the Q & A session, Dorjee believes that Brunei has the opportunity to become the green leader of Asia. Simple measures to reduce the amount of energy and reductions in energy usage can be claimed as avoided emissions from burning fossil fuel. However, in Brunei, the burning of gas will get a smaller baseline in the form of smaller amounts of carbon credits compared to other countries that burn more coal and hence emit more CO₂. For businesses like HSBC, the capital expenditure from reduced emissions (through the transition to a hybrid car fleet) can be counted against from the savings in reduced energy and carbon. However, the scale is relatively small in Brunei compared to other market. Nonetheless, a few companies may be able to consolidate those individual savings and sell them on as a package.

- 5. Can we have both Sustainability and Growth? Yes:** The prospect of linking economic growth with environmental protection (that removes it from that niche of knowledge) makes it vital to our businesses, our societies and our economy. Our present economy is built on various distortions that have failed to price in the environmental damage that comes with economic growth and led us to the illusion of growth being true growth. Brunei has to create other engines of growth before letting go of the dependence on its natural resources if it is to move ahead sustainably. In this sense, adopting a sustainable development approach, would allow Brunei to accept greater responsibility without negatively impacting growth. Moreover, policies and measures built on development objectives could be used to achieve economic growth that is sustainable.

Not Quite: Sustainable development as usual is not enough to address our survival and development needs under the present regime of runaway climate change. The suggestion put forward by Greenpeace is that Brunei should incorporate green development with the following components into its economic development: 1) investments in energy efficiency and conservation 2) zero deforestation on intact forests including rehabilitation of degraded and deforested lands and 3) low carbon lifestyle and zero-waste production.

Key findings:

Some of the findings that rose from the discussions throughout the conference are summed up below:

1. **Developing measure on sustainability:** Brunei needs to develop a proper standard or yardstick for measuring progress in sustainability that will ensure compliance and participation by key the stakeholders of development.
2. **On energy subsidies:** Subsidies from an economic perspective are ineffective as they result in the wastage of resource – therefore, it is necessary to design a system to discourage consumption sensibly. However, this has to consider all important aspects from the technical, sociological and energy viewpoint.
3. **Role of education:** Environmental education is a powerful tool in altering public perception and behaviour of an unsustainable lifestyle towards more sustainable living (such as, more responsible consumption and encouraging recycling etc...)
4. **Role of technology:** Developing green technological solutions is crucial for Brunei in areas such as the development and diffusion of clean technologies and renewable energy technologies. Technological innovation can better contribute to the sustainable development of the nation.
5. **Role of incentives:** Economic incentives present a great opportunity to both encourage people to recognise the value of resources and to discourage waste generation that can stimulate cost-saving innovation. Incentives present Brunei with a great opportunity to improve its rate of economic growth while achieving its environmental and social goals.
6. **Role of institutional arrangement:** For economic and environmental sustainability to be achieved, it is important to have in place well defined law, participatory policy making processes and effective public and private sector organisations that create a framework for sustainable development.