

# APEC AND CLIMATE CHANGE

Climate change is an existential threat for humanity as a whole. APEC economies are disproportionately affected by, and contribute to, climate change.

## AN APEC PROBLEM



Due to their location and geographic diversity, APEC economies are exposed to climate change, and suffer from more than 70% of global natural disasters.

### Some effects of climate change:

- Higher sea levels, extreme rain, and droughts can make land economically unproductive.
- Higher temperatures reduce both agricultural yields and labor productivity.
- Flooding can amplify health risks from water-borne diseases.

If climate policy remains business-as-usual, resulting in an estimated temperature increase of 3.2°C, the region can expect up to 18.3% GDP loss within the century.

## HOW APEC CONTRIBUTES TO CLIMATE CHANGE



Between 1990 and 2018, the region's greenhouse gas (GHG) emissions increased from 16.5 to 27.8 billion tons of CO<sub>2</sub> equivalent.

- APEC makes up 38% of the world's population and 55% of GDP, but contributes **60% of global greenhouse gas emissions and 65% of carbon emissions**
- 7 of the world's top 10 CO<sub>2</sub> emitting economies are in APEC
- APEC's share of global greenhouse gas emissions is increasing

## NO, COVID-19 DID NOT FIX CLIMATE CHANGE

The COVID-19 pandemic led to severe restrictions on transportation and movement, which resulted in a 75% reduction in air traffic. People stayed home more and used land transportation less. According to the International Energy Agency, this resulted in a 6% decline in global energy-related CO<sub>2</sub> emissions. However, economic resumption in the latter part of 2020 resulted in a similar recovery in emissions: by December 2020, CO<sub>2</sub> emissions were 2% higher than pre-pandemic levels.

## APEC'S RESPONSE

### APEC HAS MADE EFFORTS TO ADDRESS CLIMATE CHANGE



The region's forest cover increased by 22.7 million hectares in 2008-2020



Economies are on track to doubling the share of renewables in their energy mix by 2030



The share of trade in environmental goods has increased to 5.2% of merchandise trade in 2019



Bonds issued to finance new or existing green projects reached USD 92.3 billion in 2020

The APEC Putrajaya Vision 2040 aims to pursue growth that is strong, balanced, secure, sustainable and inclusive by promoting economic policies that will tackle environmental challenges like climate change.

### BUT APEC NEEDS TO DO MORE

To limit the rise of global temperature to no more than 2.0°C, APEC must reduce GHG emissions by about 900 million tons of CO<sub>2</sub> equivalent per year until 2030, then achieve net-zero by 2070. **This is roughly like eliminating the carbon emissions of 117 million cars every year for the next 50 years.**

APEC needs to do a lot more to address climate change. The post-pandemic recovery can be an opportunity to rebuild better and greener.



#### Action beyond commitments

- Climate change requires a holistic approach
- Green policies need to address negative side effects



#### Concrete measures and policy analysis

- Standardize measurements and monitor against climate change targets
- Evaluate impacts of green policies



#### Strengthen global and regional cooperation

- Make APEC relevant in addressing the climate change crisis