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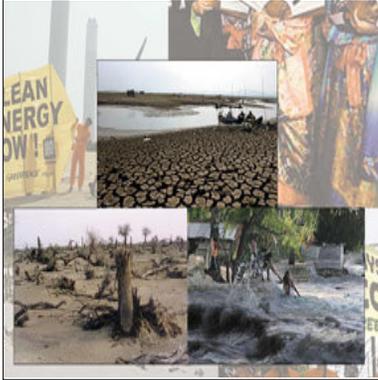


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THE PEOPLE'S PROTOCOL ON CLIMATE CHANGE:

Asserting people's sovereignty on natural resources

By Ava Danlog
IBON International



PHOTO: IBON

Recognizing that the Kyoto Protocol does not offer a sustainable solution to climate change, civil society and social movements in Indonesia saw the need for the people to push forth their aspirations and demands during the United Nations Framework Convention on Climate Change meetings in Bali for consideration and inclusion in the upcoming post 2012 climate change road map.

This idea was proposed to the Asia Pacific Research Network which, during its annual conference

on People's Sovereignty on Natural Resources in Bangkok, Thailand in October 2007, recognized climate change as a pressing issue. Over 170 participants from the Asia Pacific region agreed to come up with resolutions for a stable climate, one of the demands of which calls for a People's Protocol on Climate Change.

The People's Protocol on Climate Change which has been adopted by the people during a series of workshops organized by IBON, AidWatch, INFID and ILPS Indonesia, articulates the values and principles that should guide international action and

people's struggles against climate change and the global ecological and socioeconomic destruction that it brings.

Statement of Values and Principles

The People's Protocol on Climate Change rests on four key values: eco-centrism, social justice, sovereignty and responsibility.

Eco-centrism

The People's Protocol recognizes that the pursuit for profit is at the



PHOTO: IBON



PHOTO: IBON

core of global warming, structural poverty and exploitation. Nature is vital for the survival of all, and for sustained economic growth and sustainable human development. People must not be misled into thinking that market-led development is the way towards real progress. Instead, the needs of the people and the planet must be placed above those of global capital and the wholesale pursuit of private profits.

Social Justice

The climate change is not merely an environmental issue but a social justice issue rooted in the current capitalist-dominated global economy. Social justice means acknowledging the systemic roots of the crisis, the disproportionate responsibility of a narrow elite, the disproportionate vulnerability of the majority to the adverse effects, the grossly uneven capacity to confront and respond, and the legitimate aspirations to development of the people apart from the crisis.

Responsibility

Responsibility, expressed in the principle of common but differentiated responsibilities, requires a mechanism for globally-inclusive equity. Restorative justice requires distribution of responsibility according to historical per capita emissions. The United States and its corporations are the most energy-intensive nation and the greatest polluter in the world. In addition, a significant part of Southern emissions actually directly come from energy-intensive operations of northern TNCs in the south. Deforestation across Latin America, Asia and Africa is most of all due to northern TNC-driven commercial logging, plantation agriculture, mining activities and dam projects.

Sovereignty

Sovereignty means asserting the power of the people through their social movements and genuinely participatory structures as the foundation of the state response to the climate change issue. In addition, upholding people's

sovereignty over natural resources is integral to ensuring meaningful engagement with the climate crisis.

Statement of Goals and Purposes

The People's Protocol on Climate Change calls for a people-oriented agricultural and industrial development and asserts for people's sovereignty over natural resources. There must be community and national ownership based on people's consensus and collective action over the natural resources and productive assets.

Restorative justice requires distribution of responsibility according to historical per capita emissions, not just on a by country basis but more significantly on a by polluter basis. The greatest burden of adjustment must be on the Northern countries and their TNCs (wherever these are located), as well as on Southern

elites and even governments, who have caused and benefited the most from the damage. This requires, at the very minimum, Northern commitments and concrete practice to drastically reduce overall energy use and increase energy efficiency, increase unconditional aid to directly address the climate crisis in the South and overhaul international trade and investment rules towards sustainable development and improvements in the standard of living in the South, including also an end to the real or effective transfer of Northern polluting industries to the South.

The role of "adaptation" funding for Southern countries is acknowledged as support to Southern countries in dealing with the climate change problem. However, the People's Protocol also affirms that the far greater responsibility of the North in the current climate crisis means that it must bear a far greater

proportion of the funding responsibility, decry the fiasco of the supposed global adaptation fund which was allotted only piddling funding, and criticize efforts such as by the World Bank (WB) to use adaptation funding to distract from the overriding need to address the roots of the climate change problem. Adaptation funding must be over and above traditional allotments for overseas development assistance (ODA).

In the end, it must be emphasized that the climate change crisis is not simply about adaptation and mitigation, but principally changing the whole economic framework into a sustainable one. The concept of adaptation is not acceptance of climate change but mitigating and adjusting while implementing fundamental changes. All mechanisms for mitigating must be premised on the fundamental change for a sustainable economic framework.



PHOTO: IBON

ASIAN RIVERS at risk of dying

Five rivers in Asia serving over 870 million people

are the most threatened in the world, as dams, water extraction and climate change all take their toll, the World Wide Fund for Nature (WWF) said.

The Yangtze, Salween-Nu, Indus, Ganges and Mekong-Lancang rivers make half of the WWF's "top ten" most threatened river basins, which "either already suffer most grievously under the weight of these threats or are bracing for the heaviest impacts," the organization said.

Also on the list are the Rio Grande/Rio Bravo and La Plata in Latin America, the Danube in central Europe, the Nile-Lake Victoria in Africa and the Murray-Darling in Australia.

"Nearly everybody in the world lives in a river basin and everybody has a contribution to make," to prevent further environmental damage, the director of WWF's Global Freshwater Program Jamie Pittock told AFP.

The threats facing river basins are varied and interlinked, and require holistic policies rather than efforts that target just one aspect but can end up being counterproductive, he said.

For example, "as governments become concerned about climate change reducing water run-off, they build more dams to store more water, which then results in more water being extracted from rivers



Polluted Yangtse River

PHOTO: CHINADIGITALTIMES.NET

and so builds up more ecological problems," Pittock said.

Many governments are also focusing on hydro-electric power plants as a "clean" source of energy, but this means more dams which stem water flows and kill off fish populations, he added.

The WWF report highlighted water extraction, dams, and climate change as the most wide-ranging threats that will have the most impact on people, though invasive species and pollution also pose serious problems.

This is particularly the case for China's Yangtze river basin, where decades of heavy industrialization, damming, and huge influxes of sediment from land conversion have made it one of the world's most polluted rivers, the WWF said.

Over-fishing is the main threat facing the Mekong, while dams and infrastructure projects imperil freshwater habitats in the Salween, La Plata and Danube basins, the report added. **AFP**

Heavy social costs seen in bid to revive Laiban Dam Project

The Arroyo government's plan to revive the controversial P47.93-million Laiban Dam project spells serious social costs for thousands of local residents and indigenous communities, according to independent think-tank IBON Foundation.

Malacañang recently announced that it would revive the mothballed project, which has been shelved for nearly 27 years, in order to provide water to Metro Manila and generate an additional 25 megawatts of hydroelectric power.

The 113-meter high rockfill Laiban Dam is projected to be as big as

the San Roque Multipurpose Dam in Pangasinan, which reportedly was a factor behind flashfloods that submerged numerous towns in Pangasinan, Tarlac and other provinces in 2004.

The revival of the Laiban Dam threatens to displace eight barangays with around 10,000 local residents along the Rizal-Quezon border and affect 27,800 hectares of agricultural land. It will also displace indigenous peoples (Dumagats and Remontados) from their ancestral land, their resource base and source of livelihood.

Moreover, while consumers are set to shoulder the payment for the project's funding, increased

water supply and lower water rates are not guaranteed with the completion of the Laiban Dam. The Asian Development Bank (ADB) promised to provide a 10-year term loan of US\$1 billion for the dam construction under the build-operate-transfer scheme, and has reportedly released an initial US \$3.26 million technical assistance to MWSS.

The development of vital infrastructure projects is important, but costly large dam projects such as the revival of the Laiban Dam, which extract high social costs while not delivering the promised benefits are unwarranted. **IBON Foundation Inc.**

Rapu-Rapu reopening a go-signal for more damaging mining investments

In the wake of the reopening of the controversial Rapu-Rapu polymetallic mine in Albay last February, the Department of Environment and Natural Resources recently announced that investments in the mining sector are expected to hit \$348 million this year. But whatever benefits such investments supposedly bring would be cancelled out by the severe social and environmental costs of large-scale mining, according to independent think-tank IBON Foundation.

It should be recalled that DENR Secretary Angelo Reyes allowed

the permanent re-opening of mining operations in Rapu-Rapu last year amid outcry from residents. Since then, Rapu-Rapu residents dependent on fishing for their livelihoods have complained of declining fish catch. Local farmers also said that blasting in the course of mining activities of Australian firm Lafayette, which operates the mine, has loosened the foundations of their lands, making them vulnerable to landslides.

Despite the many documented social and environmental costs of mining, the Arroyo government is apparently using Rapu-Rapu's reopening as a "welcome mat" to

investors. In her state visit to Australia, Arroyo is reportedly set to enter into formal talks with Melbourne-based BHP Billiton to push ahead with its planned multi-billion dollar-nickel project in Pujada Peninsula, Davao Oriental province.

Mining has a major role to contribute in national development but such activities must be done in the context of the welfare of local communities and other stakeholders. Such social considerations are not in the agenda of large foreign mining companies, which only care about exploiting resources for mega-profits. **IBON Foundation Inc.**

OLD WINE IN NEW BOTTLE: Subprime mortgage and present financial turmoil

by Michael Lim Mah Hui

It is often said that bankers have short memory; hence they repeat their errors. We have witnessed a financial crisis every ten years over the last three decades. In 1980's the savings and loans debacle cost U.S. tax payers US\$200 billion. In 1990's the Asian financial crisis bankrupted many Asian banks and corporations. The clean up cost taxpayers billions of dollars. Today, another financial crisis emanating from the collapse of U.S. subprime mortgages has generalized into a credit crunch.

The subprime mortgage blow out surfaced in June with the collapse of two hedge funds managed by Bear Stearns. It quickly affected the financial markets worldwide and reached crisis proportion in August-September when it temporarily froze up the money market sector, the lifeblood of the banking industry. That immediately prompted the ECB and the Fed to pump in \$100 billion of liquidity into the system. The money market sector has calmed down, while the stock markets which was initially cheered is now gyrating. Whether this represents a temporary respite or the end of the crisis remains to be seen.

Subprime mortgage simply means lending to home borrowers with weak credit by providing teasers like minimal down payment, low introductory adjustable rates, and lax credit checks. Between 2004 and 2006, \$1.5 trillion (15% of U.S. total housing loans) of high interest rate mortgages were booked.

These subprime loans were fine as long as the housing market continued to boom and interest rates did not rise. As house prices escalated, homeowners piled on more debt by taking out home equity loans, which reached a high of \$700 billion or 5% of U.S. GDP in 2004.

So what brought this party to a halt? Housing markets go through booms and busts. The latest U.S. housing boom was fuelled by low interest rates and excess liquidity. The Fed dropped short term interest rate to 1% in 2003. Long term interest rates were low as countries like China and Japan accumulated huge trade surpluses and funded private and government consumption. In other words, emerging countries were financing the spending binge of U.S. consumers.



PHOTO: BUSINESSWEEK.COM

These CDOs resemble a house built on a deck of cards. When the cards begin to crack, the house falls apart.



PHOTO: THEREALSTATEBLOGGERS.COM

Much of private household debt was channeled into the housing industry. The median house price jumped 40% to \$234,000 between 2000 and 2006. The ratio of median house price to median household income rose from a historically stable ratio of 3 times (between 1970 and 2000) to 5 times in 2006. This was not sustainable. House prices tapered off and started to decline by 2006 and are expected to fall sharply in 2007. Concomitantly, default and foreclosure rates rose. In 2006, 1.2 million household loans were foreclosed and is expected to double to 2 million this year. The default rate is expected to rise when 2.5 million adjustable rate mortgages reset higher in the next 18 months.

So why should defaults and foreclosures of subprime mortgages in the U.S. concern or affect us? First, financial and technological innovations in the past few decades have simultaneously globalized and shrunk the international financial system. The financial products associated with subprime mortgages have been distributed

far and wide. Second, financial innovations, through risks transfer and dispersion, have lulled the players and regulators to accept higher level of leverage, and to take on more risks for the system as a whole, thereby increasing the volatility and fragility of the international financial system. Therefore, what started as a crisis in the subprime mortgage industry quickly generalized into credit crunch for other financial sectors like private equity, leverage buy outs, conduits, the commercial paper and money market systems. Thirdly, the decline in the U.S. house prices and industry will have serious effects on the real economy which will negatively affect the rest of the world.

One important financial instruments introduced in the eighties is the securitization of assets. Simply put, it means bundling individual assets together (these assets can be housing mortgages, student loans, corporate loans, car loans, etc.) into a security, such as a

bond, and selling them to investors; hence the term asset backed securities (ABS). This is also known as the “origination-distribution” model. Securitization enabled banks, the originators of these loans, to take on more loans as they moved the securitized loans off their books. It is supposed to transfer some of the risks away from the banking system to other parts of the financial system. But these risks did not disappear, they were just dispersed and amplified for the system as a whole as it encouraged more leverage and higher degree of risk taking.

In 1990's, financial innovation took these ABS to a higher level in terms of complication and leverage with the introduction of collateralized debt obligations (CDOs). CDOs are simply the bundling of a class of ABS into a special purpose vehicle and then rearranging these assets into different tranches with different credit ratings, interest rate payments, and priority of repayment. An investor,

depending on his risk appetite, can choose which tranche to invest in. The AAA tranche pays lowest interest rate but provides highest priority in terms of debt repayment. The volume of CDOs issued tripled between 2004 and 2006 from \$125 billion to \$350 billion per year. These CDOs were widely distributed. Not only banks but also staid establishments like town councils in far flung places like Australia bought these CDOs. Bank of China has \$9 billion of subprime CDOs. Two German state banks investing in CDOs went bankrupt and were bailed out by the government.

These CDOs resemble a house built on a deck of cards. When the cards begin to crack, the house falls apart. As subprime borrowers in the U.S. began to default, investors in the subordinated tranche of subprime CDOs took the first hit. This led to a loss of confidence even among investors in the safer tranches who have not yet experienced any loss. As they head for the exit door together, this created panic and the sale of these assets led to a downward spiral of prices.

Compounding this problem is the fact that many originators of these mortgages engage in the

classic strategies of leveraging and mismatch funding. These companies borrow on a short-term basis (at lower interest rates) to invest in long-term assets (at higher interest rates and risk) in order to capture the differential in interest rates. This is profitable as long as short-term interest rate is lower than long-term rate. But when the former moves up more than the latter, a profit can quickly turn into a loss. This is exactly what happened to the savings and loans industry in the 1980's. The same thing occurred when Asian banks and corporations played the funding mismatch game. They borrowed in U.S. dollars at a lower interest rate and invested in local currency assets that provided higher yields. The going was good until the dollar appreciated and many borrowers went bust. Today, this problem is haunting financial institutions that play this game, such as mortgage companies, conduits, and banks including those like Northern Rock who have no exposure to the subprime mortgages. Despite the financial innovations of the last two decades, the underlying problems of leveraging and funding mismatch are repeated; hence old wine in new bottle.

The fall out of the subprime mortgage also affects the real

economy. Modern economy is essentially credit driven. The total amount of debt in the U.S. as a percentage of its GDP rose from 150% in 1969, to 240% in 1990, to 340% in 2006. In volume terms, U.S. total debt stands at \$45 trillion. U.S. economic growth has been 70% powered by household consumption which was made possible by the perceived increase in household wealth, consisting significantly of house ownership. U.S. consumers felt rich when house prices rose and took out home equity loans to spend. Now as house prices begin to tumble, the reverse happens. Home equity loans shrink, consumer confidence plummets, and consumption declines. This could drag the country into a recession that could affect the rest of the world. U.S. consumption still accounts for 20% of the world's GDP. Some argue there is a decoupling of the emerging market economies from the U.S. It remains to be seen to what extent this is true.

The central banks of various countries have stepped in to support specific financial institutions, assist the ailing housing industry, and support the battered financial industry by pumping liquidity into the economy. Initially the stock markets were cheered. Then they went on a roller-coaster ride. Now despite the second rate cut by the Fed, the stock markets are still tumbling. There is historical evidence to indicate that such liquidity pumping serves to create another bubble down the road. Some refer to this phenomenon as the rolling bubble. The U.S. Treasury Secretary, Paulson, a former Wall Street banker, warned that the problem is not short term but will be with us for a while.

Despite the financial innovations of the last two decades, the underlying problems of leveraging and funding mismatch are repeated; hence old wine in new bottle.

CLIMATE CHANGE AND HUMAN WELFARE

By Joseph Yu

A recent environmental study reports that of the possible effects of global warming, rising temperatures will have the strongest effect on people's well-being and health, proving definite links between the number of fatalities on any given day and thermal conditions.



PHOTO: DIPLOMATIE.GOUV.FR

BON Features— A new report by a prominent reinsurance company reveals that there is a trend towards ever-larger and more catastrophic natural disasters due to increasing global warming caused by human activities. And this trend towards an increasing frequency of extreme natural events will in turn have direct negative effects on human life.

The report, *Weather Catastrophes and Climate Change* (published by the German firm Munich Re AG), warned that the 2003 heat wave that killed tens of thousands in Europe gives an idea of what could happen more frequently if global warming continues to accelerate. The heat wave, which is

cited as a particularly striking example of a climate-related disaster, left an estimated 35,000 dead in the summer of 2003.

Climate research has revealed that atmospheric carbon dioxide (CO₂) has risen strongly since 1850; this rise is caused by human activity and is primarily due to the burning of fossil fuels. The rising concentration of CO₂ and other anthropogenic (caused or derived from human activities) greenhouse gases (GHG) has resulted in the global climate in the past century warming by -0.6° C. If the concentration of GHG doubles, the resulting global mean warming will very likely be between 1.5 and 4.5° C.

The report added that the impact of global environmental changes generated by human activity is growing. It cited statistics showing that only 16% of the approximately 14,000 natural catastrophes analyzed between 1980 and 2003 were natural hazard events such as earthquakes or volcanic eruptions which cannot be influenced by mankind. The large remainder, five out of six natural catastrophes, originate in the atmosphere.

Temperatures Rising

It also noted seemingly significant correlations between extremely hot conditions and traffic accidents. A scientific analysis revealed that there were 18% more road accidents on the hottest days than on cool days. Even in countries where heat load is common such as Saudi Arabia, there is a positive correlation between the frequency of road accidents and air temperature.

Occupational health studies also reveal that heat increases the number of occupational accidents and reduces productivity. There is also evidence that heat is capable

to an increased probability of torrential rain. Climate change will therefore result in a greater risk of deaths due to severe weather events. There is already a clear upward trend in annual numbers of people killed throughout the world by weather-related natural catastrophes since 1980.

Changes in air and water temperatures can also prove favorable to the spread of tropical diseases such as malaria and dengue fever. Exceptional weather events can also cause clusters of diseases that are transmitted by water, mosquitoes, or rodents.

PHOTO: BAYAN



Of the possible effects of global warming, rising temperatures will have the strongest effect on people’s well-being and health, according to the report. It said that there are many studies which prove definite links between the number of fatalities on any given day and thermal conditions. In New York and Shanghai, for example, three times as many people die on extremely hot days as on normal warm days— and these two cities are in completely different regions.

of raising the level of aggression and the incidence of violent acts.

Negative Environmental Effects

But apart from these direct effects on well-being, climate change also has negative effects on the environment which could also impact on people’s health and welfare.

For example, higher water surface temperatures could lead

Extreme torrential rain and droughts can also trigger diarrhea due to the pollution of drinking water sources by overflowing sewage facilities, and water shortages which make it difficult to be hygienic when preparing meals. The World Health Organization in fact estimates that changes in the climate over the past decades are responsible for approximately 2.4% of all diarrhea cases today. Further, increased heat can also bring about more cases of spoiled food leading to a high incidence of food poisoning.

But the most serious effects of global warming concern the accelerated rise in sea levels. As the global average temperature rises, the sea level may go up by five meters and more in the centuries to come, because substantial amounts of inland ice in Greenland and the Antarctic will melt.

Most of the human race lives in coastal areas. A rise in sea level by about one meter would be a heavy blow to some people but would not endanger major cities such as New York. However, if

the sea level were to rise by seven or twelve meters, most cities in the world would definitely be affected. Large migratory movements would be inevitable and conflicts over ever-scarcer favorable settlement options would probably trigger military conflict.

What Must be Done?

In order to avoid such extreme scenarios, the emission of greenhouse gases must be reduced and eventually stopped. The report raises three options to minimize or eliminate the emission of GHG: using renewable energy, sequestering greenhouse gases in geological formations and discarding energy consumption as a status symbol.

The European Union Commission, for example, announced in June 2003 its aim to implement a hydrogen economy on the basis of renewable energies in Europe by the year 2010. A hydrogen economy uses renewable sources of energy such as wind, hydro and geothermal, to produce electricity. This electricity in turn is used to split water into hydrogen and oxygen through electrolysis. This hydrogen is in turn stored and used, when needed, to generate electricity.

There have also been proposals to generate electricity and/or hydrogen from fossil fuels in a manner that involves storing the resulting CO2 in suitable geographical formations, i.e. a cavern from which the original natural gas has been extracted. The use of such technology would naturally double energy costs, but this would be spread out over a period of time and thus the world economy could absorb it without major dislocations.

This applies all the more so, the report said, if energy consumption is no longer seen as a status symbol, as is often the case in the industrialized nations. It noted that cultural changes are afoot that are helping new status symbols — and a more relaxed approach to status consumption — gain in importance.

For example, the worldwide environmental movement has established new linkages between natural lifestyles, beauty and health from which not only organic farmers and alternative-therapy providers are benefiting. At the same time, the internet is promoting a lifestyle in which the ability to use resources counts for more than conventional property ownership.

Still, even if the three options were to interact on a global scale, GHG could not be reduced to zero overnight. The concentration will only stabilize when humans emit no more greenhouse gases than the atmosphere is able to degrade or pass on. This means that stabilization of the atmospheric concentration of GHG is only possible if there is a dramatic decrease in global emissions.

A Global Environmental Policy

One important milestone towards multilateral cooperation on global energy and environmental policy is the Kyoto Protocol to the United Nations Framework Convention on Climate Change. The Kyoto Protocol binds signatory countries that ratify the treaty to commit to reduce their emissions of carbon dioxide and five other greenhouse gases, or engage in emissions trading if they maintain or increase emissions of these gases. Emissions trading is an

administrative approach used to control pollution by providing economic incentives for achieving reductions in the emission of pollutants.

The problem is that the Bush administration has brusquely rejected the Protocol. And without the United States an international energy and environmental policy will be impossible, according to the report. The fabled “American Dream” is consistently linked to a wasteful lifestyle of boundless growth in energy consumption. The US also combines its claim to global leadership with its stated aim of securing its own supply of oil and other energy sources in the long term. The Kyoto Protocol will not be ratified by a completely new US administration either, since the targets for 2008-2012 can no longer be achieved due to the emission trends that have occurred in the meantime.

Still, despite the backing out of the US, the Protocol is not dead. On the contrary, the climate summits in Bonn and Marrakech have managed to bring the negotiations on all the sticking points in the Protocol to a successful conclusion. Over 120 states have ratified it in the meantime and the in very many countries climate policy measures are now in place.

Even in the US, there are growing signs that in various states, and possibly even at the federal level in the future, emissions trading programs and portfolio targets in favor of renewable energy sources will in fact be adopted. It is also worth noting that high oil and gas prices in the US may open the door to constructive approaches to a climate policy. **IBON Features**

CLIMATE WORKSHOP discusses southeast Asia's concerns

By Meenakshi Raman

A Southeast Asian regional workshop on climate change was held in Kuala Lumpur on 29-30 October to prepare countries for the meetings of the UN Framework Convention on Climate Change in Bali in December.

Lack of implementation of technology transfer to developing countries, and grossly inadequate financial resources were identified as serious concerns. Also stressed by some government representatives were the need for facilities and human skills to collect and interpret climate data in poor countries, and the need to implement adaptation projects which require massive funding.

Government officials from Southeast Asian countries were among around 400 participants at the workshop on "Reducing the Threats and Harnessing the Opportunities of Climate Change", which was organised by the Malaysian Ministry of Natural Resources and Environment and the British High Commission in Kuala Lumpur.

The conference discussed a wide range of topics including the economics of climate change, transition to a low, sustainable carbon economy, understanding the impact of sea-level rise, sustainable transport policy and current concerns on international climate change negotiations.

In a keynote speech, Malaysian Deputy Prime Minister, Mr. Najib bin Tun Abdul Razak, described



PHOTO: GREENPACE

climate change, its effects and how best to manage these phenomena as "perhaps the most momentous challenge of our time."

Not since the Cold War has there been a threat as profound, such that it renders the price of inaction too great to contemplate, said Najib. Given the mounting scientific evidence and potential economic impacts, the stark reality is that climate change, if left unchecked, "presents a clear and present danger to mankind's common future", he said.

Stressing that climate change will spare no country, he described how Malaysia had already experienced devastating floods in recent years. "Climate change will not only influence the frequency and intensity of extreme weather events, but also has adverse impacts on agricultural yields, biodiversity, forests, availability of clean water and increases in diseases such as malaria and dengue fever," he said. It also leads to forced migration as sea level rises and coastal and low-lying areas become flooded.

Stressing the need for international cooperation, Najib called for a "fair, effective and implementable" post-Kyoto framework, guided by the principle of common but differentiated responsibilities, the

“polluter pays” principle and the precautionary principle.

“It is also important to realize that countries will commit themselves to the climate efforts at the international level only if such efforts are congruent with those of national interests,” he added.

“Thus, the countries’ level of development, development priorities, natural resources and political structure will influence whether they are able to implement climate change efforts. In practical terms, this means that different types of targets, fixed, conditional and sectoral will have to be put in place so that all countries can participate effectively.

“However, such national efforts need to be complemented at the international level by efforts from developed countries to provide capacity building, technology and finance to developing countries.”

The deputy premier pointed to lifestyle change and personal carbon rationing as important parts of the solution. He said that climate change provides an opportunity to “reexamine our lifestyle” and that “without a long hard look at how we consume the world’s resources at micro level, we will not be able to start a sustainable effort to reverse climate change.”

He referred to suggestions to have personal carbon rationing, which is supported by the equity principle of equal shares for everyone, saying: “As part of a global agreement, per capita rationing would ensure that people would only be liable to pollute up to their equal rations and beyond that, they would have to buy credits from those who have not utilized their rations

fully. The whole idea of personal carbon rationing is to ensure that people adjust their lifestyles to less carbon intensive ways.”

The Malaysian Minister of Natural Resources and Environment, Mr. Azmi Khalid, pointed out that developing countries have contributed the least to greenhouse gas emissions, but are likely to be affected most. Moreover, developing countries lack the institutional, economic

that the costs of action (to reduce greenhouse gas emissions to avoid the worst impacts of climate change) would be less than the costs of inaction.

Speaking on “current concerns on the climate negotiations”, Mr. Chow Kok Kee, the current chair of the Expert Group on Technology Transfer set up under the UNFCCC (and chair of the Subsidiary Body for Scientific and Technological Advice from 1997 to



PHOTO: VINAI DITHAJOHN/GREENPEACE

and financial capacity to cope with climate change.

This situation of the developing countries was described as a “double inequity”, in terms of responsibility and in terms of impacts, by Su-Lin Garbett, Economic Advisor, International Stern Review Strategy Team at the Office of Climate Change, Department for Environment, Food and Rural Affairs (DEFRA), United Kingdom.

Summarising the results of the Stern Review, (which was commissioned by the UK Treasury to look at the economics of climate change), she stressed

1999), stressed that a key way forward is to promote cooperation among parties through reducing suspicion and building confidence through “concrete work.”

One example is to provide technology transfer to developing countries, which he said was lacking as the developed countries prefer to maintain the current status quo. He gave examples of how technology transfer was being hindered.

Chow also painted a disappointing picture on the situation regarding provision of financial resources under the UNFCCC and the Kyoto Protocol,

with little resources made available and financial structures bogged down by negotiations and lack of action.

Similarly, there has been little progress on capacity building in developing countries as the UNFCCC is not an implementing agency.

Many national initiatives by developing countries at their own costs must be recognized and further encouraged through financial and technological support, he suggested.

A final panel discussion on “Climate Change Negotiations: The Way Forward” which was chaired by Dr. Raman Letchumanan (head of the environment division at the ASEAN Secretariat) heard the views of government officials from 5 ASEAN countries.

Singapore’s representative said there is an expectation that in dealing with the climate issue, there should not be a “one size fits all” approach as countries are at different levels, for example some are manufacturing-intensive, while others are based on agriculture or services.

The core principle of common but differentiated responsibilities must be respected and must take into account national circumstances, added Singapore. It is heartening that developed countries are taking lead. We must ensure that climate change concerns do not affect the economic growth of developing countries. There should be no gap between the first and second commitment period of the Kyoto protocol.

Thailand’s representative said that in relation to the negotiations, there should be efforts to build sub-

regional evidence-based studies on the impacts of climate change, which is key for policy makers to formulate their positions.

The way forward is to support the establishment of a mechanism for regional coordination and for a regional expert group to support the parties to reduce impact of greenhouse gas emissions and to exchange information.

Thailand suggested that the ASEAN Secretariat be the focal point to support members and for technology transfer. Countries can work together in respect of the clean development mechanism to promote emission-reduction technologies and promote countries’ capacity in sustainable practices.

The Philippines’ representative said that the country had concerns over attempts to place mandatory emission-reduction targets for developing countries.

The representative from Vietnam stressed the issue of adaptation. He said adaptation funding should be a key priority of the negotiations, as it is key to poverty reduction and sustainable development. There is need to urgently explore adaptation funding needs. This will amount to tens of billions of dollars but so far only a few hundred million dollars are available from voluntary sources, and thus a huge gap exists.

The representative from Laos said that as an LDC his country faced many challenges such as in the observation and collection of climate data. The country lacked climate observation stations with adequate facilities.

Laos said it needed human resource capacity building, as it

lacked human resources in the area of climate. The country needs to develop its capacity by establishing climate observation facilities, processing tools and the use of climate models. It called for support to enable it to establish the tools and facilities for climate observation stations. Training of staff to have skills for observation of events is also needed.

During question time, a representative of an Asian-based NGO pointed out, in response to concerns that there should not be mandatory emission cuts for developing countries, that implied targets are already being proposed.

She said that the current EU proposal is for a global target of 50% reduction by 2050 compared to 1990 levels and for a target of reductions by developed countries of 60-80% by 2050.

Since developed and developing countries have around the same shares of global emissions, then a 70% emission-reduction target for developed countries would mean that developing countries would have to cut their emissions by 30%, and if their population doubles, then the developing countries would need to cut their emissions by 65% per capita, she said.

In response to this, Dr. Raman from the ASEAN Secretariat agreed that if a global target was set for greenhouse-gas emissions reduction, and a target for developed countries is also set, the residual cuts will have to be undertaken by the developing countries.

At the closing, Mr. Sazmi Miah, Parliamentary Secretary to the Malaysian Ministry of Natural Resources and Environment, said

that the conference leaves little doubt that climate change is the most serious environmental problem facing mankind today.

Collaboration at national, regional and global levels is absolutely vital in arresting this phenomenon, he said. In spite of its weaknesses, the Kyoto Protocol remains an important first step upon which we should build the post-2012 regime. At the very least, the post-2012 regime should build on and expand on the four important building blocks of mitigation, adaptation, access to technology for developing countries and investment and finance for mitigation and adaptation.

He added that mitigation is important because it is always better to solve something at its source than to adapt to changes that are already underway.

The Inter-governmental panel on climate change had indicated that global emission would need to peak within 10 to 15 years and be reduced to below half of what there were in 2000 no later than 2050 to stabilize greenhouse gas concentrations. All future capital investment must follow sustainable development pathways to ensure that we bring climate change under control.

On adaptation, he said it is time to give greater attention to this issue as in the past, mitigation had occupied much of the time and efforts of the UNFCCC and the Kyoto Protocol.

Adaptation should include rehabilitation since many countries are increasingly being affected by natural disasters that have severe financial consequences due to their greater frequency in recent times.

Future work on adaptation should focus mainly on how to support adaptation by integrating it into national development plans and improving access to financial resources, technology and capacity building.

On technology development and transfer, which is a vital building block in a post-2012 framework, there must be demonstrable progress in utilization of latest technologies in dealing with climate change, said Sazmi.

“It is disheartening to note that technology transfer to developing countries has not occurred even after Technology Needs Assessments (TNAs) have been conducted. This is particularly serious in the case of the most vulnerable countries such as Bangladesh and Tuvalu,” he said.

“Mechanisms that can promote the development and transfer of technologies must be implemented without further delay in order to ensure that forced migration does not occur as this will bring along with it, security problems on a regional and even global scale. The excuse that technology belongs to private firms should not be used to block technology transfer. Governments in developed countries can work out special arrangements with their private firms on how to ensure technology transfer to developing countries.”

Sazmi added that “investment and finance” is the most important building block since both mitigation and adaptation



PHOTO: LUIS LIMANAG/GREENPEACE

depends on it. It has been estimated that US\$200-210 billion is needed to return emissions to current levels by 2030. The money needed for adaptation also runs into billions of dollars.

Much finance will go towards funding of new physical assets that are environment friendly. In this respect, the role of the three Kyoto Mechanisms - Joint Implementation, Emissions Trading and Clean Development Mechanism - are especially important.

However, it is important to think of other financial arrangements that can be used to finance climate friendly physical projects, and the use of private sector financing should be explored further, he said.

Implementing climate change projects are now important, since we are past the stage of discussing the science of climate change, he concluded.

(With inputs from Lim Li Ching.)
TWN Info Service on Climate Change, Third World Network

REAL ACTION NEEDED on technology, finance in climate talks

By Meenakshi Raman



PHOTO: VIELMO SABINE/GREENPEACE

Real and concrete actions are needed to provide technology and financial resources to developing countries in the negotiations for a post-2012 regime on climate change, according to a leading official in the United

Nations Framework Convention on Climate Change process.

To date, there has not been real progress on technology transfer, while little real funds have been committed under the UNFCCC, according to Mr. Chow Kok Kee, the Chair of the Expert Group on Technology Transfer under the UNFCCC.

Chow was also the former Chair of the UNFCCC's Subsidiary Body for Scientific and Technological

Advice (SBSTA) from 1997 to 1999. He was also formerly Director-General of Malaysia's Meteorological Services Department and a leading delegate for the country in climate-related negotiations.

Chow was speaking at the South-east Asian regional conference on climate change, "Reducing the Threats and Harnessing the Opportunities of Climate Change", which was held in Kuala Lumpur on 29-30 October 2007.

The conference, organised by the Malaysian Ministry of Natural Resources and Environment (NRE) and the British High Commission in Malaysia, was attended by over 400 policymakers, experts and NGO representatives.

Speaking at a plenary session on “current concerns on international climate change negotiations”, Chow said that a key way forward in addressing the current concerns is to promote international cooperation among parties through the reduction of suspicion and the building of confidence through concrete work.

One serious concern cited by Chow is the lack of technology transfer to developing countries. The simple and usual answer (given by developed countries) for not facilitating technology transfer is that technology is in the hands of the private sector and hence governments do not have any role, he said.

“Developed countries prefer to maintain the current status quo, while developing countries stress the need for technology transfer,” he added, summarizing the North-South divide on the technology issue.

He questioned whether the developed country governments have considered ways and means of encouraging their private sector to transfer technology to developing countries, such as

through providing tax incentives, concessional loans or subsidies.

In suggesting some ways forward for a Bali Roadmap, he said that many national initiatives by developing countries at their own costs must be recognized and further encouraged through financial and technological support. “Closer cooperation in capacity building and joint research and development will facilitate better regional and sub-regional efforts in addressing climate change,” he added.

He said that the Bali Roadmap needs to focus on reaching an international agreement on concrete steps to a framework to follow the end of the Kyoto Protocol’s first commitment period in 2012.

There could be possible agreements on a time-line for the conclusion of second-commitment period emission-reduction targets; for the SBSTA to work on methodological issues related to the reduction of emissions from deforestation in developing countries (REDD); and on a new body or approach for technology transfer and for the application of the intergovernmen-

tal Panel on Climate Change’s fourth Assessment Programme.

On the key issue of reduction of greenhouse gas emissions after 2012, Chow put forward some questions which are likely to figure prominently in the forthcoming discussions: What are targets for reduction for developed countries? How would developing countries participate in the next commitment period? Will there be targets set for developing countries? What about the USA, Australia and Canada? What will happen to the Clean Development Mechanism?

In assessing the progress so far in relation to financial resources made available under the UNFCCC and the Kyoto Protocol, Chow said that many developing countries have identified their technology needs and put forward their adaptation programmes, but there have been no resources to support these.

Elaborating on this, Chow said that several pledges were made on the Special Climate Fund but little real money was made available. The Adaptation Fund is not operational because it is bogged down by negotiations on which countries are entitled to it and how much they should get.

There has also been a “deactivation” of the financial mechanism of the UNFCCC through the Resource Allocation Framework. Further, the Clean Development Mechanism, which is based on the market mechanism, may have benefited some members, but there are concerns that it has not benefited all the members.

As for technology transfer, Chow said that both mitigation and adaptation technology and know-

PHOTO: PEDRO ARMESTRE/GREENPEACE



how are not freely available. Technology need assessments have been conducted by many developing countries, but no funding is available for them. The negotiations for a future body to oversee the implementation of technology transfer under the Convention is stalled.

In his view, there is a need for technology cooperation, joint research and development and access to know-how, as well as for support for the endogenous development of technology by developing countries.

In another session on mitigation of climate change, Chow addressed the issue of the “development, transfer and diffusion of environment friendly technology”.

He said that the transfer of technology involved not just the North-South flow of technology hardware, but also flow of experience, know-how among stakeholders, including government and private sector entities, research institutions, universities as well as NGOs.

He identified several barriers to effective technology transfer. These include “insufficient human and institutional capacities, lack of knowledge and awareness of emerging technologies, reluctance in accepting energy efficiency as energy tariffs remains low, a poor enabling environment and a lack of support from local financial institutions”.

Other barriers were the protection of intellectual property rights, lack of assessment of technology needs, poor support from governments on innovation and R&D and poor market for the technology, he said.



PHOTO: DANIEL BEIRA/GREENPEACE

In describing an “enabling environment”, Chow said that there were pull and push factors. On pull factors, “foreign private companies want a better enabling environment such as lower import duties, free market access and income tax incentives.” The push factors include actions by “government to provide tax incentives to companies that export environmentally friendly technologies to developing countries.”

On the issue of adaptation, Chow also outlined some current concerns as regards the climate negotiations. He said that the Nairobi Work Programme on adaptation constituted only a series of workshops and the preparation of technical papers. There is a “lack of action-oriented programmes, while developing countries continue to face adverse impacts of climate change.”

He posed the question whether sub-regional programmes on adaptation would be more practical than a global programme. The LDCs have completed their National Adaptation Programme of Actions. Other developing

countries could also undertake a similar exercise.

On the forestry issue, Chow said that there were some differences in approaches being considered by the developing countries on the issue of reduction of emissions from deforestation in developing countries (REDD).

Brazil has a clear demand for compensation for reducing its deforestation rate, while India and Malaysia would like to include the issues of forest degradation and sustainable forest management in the negotiations.

The developed countries prefer more methodologies to be developed before making conclusions on compensation. The question of resources linked to deforestation would not be settled until the SBSTA adopts methodologies on this issue, and this could take two to three years.

Chow added that there has been little progress on capacity building as the UNFCCC is not an implementing agency, and activities on this have to be carried out by other agencies.

TWN Info Service on Climate Change, Third World Network

Development issues crucial for post-2012 climate regime

By Martin Khor
Third World Network

The UN General Assembly thematic dialogue on climate change (31 July-2 August 2007) and the “Vienna Climate Talks” (27-31 August 2007) under the umbrella of the UN Convention on Climate Change (UNFCCC) have made gradual headway in clarifying the issues that will be crucial at the Bali meetings this December which will hopefully launch negotiations and a roadmap for global action to combat climate change, especially in the post-2012 period.



PHOTO: HUNT/GREENPEACE

At Vienna, participants held a dialogue on the “building blocks” required for such global action, and especially for a framework or regime to guide activities after the expiry in 2012 of the first Kyoto Protocol set of commitments. They also held initial discussions on the range of commitments for developed countries to reduce their Greenhouse Gas emissions by 2020

Key among the present Kyoto commitments is the agreement of most developed countries to reduce their Greenhouse Gas emissions by 5.2% collectively by 2012 as compared to 1990 levels. However, a few developed countries, notably the United States and Australia, have not signed up to the Kyoto commitments.

At this significant moment in the conceptualization of a climate regime that is equitable and fair, it is important to put forward perspectives that promote the environment and development interests of the developing countries.

From this viewpoint, there are at least four important building blocks towards a post-2012 UNFCCC climate regime – science and targets; relations between developed and developing countries; the need to link development and environment; and policy coherence.

I: Science and Targets

First, on science and targets. Developments in the science of climate change have progressed recently so that there is broad consensus that the climate problem is real, serious, and that developing countries will be most affected.

There is need to set targets for global action, such as to limit temperature rise to 2 degrees centigrade (in fact, well below that), and to prevent Greenhouse Gas concentration from exceeding 450 parts per million (ppm) of carbon dioxide equivalent. Even at these levels, there will be great damage. At levels

higher than these, scientists inform us that the damage will be catastrophic.

However, the establishment of such science-based targets has to be linked to agreement on “burden-sharing” principles, particularly as between North and South.

II: North-South Relations

Second, therefore, is the crucial building block of fair North-South relations in a climate agreement. The UNFCCC and Kyoto principles of equity, historical responsibility, and common but differentiated responsibilities have

proposal for a global emission cut of 50% by 2050 (compared to 1990 levels) and a cut of 60-80% for developed countries.

It is good that the EU has started the ball rolling by putting forward these proposals and figures. Of course it is only a start and the EU and other developed country parties must be expected to improve on their proposed commitments.

However, there are also implications for developing countries in such figures, which have thus to be considered seriously. If we assume, for simplicity, that developed and

should or can take on such cuts should be openly debated. It is insufficient to leave these as implicit targets, as a residue of global and developed countries’ targets.

The above is of course only one aspect, though an important one, in the operationalisation of the principles of equity, common but differentiated responsibilities, etc.

III: Integrating Development Concerns with Climate Issues

Third, there needs to be more work the building block of integrating development with environment. Addressing climate change as an environmental crisis requires simultaneously a development solution. The development challenges are enormous, far more than has been generally acknowledged as yet.

As has been effectively argued, if climate change is not addressed, its effects would themselves devastate development prospects. Thus adequately addressing climate change through mitigation and adaptation is crucial, and is more cost-effective than adopting a “business as usual” attitude.

At the same time, we should also not under-estimate the tremendous efforts required to switch to new development pathways that match the new emission-stabilisation pathways required to curb the growth of Greenhouse Gas emissions.

For example, the Vienna meeting heard presentations that the economic costs of addressing climate change would be only 0.12% of world Gross National Product (GNP) per year, up to 2050.

to be re-affirmed and more importantly to be operationalised in concrete terms and measures to be worked out.

Indeed these principles must be infused into all aspects of the negotiations and reflected in the agreements to be made.

The implications for developing countries of proposals on global targets should be more explicitly discussed. For example, the European Union has made a

developing countries account 50:50 for total emissions, then a global 50% cut with 70% developed-country cut implies a 30% emission cut for developing countries.

If developing countries’ population doubles in that period (from 1990 to 2050), then the implication is a 65% cut collectively in their emissions per capita.

This is a very deep cut, and whether developing countries

PHOTO: GREENPEACE



If this is so, then operationalising this would still be an enormous challenge. It may imply, for instance, that if developed countries are growing at 2.12% a year, they would have to make do with 2% and if developing countries are growing at 6.12%, they would have to make do with 6%.

[Of course if developed countries were to agree to reduce their growth rates more than this, developing countries will have more space to grow].

This may be a relatively small price to pay to address climate change and still enable relatively good growth. But it would be a tremendous challenge indeed for developing countries to be able to grow economically at 6% a year and also be able simultaneously to reduce their per capita emissions by 65% by 2050.

Perhaps it can be done. However, many in-depth studies must be undertaken to show how this tremendous transformation can be undertaken, or it would remain at this stage only a vision.

On the issue of finance, there should not be an impression that the sums are small and that the private sector will take care of most of the costs.

The UNFCCC Secretariat paper on investments needed to address climate change (presented at Vienna) has done a good job of stimulating discussions on a complex issue.

It has given estimates of an extra investment and financial flow of US\$200-210 billion required in 2030 for mitigation and "tens of billions of dollars" for adaptation.

The enormous costs of mitigation and adaptation should be realistically spelt out, and national studies (such as the one presented by India on the immense costs of emission-reducing reforms in industry) and examples of costs of addressing real-life climate-related events, would be illustrative.

For example, in the newspaper *USA Today* (dated 29 August 2007) it was reported that the 2005 Hurricane Katrina caused

US\$150 billion damage and the costs of reconstruction include US\$116 billion allocated by the US Congress as well as many more billions of dollars to be met by private financing including insurance.

The 2004 tsunami would also have cost many billions of dollars in rehabilitation and reconstruction.

Mitigation and adaptation measures would help prevent or reduce such expensive costs of disaster-related reconstruction. The high costs of damage and reconstruction also have to be addressed.

At the least, there is need for a large publicly-financed and operated fund to address



PHOTOS: ALBERTO CESAR ARAUJO/GREENPEACE

adaptation. Private finance can only be a supplement, especially since it is difficult for poorer countries to access these funds and on affordable terms. A fund to address costs of damage may also need to be looked into, especially since climate-related damage is already taking place.

On technology transfer, the challenge is also enormous. A

key question is the treatment of intellectual property rights (IPRs) over climate-friendly technologies. IPRs confer monopoly rights, and can curb affordable access through higher prices (that usually include monopoly profits) as well as be a barrier to the introduction or upgrading of technology by private industry or public-sector agencies in developing countries.

The lower the cost and the greater the ability of developing countries' enterprises to make use of or to make existing or new climate-friendly technologies, the faster would be the developing countries' ability to switch to more climate-friendly technologies and to the new emission-stabilisation pathways as well as new development pathways.

If there is insistence on the "full protection of intellectual property" in relation to climate-friendly technology, it would be a barrier to technology transfer. The example of how Indian companies were hindered from introducing a new chemical that is not harmful to the ozone layer as a substitute to chlorofluorocarbons (CFCs), because of patents on that chemical, is illustrative.

Thus, a post-2012 regime has to deal with this thorny issue of IPRs and developing countries' access to technology (existing and new technologies, for mitigation, adaptation and reconstruction).

On new development pathways, there should be more discussion and work done. Stabilisation pathways (aimed at greater energy efficiency and emission reduction) are an important component.

However, there are other key components if developing countries are to explore new ways of looking at economic and social development strategies that meet the requirements of emission-stabilisation pathways.

The pathway of moving from primary production and commodity-based sectors to commodity processing and first-stage manufacturing and services to more mature industrialisation and services, the pathways of addressing sustainable development in agriculture, industry, commercial and social services, the pathway of trade policy, investment policy, financial policy, technology policy, social policy, have to be thought through. These are massive challenges.

IV: Need for Policy Coherence

Fourth, there should be policy coherence at national and international levels. If climate change is indeed the most pressing challenge of our times, then policies made in other areas and in other fora have to be looked at through the fresh lens of addressing climate change, and made consistent with the aims and measures that we are trying to implement in combating climate change.

For example, at the World Trade Organisation (WTO), there are proposals to consider as a non-tariff barrier (which should be removed) the imposition of higher taxes on cars with a higher engine capacity, or the lack of government action to facilitate financing of consumers' purchase of motor-cars.

Also at the WTO, some developed countries are also pushing developing countries to

drastically reduce their tariffs on food products, so that their highly subsidised farm products can penetrate the poorer countries' markets, and at the same time they are insisting that the developing countries' markets for industrial products also be opened up very significantly.

Developing countries that take measures, consistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), to provide cheaper generic medicines for their population, are being condemned or punished by the major developed countries like the US or the EU, as the recent case of Thailand and its compulsory licenses on three types of medicines shows.

If some of the proposals at the WTO were to be adopted, they would make it far more difficult for developing countries to switch to an emission-stabilisation pathway and a sustainable development pathway.

Similarly, reviews should be made of the provisions of bilateral and regional free trade agreements, and of loan and aid conditionalities facing countries dependent on the international financial institutions and on aid donors.

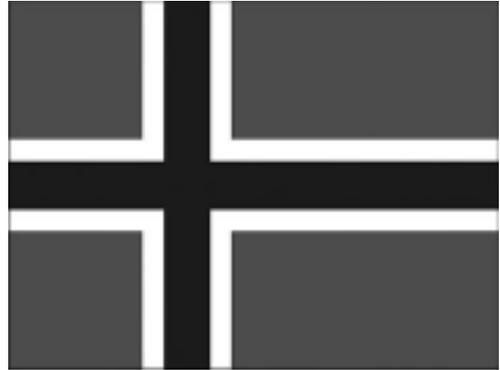
These are some of the issues that at present could be stumbling blocks that have to be transformed into building blocks towards new goals, frameworks and structures in the cooperative efforts to combat climate change.

Note: This is partly based on the author's presentation on behalf of the Third World Network at the UNFCCC meeting in Vienna on 27-31 August.

PEACE AND AID – hand in hand?

By Marta Camilla Wright

Researchers disagree whether aid is
a good lubricant for peace



Norway is currently involved in 13 different peace processes all over the world and the government will spend even more money on peace next year. Several researchers however want thorough evaluations of the peace efforts and think the accompanying aid money often can create new conflicts.

– The only peace process that has been subject to thorough analysis outside the MFA, is the Middle East process. We need thorough reviews of processes also in other places of the world to see what the results really are and what the money has been spent on, says Hilde Henriksen Waage, professor at the University of Oslo (UiO). Money for peace and reconciliation has never been looked into by the Auditor General, and Waage wants comprehensive and thorough evaluations of Norwegian peace engagement and spending.

– During my studies of the Oslo process, the Ministry of Foreign Affairs wanted to keep the spending of Norwegian aid money out of my analysis. They only let me analyze the political process and did not allow me to study the links between Norwegian peace diplomacy and the spending of aid money, which was what I wanted to do. Waage has studied the Oslo process in detail and presented a research report some years ago that was very critical of Norway's role in the negotiations between Israel and the Palestinians.

Money pulverized

According to the Ministry of Foreign Affairs, "the total aid to peace and reconciliation work, human rights, democracy and humanitarian aid will be more than 4.4 billion NOK in 2008". The Peace and Reconciliation Section at the ministry has since 2005 doubled its funding, in 2008 they have been budgeted 820 million

NOK. The increase for pure peace and reconciliation projects is 306 million NOK. But how much money is spent on peace processes, Bistandsaktuelt has not succeeded to get an overview over, because, according to the MFA, it is time-consuming to find out, among other things because the money is channeled through different posts.

– The money is pulverized and it is impossible to get a comprehensive and good overview of the aid billions that have been spent. Neither is it possible to get an overview of the results of Norwegian spending in this field. One must be allowed to ask whether it has resulted in peace and economic development, she says, and thinks that with regard to the Middle East, the answer is no on both questions.

– The Palestinians have never had it as bad as now, both economically and politically, and we have statistics on that. This is because the Oslo agreement did not work according to its intentions. One may ask whether the kind of agreement negotiated by Norway is more harmful than beneficial.

Norway lacks power

– Norway couldn't do anything about the unequal power relation between Israel and the PLO because Norway is a small country and did not manage to put pressure on the strongest party, Israel. Thus, Norway chose to stay and secure a role for Norwegian peace diplomacy, Waage says. Several

researchers question the idea that Norway can achieve more because it is a small country.

– Norway has no heavy instruments of power and is thus in a bad position to exert pressure, thinks Oeyvind Oesterud, professor in political science at the University of Oslo.

– It is difficult to imagine that Norway has political and academic expertise to get involved with everything one engages in. One faces fantastically complex situations, says Helge Pharo, professor in history at the UiO.

– New research seems to show that one doesn't get anywhere without power. If one is not a superpower, one cannot put power behind an agreement or process. Then one can try with "bribes".

Aid as instrument of power

Bribes?

– Yes, that means aid. One can use aid to create alliances, buy clients, influence and power. But if it has any favorable effect in the long run is highly uncertain, Pharo says.

– One needs to ask whether the favorable short-term effect is so important that it is reasonable to spend as much as one does on the processes. And are the long-term effects negative if one fails with a process or gives money to the wrong groups, so that one really should not have channeled money into a process, Pharo asks. Waage shows that this happened during the peace process in the Middle East.

– In the Palestinian areas, aid increased from microscopic support in the entire post-war era

to 150 million US dollars at the donor conference after the peace agreement in 1993. That was 20 times more than the average of what the other rich donors gave. Waage thinks that the most important reason was the role Norway itself had played in the peace process and that the money was thus also important support for Norwegian peace diplomacy.

– One believed that the money contributed to the peace process because economic development leads to peace. Norway has spent more than two billion NOK to build up the Palestinian areas. The money contributed to increase patron-client relations, corruption and internal conflict and tension.

In the same purse

In a press release about Norway's peace and reconciliation work, the foreign minister says, "we would like to see our political efforts and humanitarian efforts better linked. The many measures must thus be tailored in relation to both geography and situation, among other things in relation to Sudan, Afghanistan and the Middle East". Further, one also increases aid for development and peace building in countries that have recently come out of a crisis or conflict. The MFA thus closely links peace work, development and humanitarian aid, in line with the old idea that economic crises are the root of conflict. Norway is involved in different ways in peace work; in peace negotiations, peace processes and UN peace operations, and has in addition different roles, more or less central. And aid money, usually quite a lot, accompanies peace engagement.

"Peace lubricant"

– It looks like aid is used to make peace agreements more attractive, thinks Axel Borchgrevink, researcher at the Norwegian Institute for International Affairs (NUPI).

– It is easier to make the parties accept an agreement if one has some carrots. In recent year, many of the big recipients of Norwegian aid have not been cooperation countries, but countries where Norway has been engaged in peace processes. Examples include the Balkan, Afghanistan, Iraq and the Palestinian territories. Guatemala is another example where aid came as a result of Norwegian engagement in the peace process. The country is rich enough that Norway would not otherwise have contributed there. Borchgrevink thinks that such aid to secure an agreement runs a risk that the parties feel less committed to such agreements.

Side effects?

– Norway believes that money alleviates a conflict, but in reality, they have unforeseen consequences that I think one needs to look into more closely, Oesterud says.

– There is research, among other produced by the British research institution Tiri, which says that aid into conflict areas may contribute to corruption, inequality, new rivalry, discontent and new conflicts. According to reports published by Tiri in 2007, big transfers have led to new tensions and conflicts in countries where Norway is engaged and gives a lot of aid, for example Afghanistan.

– It may be unfortunate to throw in too much money immediately after a peace agreement, because one often gets a boom,

warns stein Toenneson, director at the Norwegian Institute for Peace research (PRIO) and points out that aid donors often run in packs.

– Actually, one should plan to put in resources after the first positive attention has subsided, after four-five years, he thinks. Toenneson thinks that one should be careful about being too focussed on big, visible results.

– I am afraid that the support in public opinion for spending resources on this field may disappear if the condition for efforts is that there must be made agreement where Norway gets great media attention for its role. One has some positive consequences, for example in Guatemala, where the war came to an end. The Oslo agreement must be regarded a diplomatic success in its time, and in Sri Lanka one has saved lives in a period with

cease-fire. In many other conflict areas, Norway has contributed in less visible ways, Toenneson says. Nevertheless, he thinks more evaluations of results of Norwegian peace work are needed, but emphasizes that these must be done “with fine-tuned methodology”.

– To win trust as a peace player it is important to be able to show results, says Toenneson and thereby challenges Norwegian authorities.

Norwegian flags in 13 peace processes

- As of today, Norway is actively involved in at least 13 peace processes.
- According to the MFA, Norway contributes to most peace processes in the world.
- Norway facilitates the peace processes in the Philippines and Sri Lanka.
- In 11 other conflict areas; Haiti, Somalia, Colombia, Nepal, Afghanistan, the Middle East, Sudan, Uganda, East Timor, Ethiopia/Eritrea and Burundi, Norway takes part in a more or less active role in the peace processes.
- Most of these processes have been going on for many years, as for example Sri Lanka, Haiti, the Middle East, Colombia.
- It is difficult to get an overview over how much money Norway has spent on these processes because the money is distributed on many different posts.
- Total aid to peace and reconciliation work, human rights, democracy and humanitarian aid will, according to the MFA, be more than 4.4 billion NOK in 2008 and represent about 20 per cent of the total aid budget of 22.3 billion for 2008.

Status in the processes

- **Sri Lanka:** Norway has been facilitator since 2000. Cease-fire agreement negotiated in 2002. Establishment of separate Nordic civilian monitoring force. Negotiations started in 2002. Six rounds held in 2002-2003. Currently no direct negotiations between the parties. Today regular violations of the cease-fire agreement. Norway works on getting the parties back to the negotiation table.
- **Philippines:** Norway facilitator since 2001. No ongoing negotiations. Norway works on getting the parties together.

■ **Ethiopia/Eritrea:** Norway’s role is unclear after six Norwegian diplomats were thrown out of Ethiopia. The border conflict still not solved.

■ **Haiti:** Status: two negotiated agreements – one stability treaty and one election treaty – formed the basis for free and fair elections held in 2006. After the UN military operations (January/February 2007) against gangs in the slums, Norway has given support to stabilizing measures, organized both by the UN and others players. Significant progress in recent months with regard to political stability and security.

■ **Colombia:** Since September 2005, Norway, Switzerland and Spain have had a role as companion countries in the dialogue between the government and the ELN. Norwegian work to get progress in the dialogue work is ongoing.

■ **Middle East** (Israeli-Palestinian conflict): Norway facilitator in the 1990s. Now head of the donor forum. Conflict unsolved.

■ **Burundi:** Since 2006, Norway has had a central role in the work of the UN peace building commission to assist for lasting peace.

■ **Sudan:** Norway, together with the US and Great Britain, assisted peace talks in Sudan between the SPLM (Sudan People’s Liberation Movement) and the authorities in Khartoum. Breakthrough in 2005. This peace agreement has been the basis for further Norwegian and international efforts in Sudan, and has been one of the cornerstones in the work to create peace in Darfur and East Sudan. Norway, together with international partners, assisted the parties in the Darfur conflict in 2006. Here, the parties arrived at a peace agreement that has so far not taken effect.

■ **Nepal, Afghanistan, Uganda, Somalia, and East Timor:** Norway plays active roles in peace and reconciliation work. Conflicts are still ongoing.

Bistandsaktuelt, 16 November 2007

THE 11TH HOUR INFORMS but fails to enflame

Joseph S. Yu

During his visit to research bases in the Antarctic

Peninsula, where temperatures have warmed faster than any other place on Earth in the last half-century, United Nations Secretary-General Ban Ki-moon declared that global warming is an emergency and called for urgent political action to address the problem. In this context, documentaries like *The 11th Hour* are of

vital importance in educating people both about the extent of the problem and possible solutions to deal with it. That said, this documentary never rises above the level of a feature made for a TV magazine show, and is unlikely to inspire people to action.

The 11th Hour is a sort of follow-up to last year's successful climate-change documentary *An Inconvenient Truth*, but takes a broader approach to the topic. While *Truth* built a case for the reality of climate change by presenting the growing scientific evidence, *11th Hour* builds on the foundation set by the earlier film by focusing on the historical reasons behind climate change, the reasons for government inaction on the problem, and presents eco-friendly solutions and technologies. And this broad scope ultimately proves to be a liability for the film.

The documentary first traces the roots of climate change to the industrial revolution, indicts oil



PHOTO: WARNER BROS.

transnationals for political inactivity on the climate change problem and introduces “green” technologies to help lessen the use of fossil fuels. This is a lot of material to cover in just 90 minutes, and the film’s approach is to reduce all this important information into soundbites delivered by various experts.

In its publicity material, *The 11th Hour* lists no less than 53 experts in various fields (and mentions that it gathered 70), some of them familiar, such as scientist Stephen Hawking and former Soviet Prime Minister Mikhail Gorbachev, but the majority unknown to the general public. Each of them is essentially shoved in front of the camera for a few seconds of screen time to deliver some nugget of information or brief insight. *The 11th Hour* thus begins to resemble an audio-visual powerpoint presentation after a while, with little bits of information accompanied by illustrative footage.

The approach is informative and gives weight to the film, but you wish that many of the interesting ideas expressed in the film could be developed further. The section on the historical roots of climate change alone could generate its own film.

Although Leonardo diCaprio is prominently mentioned in the documentary's publicity, the actor chooses to take a low profile with regard to his appearances in the film. He mainly shows up at the start and end of the movie, and showing up briefly in between. Although this is admirable, in that diCaprio clearly does not want his celebrity to overshadow the issues discussed, his decision to limit his screen time also denies the film a certain personality his increased presence might have given it.

In fact, the film might have benefited by cutting down on the number of on-screen talking heads and focusing instead on a handful of experts while using the rest as behind the camera resource persons. The filmmakers' reliance on expert "testimony" moves the film into more cerebral territory. This is not necessarily a bad thing, but it prevents the audience from a deeper involvement in the issues presented. Note that a big factor in the success of *Inconvenient Truth* is the persona of Al Gore, who succeeded in presenting himself as sincere and committed in his advocacy while guiding the audience through the potentially daunting mass of facts and data.

The filmmakers also fail to use the medium of film effectively to make concrete the consequences of global warming. *Inconvenient Truth* powerfully used a short animated scene of a polar bear vainly seeking an ice

floe on which to perch to demonstrate the impact of climate change. There is no equivalent scene in *11th Hour* other than the now familiar use of Hurricane Katrina footage to show how cyclones and typhoons are becoming more powerful as a result of climate change.

Like *Truth*, *11th Hour* also shies away from issues of systemic change as a lasting solution to climate change. While Al Gore simply ignored the issue, the filmmakers of *11th Hour* choose to call for consciousness change as the lasting answer to climate change. Their thesis is that as a result of the industrial revolution, people have become alienated from nature and thus view natural resources as commodities ripe for exploitation. Thus, they argue, as people become more aware of the problem they will spontaneously gravitate towards eco-friendly solutions.

That any kind of societal or systemic change might be necessary is not even addressed. In fact, the filmmakers go out of their way to stress that the solutions they seek are market-based, by including the energy and environment correspondent of free-market friendly *The Economist* (who enthusiastically

argues that market-based solutions will prevail in his brief appearance) and in an interview included with the publicity materials of the movie.

The filmmakers also make no mention of how to confront the influence of the energy transnationals, whose abuses are highlighted through footage of a US Senate hearing on oil companies' profits. Indeed, the issue is raised but not sufficiently addressed; it seems to be one of those things that would be resolved once people gain sufficient awareness.

Ultimately, the best venue for *11th Hour* may be schools and colleges, where screenings can be accompanied by discussions and lectures, rather than regular multiplexes where it may well be met by indifference.



PHOTO: WARNER BROS.

GRIM FACTS ON EARTH IN CRISIS

By Martin Khor

A new UN report on the state of the world's environment warns of the dangers of climate change, water scarcity, dwindling fish stocks, pressures on the land and the extinction of species.

The planet is in dire environmental straits and humanity is at risk if the problems are not solved, says a new report on the current state of the global environment.

The United Nations Environment Programme (UNEP) has recently published the fourth version of its flagship *Global Environment Outlook*, known as GEO-4 in short.

GEO-4 is the most comprehensive UN report on the environment, prepared by about 390 experts and reviewed by more than 1,000 others across the world.

The massive report gives details on past trends and future prospects on the atmosphere, pollution, food, biodiversity, water and inequality in the world. And the picture is grim.

Since 1987 there have been some achievements, but they are far outweighed by the deteriorating situation. The good news is that the environment is now much closer to mainstream politics everywhere and some straightforward problems are being tackled.

The bad news is that there are 'harder-to-manage' issues, the 'persistent' problems. And on these, GEO-4 says: "There are no major issues for which the foreseeable trends are favourable."

Failure to address these persistent problems may undo all the achievements so far on the simpler

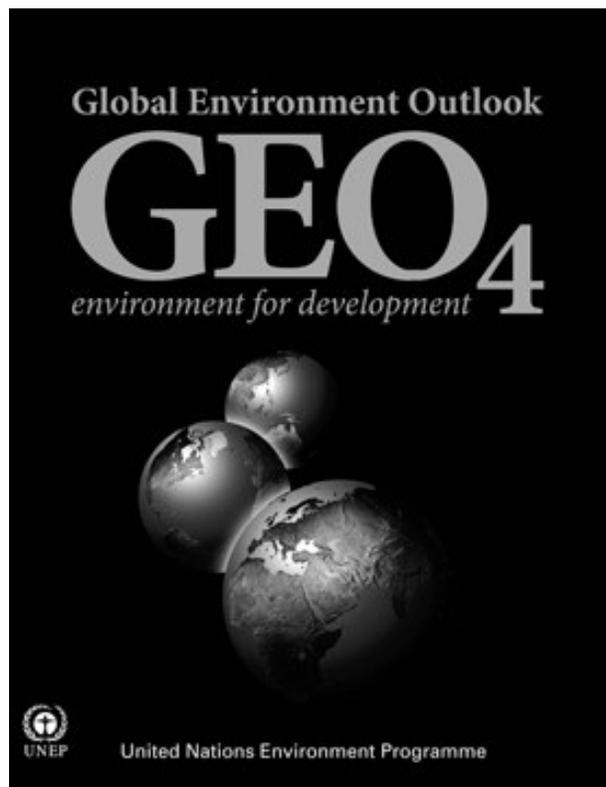


PHOTO: UNEP

issues, and may threaten humanity's survival, says UNEP.

Achim Steiner, UNEP executive director, said that in the past 20 years the world has cut by 95% the production of ozone-layer damaging chemicals; created a greenhouse gas emission reduction treaty; supported a rise in terrestrial protected areas to cover 12% of the Earth and devised many

PHOTO: UNEP



important treaties and agreements such as on biodiversity, desertification, hazardous wastes and bio-safety.

“But, as GEO-4 points out, there continue to be ‘persistent’ and intractable problems unresolved and unaddressed. Past issues remain and new ones are emerging – from the rapid rise of oxygen ‘dead zones’ in the oceans to the resurgence of new and old diseases linked in part with environmental degradation,” said Steiner.

Meanwhile, institutions like UNEP, established to counter the root causes, remain under-resourced and weak.

On climate change the report says the threat is now so urgent that large cuts in greenhouse gases by mid-century are needed.

Another problem is unsustainable consumption – people are living beyond their means. The resources needed to sustain the world’s population exceed what is available.

“Humanity’s footprint (its environmental demand) is 21.9ha per person while the Earth’s biological capacity is, on average, only 15.7ha per person,” says GEO-4.

There is a triple crisis – the environmental crisis, the development crisis and the energy crisis – all rolled up as one, adds the report. The causes are population growth, the rising consumption of the rich and desperation of the poor.

This crisis includes climate change, extinction of species, hunger, decline of fish stocks, loss of fertile land through degradation, unsustainable pressure on resources; dwindling amount of fresh water and the risk that environmental damage could pass ‘unknown points of no return’.

Among the major problems the report highlights are:

- **CLIMATE** change – This problem is a ‘global priority’, but the report finds a remarkable lack of ‘urgency’, and a ‘woefully inadequate’ global response. Several highly polluting countries have refused to ratify the Kyoto Protocol. “Some industrial sectors that were unfavourable to the Protocol managed successfully to undermine the political will to ratify it,” says GEO-4;
- **WATER** will become scarcer. Irrigation already takes 70% of available water, yet meeting reducing global goals on hunger will mean doubling

food production by 2050. Fresh water is declining – by 2025 water use will rise by 50% in developing countries and 18% in the developed world. The escalating burden of water demand will become intolerable in water-scarce countries;

- **WATER** quality is declining too, polluted by microbial pathogens and excessive nutrients. Globally, contaminated water remains the greatest single cause of human disease and death;
- **FISH** – Consumption more than tripled from 1961 to 2001. Catches have stagnated or slowly declined since the 1980s. There is excess fishing capacity, 250% more than is needed to catch the oceans’ sustainable production;
- **BIODIVERSITY** – Current biodiversity changes are the fastest in human history. Species are becoming extinct 100 times faster than the rate shown in the fossil record. Over 30% of amphibians, 23% of mammals and 12% of birds are threatened; and
- **THE** intrusion of invasive alien species is a growing problem. The comb jellyfish, accidentally introduced in 1982 by US ships, has taken over the entire marine ecosystem of the Black Sea, and had destroyed 26 commercial fisheries by 1992.

In a section on Asia, the report identifies priority issues as urban air quality, fresh water stress, degraded ecosystems, agricultural land use and increased waste, including the illegal traffic in electronic and hazardous waste. **Third World Network Features**

