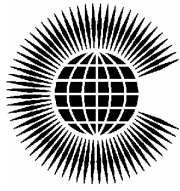


Commonwealth Secretariat

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# Commonwealth Finance Ministers Meeting

Georgetown, Guyana, 15-17 October 2007

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**Provisional Agenda Item 4**

**FMM(07)8**

## **CLIMATE CHANGE: IMPLICATIONS FOR FINANCE MINISTERS**

Civil Society Statement from Commonwealth Foundation

Commonwealth Secretariat  
Marlborough House  
Pall Mall  
London SW1Y 5HX

August 2007

**CLIMATE CHANGE: IMPLICATIONS FOR FINANCE MINISTERS  
CIVIL SOCIETY STATEMENT FROM COMMONWEALTH FOUNDATION**

**GEORGETOWN, GUYANA, 18-20 JULY 2007**

**PREAMBLE**

We, representatives of civil society organisations from across the Commonwealth, convened in Georgetown, Guyana from 18-20 July 2007 to deliberate on the theme *Climate Change and Poverty Reduction*.

2. We note that civil society has been instrumental in raising the profile of the issue of climate change on the Commonwealth agenda. At the Commonwealth People's Forum held on the eve of the 2005 Commonwealth Heads of Government Meeting (CHOGM) in Malta, they called upon the Commonwealth Foundation, in conjunction with the Commonwealth Secretariat, to bring together all concerned to prepare a programme of action on climate change in the Commonwealth that can address this long-term and crucial issue, which affects us all. The Commonwealth Foundation went on to mobilise Commonwealth Associations and partners: firstly at an international conference held in collaboration with the Government of The Seychelles in October 2006, which identified the contribution that Commonwealth networks can make in preparing for adaptation to climate change. There is now a Commonwealth programme of work on climate change, which emphasises the importance of civil society and partnerships in addressing the multiple facets of climate change.

3. We recognise the position of the United Nations Framework Convention on Climate Change (1994), that all countries should protect the climate system for the benefit of present and future generations on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. We fully support the Convention's policy that developed countries should take the lead in combating climate change and its adverse effects.

4. We note that both the *Stern Review: The Economics of Climate Change* (2006) and the *Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report* (2007) highlight serious economic and social impacts of climate change, in addition to environmental impacts, and foresee increasing crises of a human, economic and environmental nature in the absence of an urgent global response.

5. In 1987 at the Commonwealth Heads of Government Meeting in Vancouver, President Gayoom of the Maldives described how unprecedented waves had caused great destruction in his country, a concern which found an echo in the December 2004 tsunami. Heads "expressed serious concern at the possible implications of man-made climatic change, especially for low-lying and marginal agricultural areas" and called on the Secretary-General to examine the implications of rises in the sea-level and other natural disasters, including flooding.

6. Of the Commonwealth member countries, 32 are small states of which 25 are island states characterized by small populations, lack of economic resources and vulnerability to ecological and economic shocks and disasters. They are looking to the Commonwealth to demonstrate practical leadership in helping small states to prepare for change.

7. We note that the report by M.W. Holdgate et al, *Climate Change: Meeting the Challenge* (1989), prepared following recommendations of the Commonwealth Heads of Government in 1987 recognised that the impacts of climate change are not evenly distributed and that it is the citizens of the poorest countries, who have contributed least to the problem, that will suffer the most from predicted increases in global temperatures, rainfall and extreme weather events such as drought and flooding. Climate change already poses a threat to the survival of several small island states, in the Commonwealth.

8. Climate change constitutes an external shock to economies of the developing Commonwealth that can seriously undermine current debt reduction efforts and other financial measures to reduce poverty. As the Stern Review points out, the benefits of immediate action on climate change can be obtained through expenditure of around one per cent per year of global gross domestic product (GDP), far outweighing the costs of inaction, which are estimated to be equivalent to losing 20 per cent of global GDP or more each year.

9. Commonwealth member nations are diverse and range from developed countries to newly industrialised countries (NICs), rapidly industrialising developing countries (RIDCs), developing countries and least developed countries (LDCs). They have vastly differing national ecological footprints ranging from 6.6 global hectares of bio-productive area per person in more developed countries, to just 0.5 ha in LDCs, well below the global average of 2.2 global hectares per person. In other words, some Commonwealth countries are already exceeding their ecological limits, which will eventually lead to destruction of ecological assets on which the earth depends such as groundwater, fisheries and forests, and aggravate carbon dioxide accumulation in the atmosphere, while others have set development goals that will eventually take them along a similar, unsustainable path.

10. Recognising that the only pro-development strategy in the long term requires deep cuts in global carbon emissions, this situation provides a compelling case for developed countries, NICs and RIDCs to now develop along a low-carbon emissions growth pathway which will enable them to meet their development objectives while also lowering their ecological footprints. We also recognise standing forests (such as Iwokrama in Guyana, which has been supported by the Commonwealth) as valuable resources that must be included in pro-development strategies.

11. In light of the above, a number of issues and concerns related to climate change and poverty reduction must be addressed:

## **KEY ISSUES AND RECOMMENDATIONS**

### **1. Building on existing United Nations Climate Change Commitments**

To address the issue of climate change and poverty reduction and noting the forthcoming conference of the parties of the UNFCCC in Bali, Indonesia in December 2007, we recommend that Commonwealth Governments endorse, implement and build on existing global partnerships and commitments specified in the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol and call for new and more ambitious targets.

#### **1.1 Mitigation**

As mitigation is the primary means to address climate change, we recommend that:

- Developed countries within the Commonwealth should take the lead in pursuing deep cuts in greenhouse gas emissions with the following targets – at least: 5 per cent by 2012, 30 per cent by 2020 and 80 per cent by 2050, based on 1990 levels.
- Efforts be made to ensure that average global temperature increases stay below 2 degrees Celsius from preindustrial levels.
- A mandate be given for the introduction of subsequent commitments for developed countries (Annex I) in the Kyoto Protocol after the first commitment period ends in 2012.
- Commonwealth countries ratify the Kyoto Protocol and once developed countries have taken the lead in pursuing deep cuts in greenhouse gas emissions, newly industrialised countries and rapidly industrialising countries contribute to global efforts on climate change by decarbonising their economies.
- Subsequently the Commonwealth should examine the possibility of the development of a graduated or differentiated protocol which would inform mitigation and adaptation funding responsibilities among NICs and RIDCs.
- Commonwealth countries with vast forest be given the opportunity to take advantage of carbon offset schemes via standing forests.

#### **1.2 Adaptation**

Least developed countries and small island states within the Commonwealth should focus on adaptation to cope with unavoidable impacts of climate change. To enable this, we recommend that:

- Developed countries make financial contributions to and activate funds already provided for adaptation under the UNFCCC and Kyoto Protocol frameworks, including the:

- Adaptation Fund
  - Special Climate Change Fund
  - Least Developed Countries Fund
  - Two per cent adaptation levy on Clean Development Mechanism (CDM) projects
- The Adaptation Levy currently imposed on CDM projects be extended to Joint Implementation (JI) projects (or voluntary carbon offset programmes between Annex I countries), international aviation, and national Emissions Trading Scheme (ETS).

### **1.3 Technology Transfer, Capacity Building and Education and Training**

As most countries in the Commonwealth need support to shift to a low-carbon emissions pathway, we recommend that:

- Resources and support be provided by developed countries for the development of intra-Commonwealth programmes and partnerships between developed and developing countries and between developing countries for sharing climate-friendly technologies suited to the specific needs and circumstances of different countries, for capacity building in technical and planning disciplines, and for education and training programmes to raise public awareness on climate change. Governments should especially consider working in partnership with and supporting civil society organisations in education and training programmes.

## **2. Leveraging on Existing National and Global Instruments**

### **2.1 Fiscal Incentives and Policy Directions**

As Finance Ministers are responsible for formulating the annual budgets in their respective countries, we recommend:

- Immediate steps be taken to provide tax incentives or funding for utilising energy saving technologies and products; enhancing the quality of public transportation; and valuing and conserving natural resources such as forests.
- Climate change and its differential effects on various populations, be integrated into ongoing poverty reduction strategy papers and national poverty reduction plans. Civil society organisations should be involved in partnership with the government in the formulation of such strategy papers and plans.
- Governments must lead by example to promote a dramatic shift towards environmental sustainability in land use, construction practices, energy efficiency, agriculture and consumer choices.

### **2.2 Global Mechanisms**

The scale of the challenge of climate change and poverty reduction requires access to global mechanisms in addition to the UN climate change-related instruments.

They include use of profits of globalisation to work for global public good. In this regard, we recommend the Commonwealth:

- Join in the existing airlines solidarity levy to address urgent global health concerns such as HIV and AIDS, malaria and tuberculosis, and extend its use as an instrument to generate a carbon tax.
- Implement a Currency Transaction Tax to raise additional resources to adequately fund mitigation and adaptation initiatives on a sustainable basis.

### **3. Millennium Development Goal on Climate Change**

Given the gravity of the situation on climate change, we recommend the Commonwealth Finance Ministers to urge the 2007 Commonwealth Heads of Government Meeting in Kampala, Uganda, to lobby for the introduction of a Ninth Millennium Goal on Climate Change, Mitigation and Adaptation.

### **CONCLUSION**

We urge that action taken by Commonwealth nations on climate change and poverty reduction encompass the following principles:

*Urgency* – action should be taken now to positively affect future outcomes, as business-as-usual paths for emissions will increase risks of serious, irreversible impacts of climate change.

*Common but differentiated responsibilities* – developed countries which have historically benefited most from the global commons should take the lead in combating climate change.

*Ethics* – all countries have an ethical obligation to act on climate change and to apply ethical dimensions as a basis for making decisions on climate change.

*Equity* – emphasis should be given to ensuring equity within developed countries and developing countries respectively; between developed and developing countries; and with special attention to vulnerable groups.

*Additionality* – funds for climate change allocated to developing countries must be “additional” to the Official Development Assistance international aid target of 0.7 per cent of gross national income.

*Governance* – Implementation of programmes on climate change, funding instruments or flexible mechanisms such as the Clean Development Mechanism should be supported by governance structures which involve a multi-stakeholder consultative approach at national as well as international levels, with built-in provisions for ensuring transparency and accountability.

### **Acknowledgement**

We acknowledge the support of the Commonwealth Foundation in convening civil society on this issue and thank the Commonwealth Finance Ministers for their commitment in engaging with Civil Society at their annual meetings.