



*In association with*



## DEVELOPMENT POLICY FORUM LAUNCH DEBATE

### SHOULD CLIMATE CHANGE ALTER DEVELOPMENT POLICY THINKING?

Tuesday 4 December 2007  
Bibliothèque Solvay, Brussels



Featuring:

Kemal Derviş, Administrator of the United Nations Development Programme (UNDP)

Josep Borrell Fontelles MEP, Chairman of the European Parliament Committee on Development

Stefano Manservigi, European Commission Director General for Development and Relations with African, Caribbean and Pacific States

Sebastian Winkler, Head of Countdown 2010 Secretariat & Senior Advisor for European Policy, the World Conservation Union (IUCN)

Moderated by Giles Merritt, Secretary General of *Friends of Europe*

The views expressed in this report are the private views of the speakers and participants and are not necessarily those of the organisations they represent, nor of *Friends of Europe*, its Board of Trustees, its members or partners.

Reproduction in whole or in part is permitted, providing that any such reproductions, whether in whole or in part, are not sold, unless they are incorporated in other works.

*Friends of Europe – Les Amis de l'Europe*

Bibliothèque Solvay - Parc Léopold, 137 Rue Belliard, 1040 Brussels, Belgium

T + 32 (0)2 737 91 45

F +32 (0)2 738 75 97

[info@friendsofeurope.org](mailto:info@friendsofeurope.org)

[www.friendsofeurope.org](http://www.friendsofeurope.org)

## ***Climate-proof development policy urgently needed***

On December 4 in Brussels, *Friends of Europe* launched its Development Policy Forum (DPF) with an evening debate entitled “Should climate change alter development policy thinking?”. Whether or not the thinking on development policy has evolved to accept the reality, no one can argue that climate change is not already affecting delivery of that policy. On the one hand, natural disasters such as droughts, freak weather events and flooding are undermining existing aid efforts. On the other, any development programme which has not been ‘climate-proofed’ may well be exacerbating these impacts.



*Kemal Derviş*

Development and Relations with African, Caribbean and Pacific States and **Sebastian Winkler** of the World Conservation Union, where he heads the Countdown 2010 Secretariat and advises on European policy issues.

With one-third of current aid going to areas susceptible to climate change, it is possible that this aid will increasingly be diverted into disaster relief. Emergencies may eat up cash intended to help countries meet long-term development goals. International institutions, donors and NGOs are becoming aware that money may be wasted if they fail to address this.

The four speakers on the panel included United Nations Development Programme Administrator **Kemal Derviş**, **Josep Borrell Fontelles** MEP, Chairman of the European Parliament’s Development Committee, **Stefano Manservigi**, the European Commission’s Director-General for

A consensus emerged that climate change should be placed at the heart of development policy and that this leads to concrete actions and results.

## ***Poorest countries pay the price***

Kemal Derviş underlined that there was no dispute that global warming hits the poorest earliest and hardest. As the Stern Review on the Economics of Climate Change described, many developing countries already struggle with the effects of a changing climate: they tend to be warmer, suffer high rainfall variability, and are the most dependent on agriculture, the most climate-sensitive sector. These countries also have lower levels of public health and service provision.

What’s more, the increased suffering is already being felt and is likely to worsen. The stock of greenhouse gases in the atmosphere today has locked the world into a cycle of temperature rise for the coming decades, even without drastic and effective mitigation measures by the largest polluters. Decisions made today will be felt only from the 2030s onwards, and possibly not until 2050.

Nor was there any denying the moral responsibility of developed countries, which have contributed 70 percent of the stock of carbon dioxide in the atmosphere. The challenge, all

participants agreed, is to ensure income transfers and other support from rich to poor countries.

Josep Borrell Fontelles MEP, Chairman of the European Parliament's Development Committee, brought home the stark challenge facing wealthy nations: the moral responsibility to solve a problem of their own making, and the need to ensure the



*Josep Borrell Fontelles MEP*

***Why do emission rights belong to firms that created the problem?***

***Josep Borrell Fontelles MEP***

survival of human life on this planet as we know it. Since no one can be said to 'own' the atmosphere's capacity to absorb CO<sub>2</sub>, he argued, surely this capacity is a public good. "Why do emission rights belong to firms that created the problem?" Citing figures from the UNDP report, he contrasted the greenhouse gas emissions of an average US citizen – 20 tonnes per year per person – with that of an inhabitant of sub-Saharan Africa: 0.1 tonne per year. Isn't it perverse, he asked, that polluters are being rewarded for the problem they have caused? For ethical reasons, he said, carbon trading permits should be shared out between every human being on the planet.

"Let's give every human being a credit, and let's trade it," he said. "We need to rebalance the way the world has been developing."

## ***Preparing for the worst***

The UNDP estimates that an additional US\$86 billion will be needed to support climate adaptation plans, while preventing aid diversion by 2015. But this sum represents only 0.2 percent of developed countries' combined GDP, and, according to the UNDP, is equivalent to only one-tenth of current military spending by these countries. Given that the total disbursed to date is a mere \$26 million – the amount spent in one week as part of the UK's own flood defence programme – it is clear that rich countries will need to dig deep in their pockets.

One channel through which adaptation may be supported is the European Commission's Global Climate Change Alliance, an initiative unveiled in September and expounded at the debate by Stefano Manservigi, the European Commission's Director-General for Development and Relations with African, Caribbean and Pacific States. He emphasised the need both to move away from a traditional donor role

***Investing in development is investing in our future. Of course we need more money, but we need to do policy in a different way.***

***Stefano Manservigi***



*Stefano Manservigi*

towards creating partnerships with developing countries, and to use public policy to sustain the effort, and make funding predictable. "Investing in development is investing in our own future," he said. "Of course we need more money, but we need to do policy in a different way."

The European Commission has earmarked €50 million to help fund mainly country adaptation plans, plus a further €250 million through other programmes, but this is only a modest start, said Mr Manservisi. The success of the Alliance will depend on all 27 EU member states working together; they could start by delivering on their (EU15) commitment to devote 0.56 percent of their GDP to Official Development Assistance by 2010, which would provide a €20 billion injection, and to dedicate part of this increase to climate change.

## ***Price on carbon, and don't see growth as a threat***

***The first priority in the world remains to fight poverty and to achieve much greater living standards for the millions of people who live in poverty. We must insist on growth.***

***Kemal Derviř***

The job of policy, argued Mr Derviř, is to set a genuine social price for carbon emissions. This could be achieved through a combination of cap-and-trade systems, such as the current EU emissions trading scheme, but expanded to include deforestation and transport, and a tax on carbon. This is an immense challenge, he warned, adding that we are far away from such a public policy.

Yet none of this need come at the expense of further economic growth, he said. "The first priority in the world remains to fight poverty and to achieve much higher living standards for the billions of people who live in poverty. We must insist on growth."

The debate of the 21<sup>st</sup> century, he said, had moved beyond the 'market or state' questions of the 20<sup>th</sup> century to examine how public regulation should be used to ensure that market outcomes are desirable and optimal.

Both the UNDP and the European Commission hinted that the historic tendency for donor organisations to fund project-based initiatives in developing countries should be revised to include more structured interventions. While the Commission intends to boost access to Clean Development Mechanism projects as part of its Global Climate Change Alliance (GCCA), it also wants to support improved institutional capacity in Least Developed Countries (LDCs) and Small Island Developing States (SIDS).



*Sebastian Winkler*

Such policies are not without risk, warned Sebastian Winkler, who cautioned that the recent "plethora of initiatives" to help developing countries adapt to climate change risked diluting the focus of aid. He also emphasised that growth should only be desirable in so far as it takes place within a 'green economy'. "I believe that there are some limits to growth," he said. "It depends on which growth we choose." Climate change, he said, would be "the test case" of our ability to adapt to a green economy.

## ***What role for science?***

In a brief question and answer session with the audience, panellists were asked why they had overlooked the potential of science and technology to solve development world challenges. Mr Derviş responded that regulation was necessary to ensure that science contributes in a meaningful way, while Mr Borrell Fontelles reminded the audience that it was technological development that brought about climate change, through the industrial revolution. The problem must also be solved by technology, he said, but this is no substitute for policy.

## ***Future debates on development***

Some 150 people attended the debate, which will be followed by a series of roundtable discussions over the coming months as part of the Development Policy Forum (DPF). The DPF roundtables will from February 2008 offer a regular meeting point for development policy specialist in Brussels, national capitals and further afield to debate Europe's role in shaping new thinking on development policy issues – an area of public policy that has global consequences.

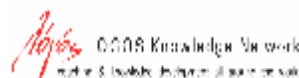


*Debating climate change and development policy*



Friends of Europe Les amis de l'Europe

Friends of Europe thanks its VIP partners (Visibility - Input - Platform)



European Active Citizenship

With the support of the European Commission:  
Support for bodies active at European Level  
in the field of active European Citizenship