

Sustaining our Environment: Is Climate Change the only Ill?

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Never has the concept of the global village been more true than today.

Telecommunications, satellite technology and air travel connect us, and indeed take us, to every corner of the globe.

But we are connected in a more profound way - through linked environmental systems – or - ecosystems.

Our individual and collective actions have significant implications for others living in our global village.

Our use of natural resources, our pollution and our consumption patterns have far reaching ripple effects.

But the ripples move in one direction – from the more affluent to those who are less well off.

Climate change is undoubtedly the most pressing environmental ill, but it is with us because we have failed to manage many 'other' environmental ills.

As all of you are only too aware - the environment underpins our well-being and survival.

It is our life support system.

Yet, we have continued to take it for granted.

Our relentless demands have led to a progressive deterioration in the capacity of the environment to provide the 'services' - food, water, disease management, flood control, climate regulation - which we need.

And again it's the world's poorest people and the world's poorest countries that will be hit hardest.

We must now seize the opportunity of the momentum and attention behind climate change to tackle wider environmental degradation too.

The scale of that environmental degradation is staggering:

- 60% of the world's ecosystems are being degraded or used unsustainably (2005 Millennium Ecosystem Assessment). This includes fresh water resources, fisheries, cultivated areas, forests and drylands.
- 1.8 billion poor people live in dryland areas which are being degraded by soil erosion, water scarcity and nutrient depletion – trends which are likely to be exacerbated by climate change (UNEP 2007 Global Environmental Outlook).
- 1.4 billion people living in extreme poverty are heavily dependent upon forest resources, which are being rapidly degraded in developing countries.
- What will happen to these people if the forests disappear?

The poor understand the importance of the environment as a life support system better than anyone.

The recent Hurricane Sidr in Bangladesh provides a powerful example.

Destruction of mangroves for shrimp farming exposes coastal communities to tidal storm surges.

During the hurricane fishermen finding shelter in intact mangrove forests survived, while their friends and brothers who took refuge where the mangroves had been cleared, drowned.

So it is essential that we champion this connection because by taking care of the wider environment we can also protect against the effects of climate change.

There are 4 distinct ways to make the environment work for the poor and which can help to tackle climate change at the same time, which I want to highlight.

First, we need to increase the incentives and capacity to manage the environment better.

We often overlook the natural environment and its 'services' because we don't know their true value.

Water, clean air, land and other natural resources are often treated as free and unlimited.

We need policy and market incentives that take better account of the environment.

Environmental taxation can be an effective way of doing this while also generating much needed revenues for government.

Taxes on natural resources, such as minerals, fisheries and forest products, make those resources more valuable to the state.

This increases the incentives and financial means to police them. Precisely what has happened to the forest sector in Cameroon, which now ensures that forest taxes are paid in full and in a timely manner.

Brazil applies a value added tax on forests to similar effect.

Subsidy reform can work in most countries.

Reformed energy subsidies in China improved efficiency so that today a unit of economic output uses less than one third of the energy it needed in the early 1980s.

This reduces pollution and greenhouse gas emissions.

Market solutions can offer further opportunities.

For example, DFID is working with the EU and the fishing industry to develop standards and controls that make sure our future fish supplies are environmentally sustainable and legally sourced.

Strengthening the rights of the poor to land and natural resources and to justice when these rights are violated is not only right on grounds of equality of opportunity. It also helps create a community of people who directly benefit from protecting the normal resources they depend on.

When this happens natural resources tend to be better managed.

In Indonesia, where tens of millions of people depend upon forest resources for their livelihoods, DFID has supported communities, government and civil society to work together in giving the poor the access to land that they desperately need.

Development assistance helps our partners to develop their own policies and capacity.

New ways of delivering aid, such as general budget support, helps governments as a whole. Ideally this should include putting in place incentives and capacity to manage the environment.

To achieve this, DFID is working with the Irish Government to develop guidance so that budget support programmes can help countries better address environmental management.

Second, we need trade policies that promote the sustainable use of natural resources and encourage transfer of technology.

Trade is important in promoting sustainable development and tackling climate change. It encourages efficient production of goods and services and can increase incomes in poor countries.

There is no doubt that good trade policies help accelerate development and increase the use of low carbon goods, services and technologies.

A good example is the work of the WTO Committee on Trade and Environment that is looking at ways to reduce tariff and non tariff barriers for a range of low carbon products, such as wind turbine parts and photovoltaic cells.

Removing tariff and other barriers encourages the spread of sustainable technologies and the skills needed to use them.

We support the principle of sustainability standards for particular products:-
Standard setting that involves developing countries and civil society to establish the right global norms.

We are looking at how international standards can promote greater use of low carbon technologies. For example proposed EU regulations for emissions standards on new cars are likely to have a much wider global impact influencing car production in rapidly industrialising countries such as China and India. Proposals for phasing out inefficient light bulbs within the EU may have similar positive knock on effects in developing countries.

The UK supported EU Forest Law Enforcement, Governance and Trade initiative is a good example of how trade can promote sustainable production in poor countries.

Voluntary Partnership Agreements between the EU and producer countries promote trade in legal timber.

At the same time the EU assists better forest governance in those countries - current negotiations between the EU and Indonesia, Malaysia, Cameroon and Ghana aim for agreement by the end of 2008.

Transferring technologies between countries is an essential part of the response to climate change and increasing the use of more efficient environmental practices.

We are looking at mechanisms to promote greater use of clean technology in developing countries. The UK has contributed £800 million through the Environment Transformation Fund to support this objective by piloting and demonstrating investments in low carbon energy supply, energy efficiency and other emission-reducing technologies.

We are also investigating the extent to which intellectual property practices are likely to affect technology transfer, as opposed to other possible barriers, such as availability of funding for research or levels of commercial interest in new technologies.

In all this we must avoid protectionist measures.

They will only undermine efforts to build trust and confidence in international efforts to tackle climate change and to promote greater global openness.

This is essential for tackling global poverty.

Third, we need more joined up thinking on environment and development.

We cannot solve individual environmental problems by themselves.

We need to tackle them all together.

This includes climate change.

For example, making sure we make best use of already scarce water now will make it easier to deal with the effects of climate change in the future.

Our actions and decisions to improve the environment should also promote development and reduce poverty.

For instance, in the drive to establish carbon storing forests we must make sure we do not undermine biodiversity, use water inefficiently or throw poor people off their lands.

DFID is providing £50 million for the Congo Basin Partnership Fund to help tackle deforestation and climate change.

These forests are crucial to millions of people who depend on them every day.

Working with local communities will be central for success.

The need for joined up thinking is perhaps best exemplified by biofuels.

Biofuels will have some part to play in responding to growing global energy needs, and we must not forget that production can offer opportunities for some developing countries. Yet we all know how important it is to ensure that biofuels are sustainable.

That is why last week Ruth Kelly announced a new study that will look at the wider economic and environmental impacts of biofuel production.

The results will help inform development of UK and EU's policies in this area.

Fourth, we need more effective global institutions for environment and development

International rules and institutions need to work better for the environment.

Most would agree that the multilateral environment agreements, particularly those covering biodiversity and desertification, have had limited impact on the ground.

Despite huge investment in the UN Convention to Combat Desertification over the last ten years, land degradation is rife.

To give it greater bite, DFID has been working with the EU to push for reform of the UN Convention to Combat Desertification and link it more closely to climate change.

International institutions should be more joined up in tackling environment and development challenges.

For example the UN should be more effective in addressing critical climate and environment issues – with UNEP playing a central role.

This is why we are working across Whitehall for UN reform.

It's why too we are the largest contributor to UNEP's Environment Fund;

we have just increased our contribution by an additional £6 million over the next four years.

UNEP is working with UNDP on the Poverty Environment Initiative. This is an excellent example of cooperation between UN agencies to help developing countries create better incentives and build capacity that improves the environmental and development.

(Conclusion)

So – Is Climate Change the Only Ill?

In my view it is the most serious environmental challenge we face today.

But at the same time we also need to tackle the other factors that degrade the environment.

Climate change is a symptom and an aggregation of some of these.

Huge challenges lie ahead.

We need to do more to develop the institutions, incentives, technologies and knowledge to limit the damage that people do to ecosystems.

And we need urgently to get better at putting these to use.

The environmental time bomb is ticking and we must do all we can to defuse it.