



**International Development Committee
inquiry into sustainable development in a
changing climate**

Submission by the World Development Movement

November 2008

IDC inquiry into sustainable development in a changing climate

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1. Introduction

1. The World Development Movement (WDM) campaigns to tackle the root causes of poverty. With our partners around the world, we win positive change for the world's poorest people. We believe that charity is not enough. We lobby governments and companies to change policies that keep people poor. WDM is a democratic membership organisation of 15,000 individuals and 70 local groups.

2. We welcome the International Development Committee's (IDC) decision to hold an inquiry into sustainable development in a changing climate. The terms of reference for the inquiry raise many issues of importance. Given the constraints of time and space, we focus our consultation response on the following four points:
 - The proposed Phulbari open-cast coal mine project in Bangladesh and the lack of UK government policy coherence.

 - The centrality of the creation of a low carbon economy in the UK to enable sustainable development in the global south.

 - The unsustainable use of carbon trading both for tackling climate change and promoting development in the global south.

 - The need to halt the growth in aviation emissions from the UK, and the impact this would have on sustainable development in the global south.

2. The Phulbari open-cast coal mine in Bangladesh

3. The terms of reference for the IDC inquiry states it is looking for evidence on: *“The effectiveness and coherence of the UK Government’s approach to sustainable development in developing countries.”* The following example of the Phulbari open-cast coal mine in Bangladesh shows a lack of coherence in the UK Government’s approach to sustainable development.
4. UK company Global Coal Management Resources (GCM) is seeking to develop an open-cast coal mine in Phulbari, north-west Bangladesh. If built the mine would take away the land of more than 40,000 people.¹ GCM’s resettlement plan says cash compensation would be given to the legal holders of land and houses, and other agricultural land users and sharecroppers would receive livelihood restoration grants for just two years.² It is not clear how resettling affected families on land of equivalent size and quality can be achieved without adversely impacting on other agricultural communities. GCM’s resettlement plan states; *“the project will not directly acquire replacement cultivation land for displaced households, because this will simply transfer the impacts associated with the loss of land to households in host communities”*.³
5. Bangladesh is already one of the most densely populated countries in the world,⁴ with huge pressures on land. Rising sea-levels and increased flooding from climate change are and will make good quality land even scarcer. Atiq Rahman from the Bangladesh Centre for Advanced Studies, a lead author from the IPCC, has said that 35 million people could be displaced from Bangladesh coastal areas by 2050.⁵ In the face of climate change, it would be disastrous for local people to be displaced from the good quality land in Phulbari.
6. The Phulbari mine will be dewatered to its base. The Expert Committee report on the proposed mine, commissioned by the Bangladesh Government, estimates that the dewatering and relocation means the mine would affect a total of 220,000 people.⁶ The Expert Committee report also raises the likelihood that the mine would lead to acid mine drainage affecting water supplies and agriculture for large surrounding areas, and there are fears that the mine could lead to arsenic and other toxins being released into water supplies.
7. In August 2006, tens of thousands of people protested in the area against the mine and Asia Energy. Three people were killed after Bangladesh government troops opened-fire on the protest. The Expert Committee says there is a *“high risk of social unrest and conflict”* if the relocation of thousands of people is attempted, and: *“The majority of the local community with whom the Committee exchanged views was against the Phulbari coal project.”*⁷ Forty-two community leaders from the Phulbari area have said: *“we believe that this project will increase the poverty of the local population as well as cause environmental disaster.”*⁸

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8. The Phulbari example is a case where the exploitation of fossil fuels does not assist development, regardless of concerns about climate change. Since the start of 2008, the Asian Development Bank, Barclays and RBS have all withdrawn from investing in the project. However, in a parliamentary answer in April 2008, Gareth Thomas, UK Minister for International Development and Minister for Business stated:
9. *“We have provided support to Global Coal Management Resources PLC, through the British high commission in Dhaka. They have lobbied to ensure that the Government of Bangladesh take the company’s interests into consideration and do not prohibit opencast mining. The British high commission will continue to remain in touch with the company and will represent their interests as appropriate. The Bangladeshi Caretaker Government’s new draft coal policy leaves the way open for opencast mining in Bangladesh in the future.”⁹*
10. In a further parliamentary answer Gareth Thomas stated: *“BERR officials have held regular discussions with officials from the Department for International Development on this subject, both in the UK and the British high commission in Dhaka.”¹⁰*
11. However, in an email to WDM, Bo Sundstrom, Head of Corporate Business for DfID in Bangladesh said: *“DfID has not looked into the proposed Phulbari coal mine issues in detail, since other development partners such as the ADB and the World Bank lead on energy issues in supporting the Government of Bangladesh.”¹¹* It is worth noting that the Asian Development Bank cancelled its proposed project to fund GCM and the Phulbari mine in April 2008; the World Bank does not appear to have shown interest in funding the project.
12. Furthermore, in response to a freedom of information request from the World Development Movement, DfID said that it: *“does not hold any information about the discussions”¹²* between BERR and DfID officials about the Phulbari mine, whether in the UK or Bangladesh. BERR have also told us that *“No formal meetings have taken place between DfID and BERR on this subject.”¹³*
13. Since September 2008, WDM supporters have been emailing Gareth Thomas about the mine. Originally the emails were sent to the Minister’s Private Office in BERR. The BERR private office emailed WDM on 2 October saying it was an issue for Gareth Thomas at DfID, not BERR. Having switched the emails to being sent to DfID, Gareth Thomas’s private office at DfID emailed WDM on 22 October saying this was an issue for BERR not DfID.
14. The Phulbari case raises various issues:
 - BERR did not adequately consult DfID before lobbying on behalf of a British company for a controversial project
 - Gareth Thomas’s role as Minister for Business and International Development appears confused and incoherent

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- The UK government is more concerned about the profits of British companies than sustainable development in countries such as Bangladesh.
15. The one argument for the Phulbari mine is that it would enhance Bangladesh's energy resources. However, under current plans 80 per cent of the coal extracted would be exported out of Bangladesh.¹⁴
 16. Beyond the negative impacts on the local population of an open-cast coal mine, there is no in principle reason why Bangladesh should not be able to use coal. Bangladesh currently emits around 0.3 tonnes of CO₂ per person, compared to 10 tonnes per person in the UK. Bangladesh effectively makes no contribution to climate change, although the people of Bangladesh will suffer some of the worst impacts of climate change, the more others such as the UK cause it to get worse.
 17. Given the UK's past and current contributions to climate change, we have a responsibility to drastically reduce our emissions, and pay for compensation to countries like Bangladesh to help them adapt to the impacts of climate change which are already being experienced. But given the necessity of cutting global emissions, we also have a responsibility to help developing countries move towards a low carbon future. Rather than lobbying for a destructive open-cast coal mine, the UK government should be offering support and finance, in addition to aid, to assist Bangladesh in developing low-carbon energy options.
 18. Further information on Phulbari is in the attached document: *The impacts of an open-cast coal mine at Phulbari in Bangladesh*.

3. A low carbon economy in the UK

19. As the IDC is aware, climate change threatens to have a disastrous impact on the lives and livelihoods of hundreds of millions of people around the world. And climate change is principally an issue of injustice; it has and is being caused primarily by the richest people and countries in the world.
20. The UK is responsible for more than 6 per cent of CO₂ emissions from 1850-2003, despite having less than 1 per cent of the world's current population. Rich countries, with less than 20 per cent of the world's population, currently account for around 50 per cent of CO₂ emissions. In contrast, developing countries, with more than 80 per cent of the world's population, are responsible for the other 50 per cent. Rich countries currently emit on average 13.2 tonnes of CO₂ per person, compared to 2.5 tonnes per person in developing countries.¹⁵
21. The UK government and EU have committed to keeping the increase in global temperature on pre-industrial levels to 2°C. The Intergovernmental Panel on Climate Change (IPCC) reported in 2007 that to keep the increase in global temperatures to between 2°C and 2.4°C requires global

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emissions to peak between now and 2015, at the latest, and then fall by between 50 and 85 per cent, on 2000 levels, by 2050.¹⁶ For the UK to play its part in reducing global emissions by 50-85 per cent by 2050 requires UK emissions to fall by 80-95 per cent by 2050 (see Table 1 below).

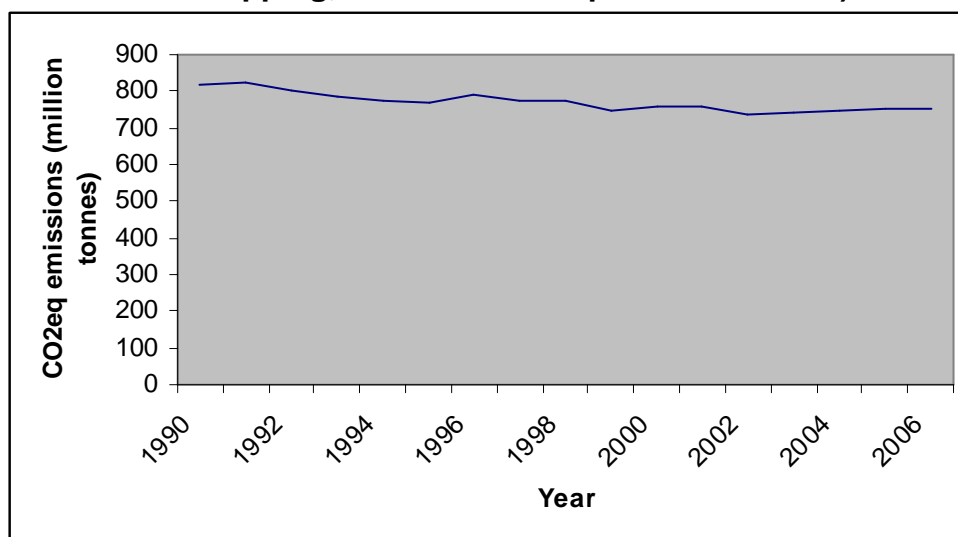
Table 1. Global and UK required emissions reductions by 2050¹⁷

	Global	UK
2000 total emissions	23.8 billion tonnes	555 million tonnes
2000 per person emissions	3.9 tonnes	9.3 tonnes
2050 total emissions	3.6 - 11.9 billion tonnes	36 – 108 million tonnes
2050 per person emissions	0.6 – 1.8 tonnes	0.6 – 1.8 tonnes

22. For global emissions to peak by 2015 at the latest requires sizeable reductions in emissions in rich countries like the UK to begin straight-away. To reduce emissions by more than 80 per cent by 2050 requires cuts of around 4 per cent every year, beginning in 2009. This means UK emissions need to fall by 40 per cent by 2020, on 1990 levels.

23. The UK is actually reducing emissions very slowly, if at all. In 2006, the UK's total contribution to climate change was 8 per cent lower than in 1990 (see Graph 1 below). A step-change is needed in the UK's approach to tackling climate change. The passing of a climate bill with a target to reduce emissions by 80 per cent by 2050 is a welcome first step. Policies are now needed to ensure that this happens, with large cuts in emissions beginning straight away.

Graph 1. UK CO₂equivalent emissions 1990-2006 (including international aviation and shipping, and non-CO₂ impacts of aviation)¹⁸



24. If we cause global temperatures to increase by significantly more than 2°C, then many of the impacts of climate change will become impossible to adapt to. The UK's Committee on Climate Change has said: *“adverse human welfare consequences are likely to increase significantly if global temperature rises more than 2°C relative to pre-industrial temperatures,*

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and that if a 4°C rise were reached, extreme consequences potentially beyond our ability to adapt would arise.”¹⁹

25. The Intergovernmental panel on climate change report in 2007 said:
“Although many early impacts of climate change can be effectively addressed through adaptation, the options for successful adaptation diminish and the associated costs increase with increasing climate change. ... Adaptation alone is not expected to cope with all the projected effects of climate change, and especially not over the long term as most impacts increase in magnitude ... Unmitigated climate change would, in the long term, be likely to exceed the capacity of natural, managed and human systems to adapt.”²⁰
26. The creation of a low carbon economy in the UK is vital to protecting the lives and livelihoods for hundreds of millions of people across the world. Urgent and large cuts in UK emissions are needed to contribute to global reductions in emissions.
27. A low carbon economy in the UK is also needed to develop the technologies and ideas which can be used throughout the world to cut emissions. For developing country governments to take action on climate change, they need to see that rich countries, with far higher emissions per person and far more resources, are able to cut emissions whilst still meeting their energy needs.
28. One of the key decisions currently facing the UK government is whether to allow a new generation of coal power stations to be built, starting with Eon’s application for an unabated coal power plant at Kingsnorth in Kent.* In 2006 public electricity and heat production accounted for 24 per cent of the UK’s contribution to climate change,²¹ with coal used in electricity production accounting for around 17 per cent. Whilst coal and electricity make up a large proportion of the UK’s contribution to climate change, the electricity sector is often identified as one of the cheapest in which to cut emissions.
29. The UK’s committee on climate change has said that there needs to be: “Decarbonisation of the power sector, starting now and continuing through the 2020s” to meet the UK’s emission reduction targets.²² This is clearly incompatible with allowing new unabated coal power stations, with a lifetime of more than 30 years, to be built. Allowing new unabated coal power stations to be built would also reduce the need to develop alternative technologies which could be used throughout the world to provide energy in a sustainable way.
30. DfID’s third White Paper in 2006 listed one of its five key priorities to: *“Make sure that our wider policies, as well as aid, support development; and work with the European Union, G8 and others, including large*

* Eon’s application for a new coal power station at Kingsnorth in Kent makes no reference to any of the power station being carbon capture and storage.

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*developing countries such as China, India and South Africa, to create an international environment that promotes development.*²³ One of DfID's roles within government should be to champion policies on behalf of the world's poor. Creating a low carbon economy in the UK, and specifically preventing new unabated coal power stations, should be one such policy. Unfortunately, despite devoting one whole chapter to tackling climate change, the 2006 White Paper made no reference to cutting emissions in the UK, never mind DfID's role within government to ensure that this happens.²⁴

31. Similarly, in scrutinising DfID and championing policies on behalf of the world's poor, the IDC has a role in commenting on the need to create a low carbon economy in the UK, and policies to achieve this such as preventing new unabated coal power stations from being built. If we do not quickly move towards creating a low carbon economy in the UK, there is no chance that a cleaner development path will be possible for developing countries.

4. Carbon trading and the Clean Development Mechanism

32. The IDC lists one of the topics for this inquiry as: *"Opportunities for developing countries presented by sustainable approaches, such as carbon trading, direct fiscal transfers and addressing the needs of increasingly environmentally sensitive consumers."* We will focus on the issue of carbon trading.
33. Carbon trading currently works primarily through the EU's Emissions Trading Scheme. A cap is set for the total amount of CO₂ which can be emitted from large industries in Europe, such as power stations and factories. Permits equal to this cap are then distributed to companies. The cap, and thereby the number of permits, are reduced over time. Companies can buy-and-sell the permits between themselves, meaning companies can choose whether to cut their emissions or pay someone else to do so.
34. However, companies can also buy permits from companies operating in developing countries, through the Clean Development Mechanism (CDM), rather than purchasing permits to reduce emissions in Europe. The EU energy and climate package is currently being negotiated which will set the terms under which the ETS will operate from 2013 on. It looks likely that between 33 and 65 per cent of emissions reductions under the ETS will be able to be achieved through buying Clean Development Mechanism credits, rather than reducing emissions in the EU. The UK government has been lobbying for 50 per cent of the EU's targeted emissions reductions by 2020 to be achieved through buying CDM credits rather than cutting emissions within the EU.²⁵
35. Carbon trading as it currently operates is carbon offsetting. Buying carbon credits allows the EU and UK not to cut emissions domestically, but to pay

for offsetting in developing countries instead. This prevents the creation of a low carbon economy in the EU and UK.

36. The UK government has argued that new coal power stations are consistent with its climate change targets because the electricity sector is in the ETS. New coal power stations will have to pay for carbon offsets. The House of Commons Environment Audit Committee responded to this saying:
37. *“the Government is wrong to rely on the EU ETS cap to excuse the increase in emissions that would derive from the new unabated coal-fired power stations ... The EU ETS is a mechanism designed to reduce emissions; using it as a cover for choosing high emissions technology goes against the purpose of the scheme ... The Government should prioritise emission reductions within the UK as soon as possible.”*²⁶
38. Carbon trading and use of the Clean Development Mechanism is not a sustainable approach to tackling climate change. As was highlighted in section 2, to prevent the worst impacts of climate change rich countries like the UK have to cut their own emissions, and in addition assist developing countries in curbing the growth in, and ultimately reducing emissions. Support to developing countries to cut emissions needs to be *additional* to action in the UK and EU, not *instead* of action in the UK and EU.
39. However, there are also further problems with how the Clean Development Mechanism works, which we address below:

4.1 The Clean Development Mechanism does not necessarily reduce emissions in developing countries

40. Under the CDM the largest number of carbon credits has been generated by projects claiming to reduce the potent greenhouse gas HFC-23,^{*} rather than CO₂. One study has found that the value of credits given to HFC-23 projects at current carbon prices is £4.7 billion. However, an estimate of the cost of technology needed to capture and destroy the same amount of HFC-23 is £100 million.²⁷ Around £4.6 billion has been generated in profit by HFC-23 generating plants, which could then further expand their operations with the reinvestment of this profit.²⁸
41. For example, one Indian chemical company, SRF, made £87 million from the sale of carbon credits in 2006/07. Ashish Bharat Ram, managing director of SRF, claimed: *“Strong income from carbon trading strengthened us financially, and now we are expanding into areas related to our core strength of chemical and technical textiles business.”*²⁹

^{*} Hydrofluorocarbons (HFCs) are potent greenhouse gases. HFC-23 is a kind of HFC, one tonne of which is equivalent to 11,700 tonnes of CO₂ emissions in terms of their contribution to climate change. Overall, HFC emissions are low, so make up a small percentage of the world's contribution to climate change.

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42. The Joint Committee of Parliament on the draft climate change bill reported that: *“the economic incentives offered by the CDM [Clean Development Mechanism] appear actually to be encouraging the building of refrigerant plants in the developing world, simply in order that the HFC by-products from the plant can be incinerated, and the credits generated from this sold at a large profit.”*³⁰

43. There are further questions over whether CDM projects produce actions that would not have happened anyway. For example, because of a perceived over-reliance on coal as an energy source, China has implemented a new policy of promoting hydro, wind and gas power stations. But even though it is Chinese government policy to promote hydro, wind and gas power, virtually all new hydro, wind and hydro power stations in China are applying for CDM credits.³¹ Around 60 per cent of Chinese CDM accredited projects in 2007 were wind, hydro or gas.³² David Victor from the Californian University concludes from his research that: *“It looks like between one and two thirds of all the total CDM offsets do not represent actual emission cuts.”*³³

4.2 Where CDM funds go

44. The funds generated by CDM projects go to companies in those countries which are industrialising quickly and so therefore have large numbers of projects which are eligible. In 2007, projects in China and India were responsible for 75 per cent of CDM projects.³⁴ Of course, as a mechanism to try and reduce emissions, CDM funds should be going to projects in countries where emissions are growing. But CDM funds should not be confused with being funds for development.

45. Within countries, CDM funds go primarily to large companies. Furthermore, much of CDM funding is profit rather than productive activity. As outlined above, many CDM projects would have gone ahead anyway; the investment already existed. In such cases, funds gained from CDM are pure profit for local elites. In other cases, the cost of investment, such as technology to tackle HFC-23, is far cheaper than the funds gained from CDM. Again, in such cases the finance is mostly profit for local elites.

4.3 The negative impacts of CDM funding

46. Carbon credits are produced on the basis of having a positive climate change impact, so it is natural to assume that projects are also socially responsible. Yet carbon credits are sold by private companies which are normally unaccountable to the communities in which they seek to implement their projects. Unfortunately, there are already examples of carbon credit projects exacerbating social harm.

47. A project has been developed in Durban to extract methane from the Bisasar Road landfill site to use for electricity generation. This could reduce emissions of methane, a more potent greenhouse gas than the CO₂ released when methane is burnt. The generating of electricity from the methane gas rather than coal could also reduce emissions. The project has qualified to create carbon credits under the CDM.

48. However, local campaigners have been calling for the landfill site to be shut down as it exposes local people to cancer-causing pollution. Concentrations of cadmium, lead, hydrogen chloride, formaldehyde, benzene and trichloroethylene are all high in the area. Before getting CDM funding, there was a good chance the landfill site would be closed down. However, the project has provided finance to enable the landfill site to keep operating.³⁵
49. The Indian state of Gujarat is one of the most industrialised states in India. Between 2006 and February 2008, 19 projects in Gujarat qualified to receive carbon credits under the Clean Development Mechanism. Of these, 13 (68 per cent) are to reduce HFC-23 emissions from factories (see above on HFC-23 projects). In total, the 19 projects are claimed to have reduced emissions by 12.5 million tonnes of CO₂eq.³⁶
50. The Gujarati NGO Paryavaran Mitra says that some of the industries funded by CDM produce toxic or hazardous local pollution. The reinvested profit from CDM allows these industries to expand their operations, producing more local pollution, without any regulation of the impacts. Mahesh Pandya from Paryavaran Mitra says: *"It is unjust that the rich are allowed to emit whilst paying for more pollution for the poor."*³⁷

4.4 Alternatives

51. The current way carbon trading works does not match the level of action needed to cut emissions. An alternative would be for rich countries to take on much larger targets for cutting emissions, with a certain proportion of these targets having to be met through domestic cuts in emissions. For instance, under the Greenhouse Development Rights framework for allocating responsibility for cutting emissions, the EU is responsible for cutting emissions by 80 per cent by 2020 and 140 per cent by 2030.³⁸ Clearly this is impossible just domestically, but could be achieved by the EU adopting such targets and then meeting some of the target by buying carbon credits from developing countries. However, this would not address the other problems with the CDM.
52. The United Nations Framework Convention on Climate Change (UNFCCC) says: *"The extent to which developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and transfer of technology."*³⁹ In other words, developing countries will implement actions to cut emissions if they receive funds and technology from rich countries to do so. These views have been reiterated in recent submissions by the G77 and China to the UNFCCC ahead of the international negotiations meeting in Poznan in December 2008.⁴⁰
53. Creating a fund to finance mitigation in developing countries could shift support for cutting emissions from project funding under the CDM, to funding for country-led programmes. One of the sources of revenue for

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such a fund could be the revenue from rich country policies such as the auctioning of permits under a true cap-and-trade scheme, or carbon taxes. In return, developing countries could take on emission curbing/reducing targets, and implement coherent policies for sustainable development.

54. For a successful outcome to the international negotiations, it seems apparent that rich countries like the UK need to move beyond offsetting to recognising the need for additional funds over and above domestic cuts in emissions.

55. The G77 and China have also stated that funds from mitigation and adaptation in developing countries should not go through the World Bank, as this is an institution dominated by rich countries. Instead the funds should be operated within the UNFCCC.⁴¹

5. Aviation and the implications for sustainable development in the global south

56. UK aviation, including its non-CO₂ impacts, currently accounts for 13 per cent of the UK's contribution to climate change.⁴² The Department for Transport predicts that under current policies CO₂eq emissions from UK aviation will rise from 94.8 million tonnes in 2006 to 99 million tonnes in 2010, 146.5 million tonnes in 2020 and 159.5 million tonnes in 2050.⁴³ These estimates are conservative when compared with more independent estimates for the growth in aviation emissions (see Table 2 below).

Table 2. Different predictions for emissions from UK aviation (million tonnes of CO₂eq)

Year	Tyndall Centre	Owen and Lee*	Department for Transport
2010	111	79.8	99
2020	158.5	122	136.5
2030	195.3	168.8 – 204.5	162.3
2050	296	269.5 – 407	159.5

57. As set out above, for the UK to reduce emissions as needed to prevent disastrous impacts from climate change requires reduction in emissions of 40 per cent by 2020, 60 per cent by 2030 and more than 80 per cent by 2050 (see Table 3 below).

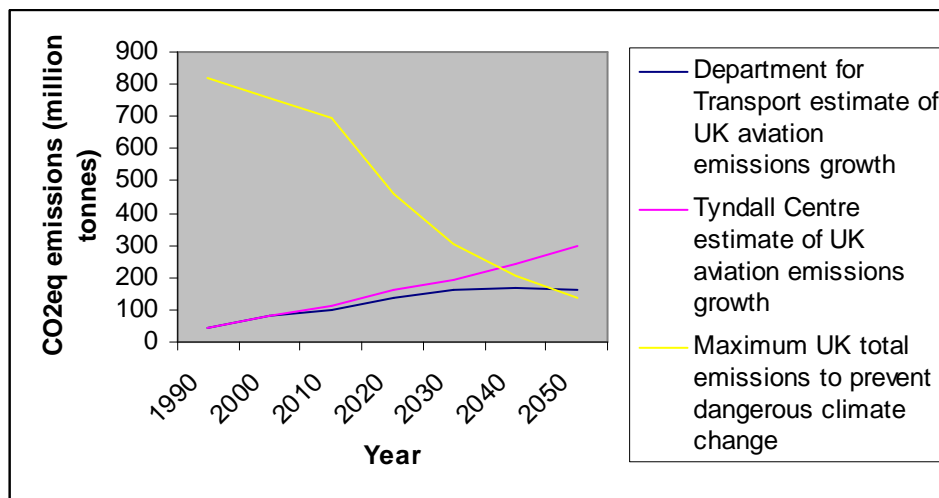
* Is for scheduled traffic only.

Table 3. Maximum UK emissions allowed to prevent global temperature increasing by more than 2°C

Year	Emissions reduction needed on 1990 levels	UK CO ₂ eq emissions	Department for Transport prediction for aviation emissions
1990	0	818.8	42.4
2020	40 per cent	491.3	136.5
2030	60 per cent	327.5	162.3
2050	80 per cent	163.8	159.5

58. Using the Department for Transport’s somewhat conservative estimates for aviation emissions growth - and assuming the UK reduces emissions as needed to tackle climate change - by 2020 aviation will be responsible for 23 per cent of UK emissions, 50 per cent by 2030 and 100 per cent by 2050 (see Table 3 above and Graph 2 below). The UK cannot make its fair share of cuts in emissions whilst allowing aviation emissions to grow as predicted by the Department for Transport.

Graph 2. The incompatibility of aviation growth and UK reducing emissions as needed to prevent dangerous climate change



59. To reduce emissions by 40 per cent by 2020 is a challenge which will need action across every sector of the UK economy. It is unrealistic to expect other sectors to reduce by even more to allow aviation to expand. Even halting the growth in aviation emissions requires other sectors to reduce by more to compensate for aviation not making any *cuts* in emissions.

60. To reduce UK emissions by 80 per cent by 2050 whilst allowing aviation to expand, every other sector would have to reduce emissions by 100 per cent by 2050; ie. not use any fossil fuels. It is clearly unviable for aviation to be the only sector that can use any fossil fuels. The UK cannot tackle climate change and allow and enable aviation to expand; for instance through allowing more flights and runways at Heathrow and Stansted airports.

61. Aviation is a particular issue for the UK. The UK is the third largest producer of aviation emissions in the world, after the US and Japan; both

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of which have much larger population's and economies than the UK. Aviation makes up a greater share of the UK's contribution to climate change than of any other major economy (see Table 4).

Table 4. Aviation emissions by country,⁴⁴

Country	Aviation CO ₂ emissions in 2004 (million tonnes)	Aviation's share of country's CO ₂ emissions (per cent)	Aviation's share of country's contribution to climate change (per cent)
UK	35.5	6.1	12
France	24.1	5.9	11
Netherlands	12.5	4.7	9
US	261.8	4.4	8
Spain	15.5	4.3	8
Australia	15.1	3.9	7
Canada	20.7	3.5	7
Japan	36.3	2.9	5
Germany	24.5	2.8	5
Italy	12.1	2.5	5

5.1 Aviation and tourism

62. The World Development Movement commissioned the New Economics Foundation to research what the impacts on tourism to developing countries would be of halting the growth in emissions from UK aviation. The results of this research are in the attached report; *Plane Truths*.

63. In summary the report finds:⁴⁵

64. **1)** The vast majority of aviation tourists from the UK go to Europe, and then to richer parts of the world such as North America and Japan. Only around 10 per cent go to developing countries. Initially halting the growth in aviation can be done through tackling short haul flights, which needs the carrot of better rail services and the stick of higher taxes on short-haul aviation and an end to airport expansion. This would not impact developing countries.

65. **2)** However, if the growth in UK tourism to developing countries is halted, this would have a small impact on the growth in the economies of countries which receive a proportionally large number of UK tourists. By 2020, the economies of Kenya, Thailand and the Dominican Republic would have had 0.1-0.4% less GDP growth than would happen if UK aviation grows as currently planned. There are some small countries who would suffer more (the Maldives is a loss of 3% growth by 2020) so measures will be needed to compensate such countries when the growth in long-haul flights are tackled.

^{*} Figures are only available for UNFCCC Annex-1 countries. China and India are also in the ten largest economies in the world, but it is fair to say that China and India's aviation emissions as a share of their contribution to climate change are well below that of most rich countries.

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66. **3)** Of tourism that does go to developing countries, a large proportion of the revenue does not help the local economy but comes back to northern countries. Therefore, to increase the benefits of tourism, the most useful thing is to stop such leakages happening, rather than increasing the numbers of tourists which do not create much benefit to the local economy. The UK and EU are currently pushing measures in free trade agreements which prevent countries implementing such policies.⁴⁶
67. **4)** It is very dangerous for a country to become too dependent on tourism. Tourism is very variable and influenced by external shocks such as changes in the economic situation, tourists tastes, conflict, terrorism, public health scares, geological disasters and extreme weather events (which climate change will make worse) and fuel prices. Furthermore, the threat of peak oil means that fuel prices may continue to fluctuate widely and increase in the future. This will mean cuts in the numbers of tourists. Countries will be more vulnerable to future declines in tourists the more their dependence on tourism increases now. *Expansion* of tourism now is not a route to sustainable development.
68. Many of these arguments are potentially relevant to debates about air-freight as well. However, for most countries tourism is likely to be a far bigger issue than air freight. Air freighted goods from developing countries to rich countries such as the UK is primarily dependent on passenger flights. For instance, the vast majority of fresh fruit and vegetable products which are flown from sub-Saharan Africa to the UK are in the bellyhold of passenger planes, rather than dedicated freight services. For the UK as a whole, over 90 per cent of aviation emissions are from passenger aircraft rather than air freight.⁴⁷ Only 1.5 per cent of UK imports of fresh fruit and vegetables from sub-Saharan Africa arrive by air.⁴⁸
69. If the focus of tackling emissions from aviation is put on consumer choices, rather than government action, then there is a danger that particular groups could be hit by sudden falls in income, although overall consumer action will have a limited impact on emissions from aviation. This makes it imperative that the UK government leads a smooth transition on aviation policies, as opposed to promoting knee-jerk reactions from UK consumers. Arguments around the benefits of aviation for tourism and air freight trade with developing countries do not provide any reason to allow UK aviation to expand, such as through more flights and new runways at Stansted and Heathrow airports.
70. Globally, tackling aviation emissions offers possibilities for raising significant revenues needed for limiting the impacts of climate change. As has already been mentioned, significant funds are needed for developing countries to curb the growth in, and ultimately reduce, emissions. And the IDC will be aware of the significant funds needed by developing countries to adapt to the climate changes which are now inevitable.
71. Aviation is a heavily subsidised sector as it pays no tax on fuel and no VAT. An international tax on fuel would raise revenue whilst helping to

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mitigate emissions from aviation. Globally, rich countries are responsible for over 70 per cent of flights, whilst holding around 20 per cent of the world's population (see Table 5 below). If all funding from an international tax on fuel went to developing countries, this would more than offset any cost born by developing countries for such a tax.

Table 5. Disparity between regional access to aviation and population

	Percentage of world aviation ⁴⁹	Percentage of world population ⁵⁰
Africa	2.0	13.2
Asia-Pacific	22.4	55.3
Europe	30.9	14.3
Latin America	3.6	8.6
Middle East	2.7	3.5
North America	38.4	5.1

72. Three broad areas for distributing funds from an international tax on aviation fuel could be:

- A fund to assist countries particularly dependent on tourism to diversify into other activities
- Funds for climate change mitigation in developing countries
- Funds for climate change adaptation in developing countries

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