

House of Commons  
International Development Committee

**GLOBAL CLIMATE CHANGE  
AND SUSTAINABLE  
DEVELOPMENT:  
GOVERNMENT RESPONSE to  
the Committee's Third Report of  
Session 2001–02**

Fourth Special Report of Session 2001–02

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## FOURTH SPECIAL REPORT

**The International Development Committee has agreed to the following  
Special Report:**

**GLOBAL CLIMATE CHANGE AND SUSTAINABLE DEVELOPMENT:  
GOVERNMENT RESPONSE TO THE COMMITTEE'S THIRD REPORT OF  
SESSION 2001–02**

The International Development Committee reported to the House on Global Climate Change and Sustainable Development in its Third Report of Session 2001–02, published on 23 July 2002 as HC 519-I. The Government Response to that Report was received on 30 September 2002 in the form of a memorandum to the Committee. It is reproduced as an Appendix to this Special Report.

## APPENDIX

### GOVERNMENT RESPONSE TO THE COMMITTEE'S REPORT ON GLOBAL CLIMATE CHANGE AND SUSTAINABLE DEVELOPMENT

#### MEMORANDUM FROM THE SECRETARY OF STATE FOR INTERNATIONAL DEVELOPMENT

##### **The evidence of climate change**

1.1 We agree with conclusions (1) (2) and (3) regarding the evidence of climate change. Existing concentrations of green house gases are already affecting the global climate. Efforts are urgently needed to check the increasing trend in emissions associated with current patterns of economic development and growth. We share the Committee's view that the precautionary principle should underpin any approach to climate change. We note the importance of the developed world leading by example, recognising the principle of common but differentiated responsibilities.

1.2 We also agree with conclusions (8) (9) and (10) on the uneven global impact of climate change and its potential role in increasing poverty and inequality. Many of the world's poorest countries, and more specifically many of the poorest people in those countries, will be severely affected by climate change. We also agree with recommendation (15) that poverty can inhibit the poor's ability to adapt to increasing climatic variability and longer-term climate change further exacerbating the uneven nature of climate change's impact.

##### **The response to climate change – the need to tackle increasing emissions**

2.1 We agree with conclusion (31) that climate change has not yet attracted the same level of international attention as other policy issues. In large part this reflects the apparently less immediate nature of climate change (many projections are cast at a minimum fifty years into the future) compared to other highly visible and immediate international concerns such as trade, finance or terrorism. In this respect climate change is not unusual amongst environmental concerns.

2.2 DFID, along with many other development agencies, is working hard to address this. We try to highlight the importance and the urgency with which many developing countries need to address the impact of existing climatic variability. Many poor countries are unable to cope with current climatic extremes (in part exacerbated by longer term climatic change) let alone with the longer-term impacts of projected change. Measures and responses to existing (increasing) variability are desperately needed and provide an important entry point into managing longer-term climate change.

2.3 On the mitigation of GHG emissions, we agree with conclusions (6) and (30) that the burden of implementing a solution should lie mainly with the developed countries. As already stated, we acknowledge and accept the principle of common but differentiated responsibilities.

2.4 However, it is important to recognise that in the future the developing world – specifically large rapidly industrialising countries such as China and India – will become a major source of emissions. Effective stabilisation of global emissions will almost certainly require action by these countries. How this is achieved without unfairly compromising the ability to achieve economic growth will be a major issue in the near future, and one that DFID and other development agencies will follow closely.

##### **Energy choices and energy efficiency**

3.1 We agree with conclusion (25) that fossil fuel use is likely to increase in developing countries as they seek to meet their energy demand. We believe it is important, as clearly stated in DFID's recently published energy strategy paper, "Energy for the Poor," that

developing countries make informed choices about energy options for themselves from the full range of options available to them. It would be wrong for developing countries to be denied options that were available to developed countries. We agree with the Committee's conclusions regarding the importance of biomass energy amongst pro poor energy solutions (26).

3.2 ECGD reflects the UK Government's commitment to the promotion of sustainable development in its operations by looking for social and economic development combined with protection of the environment in all the projects to which it provides cover. ECGD and DTI have recently launched a "Renewables Initiative" in order to encourage more UK exports of renewables technology. ECGD is committed to ensuring that, whatever level of cover is provided to other sectors each year, cover for at least £50m of exports or overseas investments will be available to projects/investments in the renewables sector that meet its normal project and country underwriting criteria.

3.3 ECGD is also committed to participating in, and supporting with appropriate resources, the DTI outreach programme to potential UK exporters or UK-based investors in the renewables sector. This will form part of the Government-wide drive to encourage the development of generation from renewable resources. ECGD is committed to a process of constructive engagement with exporters and project developers to ensure that the most appropriate fuel and technology is used. In terms of greenhouse gas emissions the hierarchy of preferred fuel is renewable energy sources (biomass, hydro, wind, wave, solar, etc.); gas; oil; and coal.

3.4 In relation to recommendation (39), ECGD can only consider support for the business that comes to it. For greenfield projects involving the generation of power from fossil fuels, applicants for ECGD cover are required to provide data about the expected production rates of carbon dioxide in addition to data about other pollutants. The project's efficiency of conversion of fuel into electricity is a key determinant of acceptability and is expected to match that of recent projects in the developed world. The project developer would have to justify any deviations from this.

### **International climate change negotiations**

4.1 We agree with conclusion (32) regarding the imbalance in negotiating capacity. This is an issue common to many international negotiating processes and has in part contributed to the unfortunate north south polarisation of many negotiations, which should be global in nature.

4.2 In the 2000 International White Paper, government made a commitment to, "build a stronger, more open and accountable international system, in which poor people and countries have a more effective voice." This clearly includes the important multilateral environmental agreements (MEAs), including the United Nations Framework Convention on Climate Change (UNFCCC). To this end, DFID is considering a programme of assistance to support developing countries to participate more effectively in the major MEAs including the UNFCCC. This would most efficiently be done with other countries. Subject to the scheme's approval, we anticipate that this could come on stream in 2003/4.

### **DFID's approach to environment and development and the relative prioritisation given to climate change**

5.1 We agree with conclusion (4) on the need to bring environment and development perspectives closer together. The importance of this is recognised in the 2000 International Development White Paper. The UK championed this approach throughout the recent World Summit on Sustainable Development (WSSD) and in the preparatory process leading up to Johannesburg. DFID was central to the production of a major and highly influential four-agency (DFID, UNDP, European Commission and World Bank) paper developing the important interdependency of poverty and environment and the linkages between the two.

DFID is also working hard to ensure that environment issues are effectively included (“mainstreamed”) into nationally owned process of poverty eradication such as PRSPs. This extends to our approach to climate change, which clearly recognises the interdependency of climate change, sustainable development and poverty eradication as suggested in conclusion (35).

5.2 However, we do not agree with conclusions (34) and (47) regarding the relative importance that DFID attributes to climate change. Climate change and variability are part of a wider set of environmental issues, all of which need to be effectively and proportionately incorporated into country owned processes of development and poverty eradication. This does not mean that DFID regards climate issues as unimportant, rather that we believe they need to be set in an appropriate context. This is the best way to ensure the most appropriate type and level of response. Furthermore, we would argue that the most important response to climate change and variability is to build the resilience of communities and their livelihoods to shocks of which climate is just one. This is good development practice in itself and is best achieved by mainstreaming climate issues into general development rather than identifying it as one single priority.

5.3 For this reason, we agree entirely with conclusion (42) and (51) on the importance of mainstreaming climate issues into national and local priorities and national strategies. However, DFID and other donors have moved away from a paternalistic relationship where recipient countries respond to donor priorities as is suggested to be the case in conclusions (42) and (45). Aid is most effective when donors respond to the priorities, which developing countries set for themselves. We will always encourage developing countries to effectively address climate issues in their processes, but it is for them – not us – to set those priorities.

5.4 We agree with the assessment of the Committee’s expert witness (12) as to the vulnerability of particular coastal communities and regions and the importance of coastal management. Our response to these issues will be as set out above in our overall response to environment, development and climate change.

### **Adaptation to climate change – the role of DFID and other donors**

6.1 We agree with conclusion (46) that adaptation should be DFID’s climate change priority. We believe that this is already the case and are pleased to note the support in conclusion (48) for the research work we have commissioned to better understand the impact of climate factors on the eradication of poverty as measured by progress towards achieving the MDGs. This work will shortly be concluded. We anticipate that it will guide DFID in terms of better understanding how to assist poor countries and poor people cope with climate change. The results of this study, as well as regionally specific information (such as IPCC summaries and, where they exist, UNFCCC National Communications) will be made available to DFID country/regional offices (50).

6.2 The MDG study will also be extremely useful in terms of monitoring DFID’s performance in relation to climate change impacts, since our new performance indicator system (currently being finalised) will be largely MDG based. Climate change will feature prominently in a related monitoring system relating to spend. As the new system progresses we will be better placed to share experience with other donors, as suggested in recommendation (41).

6.3 In line with conclusions (40) and (44), we have brought together ten international agencies (multilateral and bilateral) in the preparation of a strategy paper on climate change and poverty. This major work emphasises the need to focus on effective adaptation to change and variability at all levels. This study will be launched for formal consultation at the UNFCCC’s 8<sup>th</sup> Conference of the Parties in New Delhi in October. We believe this is a highly influential exercise which has highlighted DFID’s and the UK’s general capability in this area. DFID sees this exercise as a starting point in establishing a permanent relationship with other donors on the links between climate change and development.

6.4 We agree with conclusion (49) that developing countries need help to adapt to climate change. We also agree with the recommendation (14) that this should not wait until all research on climate change's likely extent and impacts has been completed. While we do not believe in targeting ODA for specific purposes conclusion (17) we do accept that developing countries will require assistance in understanding climate change impacts and interpreting these as adaptive action where necessary. UK sponsored impacts related research in India and China will play an important role in this regard.

6.5 We also agree with the assessment (14) that much adaptation work – particularly that which seek to reduce vulnerability to existing climatic variability or other “shocks” – will indeed have a beneficial impact on the lives and livelihoods of the poor, irrespective of climate considerations. In this regard, we note that DFID attaches great importance to assisting poor countries and poor people to adapt to existing climatic variability and we will continue to do so. This approach is entirely consistent with developing resilience to longer-term climate change and is more likely to encourage developing country decision makers to focus on climate issues given its greater immediacy. We believe this approach is also consistent with the Committee's conclusions (22), (23) and (24) regarding the importance of managing risk.

6.6 We share the Committee's concern on the need to avoid maladaptation (21). This re-emphasises the need to place climate change in an appropriate context, and within this context consider response in proportion to risk. There are dangers in over emphasising its significance and embarking on rash or poorly considered responses.

### **Mainstreaming climate change into national development strategies**

7.1 We fully concur with conclusions (51) and (52) and recommendation (53), which focus on the need to place climate considerations at the centre of policy-making. Achieving this is central to DFID's mainstreaming agenda and represents the primary way in which the environment and development agendas can and should be brought together. We are working with country partners and through the UNFCCC to emphasise the importance of effective strategic policy level responses to climate change and variability and the need to move beyond a simple project level type response. This is key to our work with the UNFCCC in developing National Adaptation Programmes of Action (NAPAs).

7.2 However, we would note, as indicated elsewhere in this response, that attention in the first instance needs to be given to assisting countries to deal with existing extreme climatic variability, which already presents them with major challenges.

7.3 We agree that while predictions remain imprecise, action at the country level should be based on no regrets solutions (11). We also fully concur with the need to place climate change in the context of local issues facing a country (7) – this is essential in order to effectively address climate change from the relevant perspective (5). DFID is currently finalising plans to embark on a sustainable development-climate change programme (within a wider disaster mitigation and preparedness programme) in Bangladesh, aiming to facilitate enhanced national capacity to adapt to the challenges of climate change. In line with conclusion (38) DFID's country level interventions in Bangladesh and elsewhere will be based on integration of environment and development goals, and policy coherence across partner governments. Our goal in mainstreaming climate change will be to ensure that all actors and institutions (governmental and non-governmental) are aware of how climate will impact upon them (43).

### **The International Panel on Climate Change (IPCC)**

8.1 We agree with recommendations (36) and (37) that the IPCC needs to focus more on adaptation issues. The IPCC itself recognises that it needs to do more on adaptation but is limited somewhat by its mandate. It can only review and assess what is already covered in the scientific and technical literature, since it does not commission or do research itself. The relatively light coverage of adaptation in the Third Assessment Report (TAR) merely

reflects the underlying weakness in the World literature on the subject. The UK is addressing this latter point by funding research on impacts and adaptations through the UK Climate Impacts Programme, the Tyndall Centre and in bilateral projects, particularly in India and China. The IPCC has itself made recommendations, for increased research on adaptation, to which governments and international research programmes need to respond.

### **Climatic disasters**

9.1 We agree with the Committee's conclusion that climate change has social and humanitarian impacts, in addition to environmental and economic dimensions (5). We also agree that in some cases adaptation will not be a viable option (18). We are however committed to mitigating disaster wherever possible. The Government's 1997 White Paper included a commitment to integrating disaster preparedness and prevention into our development work. In line with the TAR's conclusions regarding the likely increased frequency of extreme weather events, we believe that there is an increased need for disaster preparedness in order to cope with its effects.

9.2 We believe that the best way to do this is to try and integrate disaster preparedness and mitigation measures into longer-term development programmes. It is within this context that we will continue to address climate related disaster preparedness and mitigation (19). We are also working with our international partners to promote effective preparedness, vulnerability reduction, risk management and disaster mitigation initiatives, including with the Red Cross Movement, the World Bank ProVention Consortium and within the UN system.

9.3 DFID is committed to ensuring the speedy and effective provision of humanitarian relief when disasters do happen. We recognise that the first line of response is with local communities themselves and their national governments. As a result we are seeking to increase support for capacity building at the country level. However, we also recognise that major disasters will require regional and international support led by the United Nations. DFID works with the regional organisation and the international community to ensure that its efforts are effective.

9.4 DFID is working in support of international efforts to ensure good practise and accepted minimum standards in disaster response and recovery, through, for example, our support to the Sphere project (13). In addition to saving lives and relieving suffering DFID also believes that in responding to disasters it is important to focus on rebuilding livelihoods and communities, working with those affect so that they will be less vulnerable to future crises (33).

### **Environmental refugees**

10.1 With respect to the Committee's conclusion on the need for national and international policies to deal with 'environmental refugees' (20), we agree on the need for policies to address refugees in total. However we do not find the terminology 'environmental refugees' helpful. The terminology is controversial and as it is not clear to what it might entail it will not serve to focus or streamline our efforts on certain categories of persons who may or may not be in need of assistance. We suggest more attention should be paid to the relationship between environmental change and migration with an eye to developing a conceptual framework around the terminology 'environmental refugee', which could serve to focus any future policy direction on particular groups of persons and/or on particular environmental catastrophes.

10.2 Furthermore it is our suggestion that we broaden the scope beyond the term 'refugee', which limits the category to persons who have crossed an international border, to the term 'environmental migrant' or 'environmentally displaced', which would encompass both refugees and internally displaced persons.

10.3 We believe it may be more fruitful to address the need for national and international policies in relation to environmental degradation resulting from forced migration, as this is a proven phenomena and a source of tension between refugees and host governments.

### **Vulnerability assessments**

11.1 To be effective vulnerability assessments in relation to climate change (16) must be nationally owned and led. Donors, including DFID, can only support these activities – through for example support for the preparation and implementation of NAPAs - where partner Governments identify them as development priorities. We agree with the conclusion that it will often be the poorest who are most vulnerable. Poverty itself exacerbates vulnerability, and therefore strategies to address poverty and vulnerability should be integrated along the lines of the recommendation (52).

### **The Global Environment Facility**

12.1 We appreciate the Committee's enthusiasm for increased funding for the GEF (28). The final outcome of the replenishment negotiations was new money of \$2.2bn, an increase of 17% on the \$1.89 billion pledged in 1998. Together with investment income of \$130 million and \$570 million of funds carried over from the second replenishment (comprised of arrears from the US and Italy, and the withholding of tranche payments from Japan, Germany, France and Austria in response to US arrears) the headline figure is \$2.92 billion. The UK share of this amount is £103 million. In addition, the UK will provide a further voluntary contribution of £15 million. The UK is now the fourth largest donor to the GEF after the US, Japan and Germany, with a share of 6.72%.

12.2 We are not in favour of any prior allocation of funds within the GEF overall budget (28). However we play an active role in deciding GEF policy in relation to climate change and other areas.

12.3 The outcome of the replenishment negotiations, and the additional funds available to the GEF, are as set out above. However, the GEF cannot finance adaptation to climate change (28) and (29) from the funds agreed at the third replenishment. Adaptation activities can only be financed from the funds which were agreed in Marrakech, and for which the GEF will act as administering agency. The modalities of these funds, and the levels of contributions that can be expected to be made to them, still need to be decided.

### **The Clean Development Mechanism**

13.1 We agree with the conclusion that the Clean Development Mechanism (CDM) could play a role in promoting alternatives to fossil fuel consumption (25). We also share the concern that the CDM will not generate universal benefits among developing countries. For this reason DFID has commissioned some research into the viability of a 'fast track' scheme for small-scale CDM projects (27). We expect the results to be available shortly. DFID has also provided core funding to the Executive Board of the CDM.

13.2 The CDM offers great potential as a form of foreign direct investment, as a market driven mechanism. While there may well be poverty reducing outcomes as part of CDM activities we feel that there is a danger in attempting to manipulate the CDM to the extent that it becomes a separate development tool rather than a market driven investment mechanism. Streamlined procedures for smaller scale projects could maximise the poverty reduction potential of the CDM by facilitating greater investment in less developed countries. In this respect the removal of significant barriers to poverty-focused projects is key.





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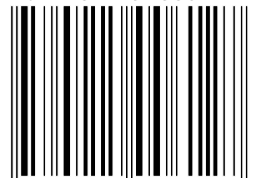
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