

December 10, 2007

A CALL FOR CLIMATE TALKS TO ACCELERATE
GLOBAL ECONOMIC AND ENERGY TRANSITION:
WHAT BALI MUST ACHIEVE



We, the undersigned, call on governments, businesses, civil society, and the other institutions that set the rules of our economies to lead a systemic shift to stabilize our global climate by launching a global economic and energy transition.

The December 3-14, 2008 meeting of the United Nations Framework Convention on Climate Change in Bali, Indonesia, aims to agree on a mandate to negotiate a framework that will succeed the first phase of the Kyoto Protocol when it ends in 2012. We welcome UN Secretary General Mr. Ban Ki Moon's recently reminding climate negotiators that, during the high-level event on climate change that convened in New York on 24 September 2007, world leaders made a strong call for negotiations to begin on a future comprehensive multilateral framework.

Bali must begin a pathway toward new global agreements that recognize and operate within our planet's limits and equitably share its ecological space. Our concern is that the scope and scale of the proposals being discussed dangerously underestimate the challenges confronting us and remain far from addressing the underlying causes of today's climate crisis.

We support the goal of creating **deeper binding targets to reduce greenhouse gas emissions by at the very least 80 percent below 1990 levels by 2050, on average with solutions that place the greatest burden of adjustment on the richer nations, and the richer segments within all nations.** Achieving these targets will involve dynamic actions at every level of our societies, with rich countries leading through commitments to cut emissions by increasing energy efficiency and reducing overall energy use ("powering down"), while at the same time enabling poorer nations to leapfrog over the rich nations' dirty model of development to one that is equitable and sustainable. Adequate and equitable reductions in emissions require a fundamental reordering of priorities and the transformation of almost every aspect of the way we live. Today's situation is desperate; for the full dimensions of the multiple crises we face, plus an outline of the necessary corrective steps, see the International Forum on Globalization and the Institute for Policy Studies', "Manifesto on Global Economic Transitions" (September 2007, see www.ifg.org).

To cut overall consumption while improving standards of living for the poor, we cannot get to where we need to be within 40 years by using current development models, measurements of economic growth, or today's outdated rules governing trade, technology transfer, investment, and finance. Coherence in policies at both the national and international levels is essential to any meaningful multi-lateral effort. Immediate actions are urgently needed within the existing institutions, but we also have to rethink and transform global governance. New international instruments are needed.

To create the truly transformational change in the global economy we call on governments to include in the forthcoming Bali Mandate a work program to re-write the much-needed rules, incentives, and institutions in order to transition our villages, cities, countries, and world toward socially just and ecologically sound economies.

This **parallel track of talks** must acknowledge that the globe's environmental challenges are multi-faceted and intertwined. They involve at their core the challenges of climate chaos, the end of cheap

energy, accelerating species extinctions, and collapse in fresh water, fisheries, forests, and other vital natural resources and natural systems. Solutions to each should be solutions to all. These changes should aim to redefine development, and abandon economic growth as a primary goal. They must also drastically reduce consumption of energy and other resources, materials, and commodities, especially among northern industrialized nations. Incentives for conservation and re-localizing ownership, production and consumption are the fastest, cheapest most efficient means toward “powering down.” We support movements toward subsidiarity that shift power away from global and national governance, and toward local economies, especially energy and food systems, as much as possible.

In addition to national governmental representatives, this track of negotiations should involve local officials, social movement leaders, indigenous leaders, and thoughtful innovators of new ideas on renewable energy and sustainable forestry and agriculture transitions. Changing international institutions can create policy space to support bottom-up initiatives and help give greater visibility to innovative steps already taken at the local level (such as “transition towns” that are rapidly reducing energy needs and shifting energy supplies; many innovations of “green cities” that are making urban societies sustainable; the grassroots tree planting campaigns in Africa that empower women while mitigating greenhouse gas emissions; sustainable agriculture practices that are being undermined by current international trade rules and regimes; legal innovations that give communities control over their natural resources); the national level (such as carbon taxes, green border fees, and other programs to transform energy use); and the global level (such as the new UN Declaration on the Rights of Indigenous Peoples, and the more than 200 multilateral environmental agreements).

A Bali Mandate on Global Economic and Energy Transitions can set forth a new negotiating process to solve the inter-related ecological crises enumerated above. Essential elements of a new architecture for global economic and energy governance include the following: ¹

- ▲ Articulate and implement **new development models** which give priority not to economic growth per se, but to satisfying basic human rights and basic human needs for all (such as survival, sufficiency, freedom, identity). These basic human needs are required for genuine human happiness and well-being, and are needed by those in industrialized nations as well as developing nations. This requires a fundamental refocusing of policy priorities at all levels of government.
- ▲ Replace today’s main measurement of economic well-being, Gross Domestic Product (GDP), with **new economic indicators** that measure meaningful progress toward economies designed to remain within the earth’s carrying capacity. Climate and other systemic ecological crises compel us to reset the central guidepost of economic policymaking on a course that improves living standards while conserving natural wealth. Governments should invigorate the discussions about measures that account for natural wealth and peoples’ health, such as the Genuine Progress Indicator (GPI).
- ▲ Create **global trade and financial institutions** so that their core mission supports these global transitions in an equitable and democratic fashion.² With the World Bank still funding over 15 times more fossil fuels than clean energy, and the World Trade Organization declaring how most of the measures governments are enacting to counter climate change could violate its overlapping agreements, a Bali Mandate must aim to develop recommendations for global economic policy coherence that ensures climate and overall ecological security. These adaptations should especially address the impact of current world trade rules on: 1) **intellectual property**, which make it very difficult to transfer clean energy technologies to poorer nations in affordable ways; 2) prohibitions that restrain governments from enacting climate measures such as energy-efficiency standards or support programs for sustainable energy; and 3) agriculture, which make it difficult for small farmers from developing countries to survive in the face of unsustainable, subsidized agribusiness in rich countries. International financial institutions must shift their own funding away from fossil fuels to clean energy.

- ▲ Create a **Global Financing Mechanism** that enables economically poor but resource rich nations to keep their forests and biodiversity intact, and their fossil fuels under the ground, without sacrificing their own ecologically sustainable development (as Ecuador has recently offered to do with 20 percent of its oil).
- ▲ Create a **Global Clean Energy Fund** that would generate finances from rich nations and the rich within all nations (through debt cancellation, green border fees, or fees on arm trade, or fees on speculative financial transactions across borders) to help poorer nations leapfrog over the dirty industrial paths of most rich nations. It is urgent that effective formulas for these transfers be successfully conceived, negotiated, agreed, and implemented at the soonest possible time, before the climate and resource emergencies get truly out of control. Many organizations are already hard at work on this. All alternative energy sources and technologies must be assessed for their systemic impacts on the atmosphere, biodiversity, water, soil, and universal human rights, so as to help the public and governments better decide between false solutions and genuinely sustainable climate stability alternatives. The internalization of social and ecological cost will drive ecological solutions that transform today's patterns of production and consumption, replacing long-distance trade and absentee-ownership with decentralized economic activity under community control.
- ▲ Adopt an **Oil Depletion Protocol**, which creates a framework for oil producing and consuming nations to reduce production and imports to keep ahead of the global depletion of oil supplies (as Sweden, Iceland, Cuba and a few other nations are already doing). We need to reduce global energy demand. As recent reports of runaway energy demand make clear, the world needs a crash diet to curb its overall energy consumption or it faces ecological catastrophe and violent conflicts over resources. The planet's carrying capacity must be collectively measured and monitored, with an agreed program that both decreases over-consumption and redistributes real resources and wealth to the poorest, while taking meaningful measures to slow population growth that advance the economic, educational, and reproductive rights of women. Projections of energy needs are unnecessarily high and we can close the gap by powering down and re-localizing production and consumption cycles, led by the industrialized countries.
- ▲ Adopt a **UN Covenant on the Right to Water**, which will be in ever shorter supply due to accelerating climate change and entrenched patterns of unsustainable development, to clarify the responsibility of governments to provide clean, affordable water to all citizens. The UN Covenant must recognize water as an ecological trust and oblige governments to take bold actions to ensure water conservation and water quality, as well as water equity.
- ▲ Strengthen the United Nations' overall system of **multilateral environmental agreements** (MEAs) to protect forests, fisheries, biodiversity, fragile ecosystems, and endangered species. Adequate resources for implementation and enforcement of the Convention on Biodiversity, the Convention on the Law of the Seas, the Convention on the International Trade in Endangered Species, and many others must be secured. Also, the legal relationship between MEAs, which sometimes may restrict trade, and the WTO, which generally prohibits restrictions on trade, must be clarified to establish a clear hierarchy of public values prioritizing people and the planet over profits for private corporations.

Just as one of the oldest global bodies, the International Labor Organization, includes representatives from governments, labor, and business, these new negotiations must involve all of the sectors of society to be effective.

¹ These proposals are elaborated in the September 9, 2007 paper by the Institute for Policy Studies and the International Forum on Globalization entitled: "Steps Towards a Global Grand Bargain."

² None of the current institutions: the World Bank, the IMF, the WTO and their regional counterparts, were set up to deal with these environmental crises. Indeed, the actions and jurisdiction of the current global economic agencies often undermines environmental goals.

WE CALL ON OUR GOVERNMENTS IN BALI TO ACCELERATE A GLOBAL ENERGY AND ECONOMIC TRANSITION.

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