



**WWF statement on
Bali Trade and Finance Ministers Meetings**
8 December 2007

WWF urges the need to explore how the global financial and trade systems can contribute to combating climate change.

Global financial and trade systems are important but only means to sustainable development and serve those larger objectives of common global concerns. Those include to overcome effectively the current climate crisis which if not effectively addressed will put the world and especially its most vulnerable communities into jeopardy. Communities and countries who should ideally benefit from global trade and finance transactions. The WWF recognizes that this was the original idea behind the initiative by the Indonesian Government to organize dialogues between selected ministers of trade and finance on climate change issues.

WWF is, however, concerned that governments are not ready to have such a free exchange of ideas, rather it seems that certain governments will try to misuse the climate talks to further their usual agenda on e.g. trade issues as reflected in some of the Doha and other disputes. It is important not to burden the climate talks with negotiations aimed at furthering narrow economic interests typical of the trade negotiations.

In order for the meetings between trade and finance ministers to contribute to furthering climate protection, ministers must be able to think out of the box and be willing to change procedures, and eventually positions. In addition, these ministers must be willing to work for the common interests of all people on the Earth.

WWF supports discussions on how trade and finance can play an important part in a global transition to low carbon development. Those should contribute to the general goal to reduce and limit GHG emissions to stay within a rise of global average temperature of less than two degrees centigrade compared to pre-industrial temperatures.

In order to achieve the goal of addressing climate change trade and finance ministers should clearly frame the discussion in terms of finding ways and means to address climate change through financial and trade mechanisms in a way that promotes sustainable development and equity.

We propose to discuss the following issues:

1. As an outstanding and urgent issue for the current negotiations, technology and finance for Mitigation and Adaptation are key Building Blocks for a post-2012

- global climate framework. Without speedily scaling up the efforts to provide substantially new and additional resources to developing countries, support for a truly global low carbon trajectory and meeting the needs of the poor will fail. Therefore, industrialized countries' Trade and Finance ministers need to provide adequate and predictable mechanisms required in the context of a Bali Mandate and beyond. Equity, fairness, monetary capacity and current as well as historic responsibility for greenhouse gas emissions requires this as a fundamental non-negotiable precondition for global trust and confidence building among all nations, a prerequisite for success for the next two years of climate negotiations which need an encouraging sign by the rich countries' F & T ministers at the Bali talks.
2. Trade policies can be used to increase the market share of energy efficient and low carbon technologies such as renewable energies. Policies should then be implemented in such a way that it reflects global priorities rather than narrow national (or regional) interests. The EU decision to limit the import of low cost energy saving light bulbs from China on the basis of "anti-dumping" is an example of how policy should not be implemented.
 3. Proposals should be developed in cooperation between proponents from Annex 1 and non-Annex 1 countries in order to increase the potential to reflect common interests. The proposal by the U.S. and EC for Liberalizing Trade in Environmental Goods and Services in the WTO Negotiations enforces polarization between Annex1 and non-Annex1 countries where transcendence is needed.
 4. Public subsidies of fossil fuels contributes to a lock-in into a carbon-intensive energy system. It is therefore necessary to start a process to shift public investments away from fossil fuels towards low carbon, highly-efficient and sustainable technologies. This should occur while ensuring that the cost is not shifted onto the poor who are often dependent on fossil fuel energy for daily needs.
 5. Public financial institutions should reflect the interests of broad society. International Financial Institutions and Export Credit Agencies should therefore phase out investments in fossil fuels and increase investments in energy saving, renewable energy and sustainable low carbon technologies.
 6. The democratic control of public finance managed by International Financial Institutions and Export Credit Agencies should be strengthened. This should happen through an increased role for national parliaments and increased public participation and transparency (good governance).
 7. Public procurement can make an important contribution to stimulating green technologies to move out of the start-up phase. Governments should move to 100% green procurement.

Contact:
Donald Pols
WWF Netherlands
mobile +31 6 2080 1096, dpols@wwf.nl