

Exporting global warming – the UK's support for fossil fuel energy in the developing world

based on a report produced by Caspar Henderson for Greenpeace UK

- **New research has revealed that the UK government has funded fossil fuel projects in the developing world that cumulatively contribute 14 million tonnes of carbon to the Earth's atmosphere each year - more than a third of the total UK domestic emissions for the year 2000 (41.915 MtC). This means that even if the government meets its Kyoto commitments in full, two thirds of the environmental benefits will be cancelled out by the activities of the ECGD.**

Detail

- Energy Minister Brian Wilson has predicted that 2002 will be “the year of renewables” in which the potential contribution of power generated from clean sources will “finally be recognised in the UK.”
- On the 10th of this month he said: “Renewable energy is not only about what is required in the United Kingdom. We will have a huge exporting opportunity, and I shall say more about that in the near future. If we develop the technologies and maintain our technological lead for our markets, we can create many thousands of jobs in manufacturing industries. **We can also do a lot of good in the outside world by selling to developing countries the sort of technologies that they need rather than trying to flog them ones that they do not.**”
- Earlier this month he said: “The opportunity now exists for potentially viable projects to gain the support and access that they need.”
- **And yet the research shows that the DTI's Export Credit Guarantee Department has supported an average of £1.76bn worth of fossil and nuclear power generation projects in every year since the United Nations Framework Convention on Climate Change was signed in 1992.** (Export Credit Agencies provide guarantees to domestic investors to enable them to invest abroad in 'troublesome' areas where they might lose their initial outlay - translates into the developing world. The ECGD does it by underwriting investments.)
- By a *conservative* estimate, these projects will emit at least 14 million tonnes of carbon per year for as long as they are in operation. This is more than one third of the emissions from the UK's own power generation sector (41.917 mtC in 2000) and represents a billion tonnes over twenty years.
- There were 193 guarantees of support to 140 fossil fuel and nuclear generation projects and fossil fuel extraction projects in 38 countries between April 1992 and April 2001.

- The scale of the projects supported has certainly not abated since Labour came to power. For example, in 1998/99 there was ECGD support for a series of four huge projects in China that used \$2.2bn.
- Despite Brian Wilson's positive statements on the export of clean energy technologies, the UK's use of Official Development Assistance (ODA) in support of energy projects in the developing world, tells a different story. Of \$119.75m (£82.6m) that the UK gave in bilateral ODA commitments to energy in 1999, only \$90,000 went to renewable energy. This means that only 0.07% of total UK ODA finance for energy development went to supporting renewables.
- The UK is the third highest giver of ODA for energy projects, behind Germany and Japan. And yet the UK's total ODA support for *renewable* energy is lower than all but four ODA donor countries (China, Finland, New Zealand and Portugal)
- Greenpeace believes that global warming does not respect borders. There is simply no point in talking about a progressive energy policy at home if we continue to export the means of creating greenhouse gases. Climate change effects us all, and if we continue to fund fossil fuel projects in developing countries, the resulting climate impacts will condemn millions of the world's poorest people to increased drought, floods, disease and extreme weather events. The infrastructures and economies of the world's poorest countries will be severely and negatively impacted, putting a block on future development.

The campaign

- Global climate change is the single most pressing issue facing the world today, and can only be tackled by phasing out our use of, and dependence upon, fossil fuel sources of energy, and switching instead to renewable energy sources. While it is right that developed countries act to cut their greenhouse gas emissions now, the developing world has an opportunity to move down a clean energy pathway and secure its future. This would avoid repeating the mistakes made by the North, and instead enable Southern countries to meet people's legitimate energy needs in a clean and sustainable way.
- Greenpeace International and The Body Shop International have launched a campaign to bring renewable energy to the world's poorest two billion people who currently have no access to electricity services. The campaign hopes to secure a ministerial declaration at the forthcoming World Summit on Sustainable Development in Johannesburg, to deliver renewable energy to these two billion using bilateral and multilateral financial assistance.
- This is an issue that needs to be addressed with the utmost urgency, and the UK Government should make use of the forthcoming World Summit on Sustainable Development to address these issues – poverty, climate change, sustainable development and finance, and energy.

Campaign Asks:

We are asking that the UK Government:

- Take a lead at the WSSD to secure,
 - a heads of government commitment to facilitate the delivery of renewable energy to the two billion.
 - international ODA and public funds to kick-start the necessary investment.
 - a timeline for delivery.

- Increases its ODA commitments accordingly.

- Puts an end to the funding of fossil fuel and nuclear powered energy projects in the South and instead directs investment to renewables, changing the ECGD accordingly.

- Stimulates the UK domestic renewables market and ends explicit and implicit subsidies to fossil fuel and nuclear power generation and extraction/processing.