

10 September 2008

Senator the Hon Penny Wong  
Minister for Climate Change and Water  
Parliament House  
Canberra ACT 2600

Dear Minister

**Re: Response to the Government's  
Carbon Pollution Reduction Scheme Green Paper**

This letter is in response to the call for submissions on the Government's Carbon Pollution Reduction Scheme Green Paper.

The Australian Council for International Development (ACFID) welcomes the Government's action on the global issue of climate change and welcomes this opportunity to submit its views on the proposed Carbon Pollution Reduction Scheme.

In the Green Paper, the Government clearly identifies the third pillar of its climate change policy as 'helping to shape a global solution that both protects the planet and advances Australia's long-term interests'. The Green Paper further specifies that a key Australian objective is to broaden the number of countries willing to take commitments and specifically mentions that developing countries are required to participate to deliver an effective global solution.

Professor Garnaut recognises in his Draft Report from June 2008 and also in the Supplementary Draft Report released on 5 September that our developing country neighbours are among the most vulnerable – from the devastation wrought by a temperature increase of 5 or 6 degrees.

ACFID believes there are a number of reasons why the Australian Government should consider specifically including assistance for our developing country neighbours in its final Carbon Pollution Reduction policy. Significant investment is needed to leverage international climate change action.

Accelerated growth of developing countries will require other countries, including Australia, to tighten constraints on emissions further in order to meet emissions reduction targets. By 2030, developing countries in Asia are expected to be the main source of global greenhouse emissions.

Also, Australia faces serious economic and geopolitical risks if problems in developing neighbour countries are not addressed properly; much of our current prosperity is linked to development in Asia. Issues such as 'climate change refugees' from neighbouring countries will arise, more natural disasters can be expected to take place in the region – issues endangering Australia's contribution on implementing the Millennium Development Goals.

ACFID is of the view that developing neighbour countries should be included within this third pillar of the Carbon Pollution Reduction Scheme as they will be an integral part of shaping a global solution that both protects the planet and advances Australia's long-term interests. ACFID welcomes and acknowledges the initiatives the Federal Government has already committed to, such as the \$200 million International Forest Carbon Initiative and the joint research centre for clean coal with China.

ACFID advocates however that specific emphasis should be on the support Australia could provide to these countries. Developing neighbour countries would benefit significantly from Australia's expertise on 'green technologies'. Their contribution of native forests in our global attempt to cut greenhouse gas emissions is also likely to be significant as highlighted by Professor Garnaut.

Therefore, ACFID recommends a targeted funding component or a separate **climate change action fund** related to Pacific Island countries and other countries in the region likely to be most impacted. We would recommend 10 per cent of revenue raised from the sale of permits should be invested in such a fund. Guaranteed funding from Australia and other developed countries will also be an important signal to developed countries and can help in climate talks.

The Fund would encourage business to share knowledge with NGOs to create relevant assistance programs and also allow developing countries to develop low emissions technologies that fit their needs and requirements. We are of the opinion that developing countries should not yet be required to set absolute emission reduction targets.

We look forward to the opportunity to elaborate on our thoughts with you or your staff in the near future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P O'Callaghan', with a long horizontal flourish extending to the right.

**Paul O'Callaghan**  
**Executive Director**