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UN report proposes new Marshall Plan to promote development and save the planet

1 September 2009 – A United Nations report launched today recommends a new Marshall Plan of more than $500 billion per year, or one per cent of global output, to help developing countries ease the impact of global warming and adjust to its effects while continuing on a path of economic growth.

"The science is clear. We need to drastically lower greenhouse gas emissions in order to protect the planet and avoid dangerous temperature rises globally," stressed Rob Vos, a Director of the UN Department of Economic and Social Affairs (**DESA**).

"If we do not significantly reduce emissions the damage to poor countries as a percentage of GDP [gross domestic product] will be up to more than 10 times greater than in the United States and most other developed countries," Mr. Vos told reporters in New York at the launch of the ***2009 World Economic and Social Survey: Promoting Development, Saving the Planet***.

Mr. Vos noted that for every rise of one degree in global temperature, the annual average growth in developing countries drops betweens two and three percentage points with little impact on advanced countries.

However, to satisfy development needs, energy demands will have to rise in developing countries, posing a challenge in how to combine the reduction in greenhouse gas emissions with economic objectives.

"To do this we will need huge adjustments in developed, but in particular developing countries," said Mr. Vos. "The transformation of energy services will be key… This will have to go hand-in-hand with large-scale interrelated investments in order to address simultaneously the climate change and development goals."

The *World Economic and Social Survey* suggests that market solutions, including the development of a carbon market, through "cap and trade" mechanisms or taxation schemes in developed countries, are not the solution for developing countries. Rather, it recommends a combination of large-scale investments and active government policy interventions for developing countries.

Among the possible multilateral measures in support of a global investment programme set out in the report is the creation of a global clean energy fund, a global feed-in tariff regime in support of renewable energy sources, a climate technology programme and a more balanced intellectual property regime for aiding the transfer of clean energy technology.

“We are suggesting that we need a globally funded public investment programme to allow developing countries to engage both in cleaner generation of energy and still meet their development objectives,” said Mr. Vos.

“The ballpark figure that we think is needed would be one per cent of global output, [or] around $500 to $600 billion per year starting well within the coming decade, and not – as many other studies suggest – that those levels should be reached by 2030 or beyond.”

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