

**Summary of Recommendations**  
**14th June 2009, Palampur**

## Palampur Declaration

The experts on climate change from 20 countries who assembled at the "Global Convention on Climate Security" held on 12th -14th June 2009 in Palampur, issued the following declaration:

1. The trend of current climate change is serious. Leading scientists agree that the climate deterioration is significantly influenced by man. Associated risks pose unparalleled danger to human life and nature. The survival of the humanity could be jeopardized.

World nations must work together to meet the global challenges. The alternative detrimental evolutionary step would cause even further competition for already scarce resources. The potential geopolitical implications, including armed conflict, would be of unthinkable dimensions.

2. Addressing the climate crisis adequately will lead to global intellectual and ethical / moral renaissance. Humanity must meet this challenge, the greatest in its history. No actor alone - government, industry, civil society - would be able to address the issue adequately.

The crisis offers huge innovation potential and for industry unprecedented business opportunities.

3. Combating the climate change fully will necessitate firm determination and good will from all actors. So far, a comprehensive holistic model has been missing. In the opinion of the international experts at the Palampur conference, the PROACTIVATE initiative provides such a model. PROACTIVATE recommendations are attached to this declaration.

It is the hope of the international experts that relevant actors of the world community would pay due attention to the PROACTIVATE model.

4. Pricing is key for regulating the supply as well as demand for natural capital. It is, therefore recommended the active engagement of Global Sectoral Agreements. For developing countries, it is

recommended that they should not have absolute cap on their emissions.

5. The recommendations include improvement of measuring indicators, monitoring and reporting, best practices related to the carbon footprint; more responsibility in terms of Life Style, rigorous improvement of waste management and water management; the promotion of green issue investment loans by including sustainable criteria and finally to promote THE THREE P (Profit, People and Planet) approach widely including universities, business schools and all other educational institutions

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The international experts requested Dr Madhav Mehra, President of the World Council for Corporate Governance (WCFCG) and board member of World Environment Foundation, to transmit this Declaration together with the attachment to the Government of India. They praised the efforts of in putting the beautiful town of Palampur on the world map by holding such a historic conference in Palampur.

It is the hope of the international experts that the Government of India would submit the document to the Danish Government, the organizer of the Global UN Climate Conference in December 2009 in Copenhagen, for transmission to the national delegations prior to the UN Conference.

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### PROACTIVATE

PROACTIVATE which is a transformational model developed by Dr. Madhav Mehra to secure humanity's future should be adopted. This is an eleven sector integrated model which puts natural capital, social inclusion, poverty alleviation, climate change & carbon footprints as drivers of policy legislation and also at the centre of business strategy.

1. P- Pricing Natural Capital
  - 1.1 Pricing is key for regulating the supply as well as demand for natural capital. It is, therefore recommended that there should

- be active engagement of Global Sectoral Agreement for developing countries. It is further recommended that they should not have absolute cap on their emissions.
- 1.2 There is need for extensive research on pricing different forms of natural capital so that it reflects the social opportunity costs of capital.
  - 1.3 It was recognized that the characteristic of non-rivalry in the use of air accepted in economics theory since 1955 is not valid & therefore air is not a public good. Hence, the demand for air is not reflected by single aggregate supply curve but by different supply curves. The supply curve is also not a single aggregate supply curve but different supply curves determined by the quality of air. Intensive research is required to determine the different markets for air & the individual demand & supply curve of air in these markets.
  - 1.4 Natural capital should be treated like other forms of capital. Factoring costs of natural capital in balance sheets will give a new lease of life to the environment. The real challenge for capital markets is replacing the acquisitive model of growth by one that creates competitiveness and enjoyment through experiential growth. It will power unprecedented growth based on low carbon, zero carbon waste and dematerialized growth.
2. R- Radically increase energy efficiency
  - 2.1 The ratio of GDP to energy use provides a measure of energy use. While global energy efficiency has increased there are considerable variations among individual countries. The barriers to energy efficiency such as technology, and capacity building need to be removed.
  - 2.2 In order to progress towards energy efficiency investments should be made in (1) provision of equipments and (2) use of equipment.
3. O- Opt for minimalist lifestyle
  - 3.1 The acquisitive model of growth should yield to one that creates competitiveness and enjoyment through experiential growth without adverse effects on the environment.
  4. A- Adopt closed loop and zero waste systems
  - 4.1 The environmental benefits of adopting closed loop and zero based waste system are reduction in the following:
    - Use of finite natural resources,
    - Quantity of waste and effluents generated,
    - Demand for waste disposal sites
    - Improved working conditions.
  - 4.2 The potential economic benefits are:
    - Reduced raw material, energy and water costs
    - Reduced waste disposal and transportation costs
    - Increased returns by selling waste and materials for re-use
    - Improved corporate image.
  5. C- Capture and Sequester CO<sub>2</sub>
  - 5.1 Mapping studies should be undertaken for storage of CO<sub>2</sub>. These studies should be at and below the surface of the ground since storage sites suffer from safety and leakage concerns.
  - 5.2 Terrestrial forests from potential storage sites for sequestration of carbon dioxide. Ways to sequester CO<sub>2</sub> inside the earth at about 18-20 kms have been suggested, but further research on methods of sequestration is essential.
  6. T- Turn to renewable
  - 6.1 Recognizing that renewables are the most efficient ways to reduce carbon emissions across the globe. Policies need to be carefully designed for second generation bio-fuels so that they can provide solutions to multiple issues such as energy security and diversification, rural development and GHG mitigation.
  - 6.2 The purchase price policies of oil marketing companies for ethanol and bio-diesel need to be examined.
  7. I- Invest in green issues
  - 7.1 Fiscal policies should be designed to encourage green investments.
  - 7.2 The role of banks in green investments should be examined.
  8. V- Vigorously pursue market mechanisms to punish polluters
  - 8.1 Market based instruments need to be adopted because they guide behaviour through market signals rather than through explicit regulations or directives.
  - 8.2 The significance of market based instruments lies in their potential to show that the environmental outcome of firms is in their own interests.
  9. A- Activate women and children to drive change
  - 9.1 For activating women the focus has to be on culture, education and empowerment.
  - 9.2 Programmes need to be drawn up on which children can actively participate in activities relating to ecology and the environment.
  10. T- Train and educate corporates and committees to eco-innovate
  - 10.1 Eco-innovation should be directed towards systems and procedures that can bring quality of life to all people with a life cycle wide minimal use of natural resources per unit and a minimal release of toxic substances.
  - 10.2 Transfer of environmental friendly technologies that reduce the ecological footprints.
  - 10.3 Waste need not be an environmental hazard and a social and economic burden. It should be treated as a resource which can generate profit. The focus should be on innovative waste management, which leads to savings in costs as well as eco-efficiency.
  11. E- Execution and not sensationalization
  - 11.1 Policies and legislations need to be formulated in such a way that they are not only theoretically sound but are actually implementable.
  - 11.2 Responsibility for execution of policies and legislation need to be fixed at different levels.
  - 11.3 Academic institutions have a major role to play in research and teaching. The major areas of research are economic theories and management theories, as they influence our attitudes towards policy, legislation, corporate governance and individual behaviour.
  - 11.4 PROACTIVATE challenges the traditional way of doing business and shows that there is an opportunity for business to build-in social and environmental issues such as poverty and climate change into business. PROACTIVATE shows the convergence of interests of business and society leading to profits. Information about a firm's sensitivity to natural capital and the reduction of its ecological footprints helps to build reputation and competitive power.
  - 11.5 Monitoring Take-up  
Improved monitoring and reporting of best practices related to the reduction of carbon footprint; and finally promotion of THE THREE P's (Profit, People, Planet) is recommended.

(Report compiled by Dr Usha Dar)