

MEMORANDUM FOR UNITED NATIONS

FROM: GROUP 7

SUBJECT: COUNTRY INITIATED PROJECTS FOR THE PRIVATE SECTOR

I. ACTION-FORCING EVENT

The main action forcing event corresponding to the country initiated projects for the private sector is demonstrated by the IPCC's 4th Assessment Report dated 4 May 2007, which stated with 90% certainty that humans have caused global warming by increasing CO² concentrations in the atmosphere. Two major causes are transportation and "dirty" energy (i.e. fossil fuels).

II. BACKGROUND/ANALYSIS:

a) Public transportation is poorly managed. Currently there is a lack of capital and initiative to promote mass transit in urban settings as well as long-distance public transport. In consumer culture personal vehicles are favored over public transportation due to their convenience. While economic issues can be addressed, the most difficult problem to overcome will be that of consumer culture.

b) The generation of energy has been primarily through the burning of fossil fuels. This practice is greatly increasing the atmospheric concentrations of CO² which has been linked to global warming. Current infrastructure still makes fossil fuel energy the most economically viable solution. Recent attempts at concerted action, namely via the Kyoto Accords and this year's G8 consensus, although encouraging as a sign of increasing recognition of our dilemma, have suffered from too high a focus on a single remedy, and a lack of clarity regarding benchmarks and enforcement.

III. RECOMMENDATIONS:

a) Government subsidization of land and restructured tax systems to increase interest/ability of companies in the construction of railroads and mass transit systems. Implementation or increase of incremental auto costs (e.g. tolls, congestion tax) in highly congested urban areas. Taxes that are obtained through these increased incremental costs should be used to fund public transportation works (e.g. walkways, bike paths). Government should become active intermediates to aggregate demand for alternatively fueled devices to increase the availability these products.

b) In order to facilitate a shift to a low-carbon economy the main tools the government has is taxes and economic incentives when it comes to the private sector. Reconfiguration of the tax code and use of interest rate adjustments to influence consumer and producer behavior. For example, consumer tax credits for lower energy consumption. Preferential interest rates for investment in green technologies, sustainable or eco-friendly construction and housing and distributive generation schemes are one set of possibilities. Elimination of "dirty" subsidies for fossil-based industrial activity and creation of subsidies for alternative energy creation and use should be used as well.

c) Possible problems with implementation of these recommendations include heavy private sector influence on government which may inhibit policy enforcement. Lack of initiative leading to lack of capital in the private sector.

IV. DECISIONS:

_____ Approve _____ Approve as Amended _____ Reject _____ Discuss Further