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DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS
Division for Sustainable Development

Mr. Tariq Banuri, Director of the Division for Sustainable Development, met with members of the Climate Change Group, who raised a number of questions on the status of climate negotiations after Copenhagen. The following is a transcript of their exchange.

Q: What is your assessment of the climate change negotiations?

A: What was achieved in Copenhagen was an honest and faithful representation of where the countries have reached in their search for common ground. Frankly, climate change is not an intractable problem, as has often been media portrayed in the media, but one that can be solved through cooperative action. It falls within the spectrum of two transcendent goals of the international system; (1) peace and (2) development. Indeed, it binds these two together. If we don't solve climate change, we can't have development and won't have peace.

There is a history to this. In Rio, the world realized that climate change was not a stand-alone problem, but part of development and peace building, and Rio brought these three goals together via the climate convention. In Kyoto, it was agreed that since developing countries needed to address development and poverty issues together, they should not be required to do anything on their own on climate change. In Bali, the perception changed somewhat, and it was agreed that while developing countries did need to act on climate change, they would be supported in doing so in a way that did not derail their development progress.

Q: So what was achieved in the Copenhagen Conference?

A: I can think of seven things;

1. Countries were willing to talk about concrete climate targets, even if they are not yet internally consistent or as ambitious as scientists or civil society organizations had hoped for.
2. Countries were willing to talk about even more stringent targets (350ppm, which represents a loss from the pre-industrial levels of under 300ppm)
3. The Accord continues the Kyoto process of asking developed countries commit to concrete emissions reduction targets. Annex I of the Copenhagen Accord will list the commitments of these countries in the same manner as was done in Annex I of the Kyoto Protocol.
4. In addition, the Accord also includes a space for developing countries to record their intended actions (not commitments). This was mainly because the US had made its participation in any climate agreement contingent upon commitments by larger developing countries. However, these developing countries did not view their intended actions as "international commitments" rather, they viewed them either as "sovereign commitments" (i.e., for which they were accountable to their own citizens and to no one else), or as "conditional commitments" (i.e. commitments that would be undertaken only if certain conditions [e.g., provision of financial and technological assistance] were met). In the end, compromise language was found to bridge these differences.

5. For the first time, developed countries were willing to provide specific numbers for their financial commitments, namely $10 billion per year in quick start funding over the next 3 years and rising up to $100 billion per year by 2020. In the past, such commitments tended to be expressed in very general and loose terms. Even in the Accord, they are far below what might be needed, and they come with a number of escape clauses (such as “try to” and “up to” and "including both public and private sources", but at least there are numbers.
6. The Accord mandates a High Level Panel to develop proposals for alternative sources of money. Several ideas have been floating around, including by George Soros (to use SDRs), Gordon Brown (tax on financial transactions), and a tax on air travel.
7. Other agreements were negotiated but because of drama in last few days, they did not end up getting attached to the Accord. These include;
    a. REDD+
    b. Agreement to set up a technology mechanism
    c. Adaptation fund was set up in Bali, but will get more money from the quick start funds

Q: You said that climate change is not an intractable problem. What do you mean?

A: Climate change is a problem that can be solved. There are much worse intractable problems, e.g. loss of biodiversity and fresh water. To understand more, let’s start with oil. Think about the value of oil. I’ll offer two ways to calculate this. Oil, if we were to make it synthetically, as an industrial process, would cost about $1 million a barrel. A barrel of oil has the same energy as 10 years of a human's work life, and the cost of this too would be prohibitive. Instead, we pay less than $100 per barrel, because we stumbled upon the treasures of the ages. This cheap energy has helped usher in the age of plenty. But this bonanza has not reached everyone yet. There is a huge disparity in energy consumption. Developed countries use average between 100 and 250 kilowatt hours per person per day; the vast majority of developing countries use less than 35 kilowatt hours per person per day. This is why there are such disparities in the quality of life. It takes energy to provide clean water, sanitation, health services (hospitals are some of the biggest users of energy), which are necessary to raise life expectancy and lower infant and maternal mortality. It takes energy to drive the industrial process (to shift from primary commodity production to manufacturing and services).

One reason why developing countries lack energy is because it is too expensive. Even though fossil fuels are cheap compared to what they would cost in real terms, they are still too expensive for developing countries. And renewable energy, currently, is even more expensive. The good news, though, is that the costs of renewable energy are falling very fast. China is one of several countries bringing down the cost of energy consumption. In order to make the costs come down even faster, we have to invest and expand the capacity of renewable energy services. This is the good news. This will make the shift to renewable energy possible and will make energy affordable by the poor.

We all need to cooperate in order to move forward rapidly on bringing the costs down. Our hope was that Copenhagen would encourage such cooperation. While this didn’t quite happen, at least the Accord can help in taking some baby steps in that direction. One can hope that further work on building a consensus agreement will fill in the gaps and facilitate a strong set of actions.

In particular we need to do on the ground whatever Copenhagen will allow; and continue to work to make it a consensus issue – practical process produces results.

Q: You identified a need for a shift of consciousness from competition to cooperation.

A: Main opportunities for cooperation are among civil society, people around would come together on this issue. Many governments see their role as one of defending the competitive advantages of their businesses, so it will take longer to agree on a different framework. Some of the scientific analyses supporting climate change have also tended to see it in conflicting terms ("you can have more only if I take less"). This includes the concept of a fixed climate space. I don't see it this way. It is not climate space that we need. What we need is the quality of life. If it can be achieved, affordably, with the use of renewable energy, climate space becomes irrelevant. This is true not only of climate but also of other scarce resources. Throughout history, we have tried to substitute for the scarcity of a given resources by something that involves a greater use of energy. In the future too, we will solve the climate problem as well as the sustainability challenge not through energy scarcity but through (renewable) energy abundance.

Q. What is the Secretariat's planning process post Copenhagen?

A: Practically, the goal is to get to a strong agreement by the next COP. However, the challenge extends beyond climate change. For nearly half a century, we have known consciously that we live in a finite world (although some are still in denial). We have also known that it is too dangerous and unsustainable to live in a world with high and persistent inequalities. The development process was a means to overcome the deficit in equity, but before the process has had time to reach completion, it is being threatened by emerging resource scarcities. We need to find a way that marries these two goals: development and sustainability, including climate-related sustainability. As I mentioned, one solution is energy abundance. When things become scarce we replace the deficit with energy (e.g., we could convert salt water to fresh water if the latter becomes scarce). All evidence suggests that it is within our power to do this. But it will require a politics of solidarity. The Secretariat is seeking ways to encourage more transparency and greater cooperation among governments. It is encouraging the development and sharing of new technologies. It is encouraging financial support for cooperation. It is promoting international commitments wherever possible (e.g., by developed countries), conditional commitments where necessary (e.g., financial and technical support from developed countries in order to stimulate climate actions in developing ones), and sovereign commitments everywhere. Up ahead: Funding those mechanisms now in place, creation of a High-Level Panel, discovering new frameworks for action.

Q: Tell us about financing issues?

A: Some developed as well as developing countries have already made their own sovereign commitments. But when you add these up, they do not suffice to reduce emissions by anywhere close to what is required. In order to enable developing countries to do more, financial and technological support is needed. These are called conditional commitments. But these funds have to be predictable, adequate, and non-discriminatory, as well as measurable, reportable, and verifiable. There is a search for answers to these questions.

Q: What should the climate change committee do?

A: The only things for me are perseverance and sincerity.