

Echoes from Poznan

United Nations Conference on Climate Change, 1-12 December 2008

Friday, 5 December 2008

Converging or Diverging?

The Beginnings of Acute "Meetingitis"

Following all of the negotiations in Poznan is a real challenge, especially for developing countries that often have small delegations. After two days of introductions in the Convention's and Protocol's various bodies,¹ the negotiations have been launched and the "serious business" has begun.

Approximately fifteen contact groups (in English only) have been set up. Their purpose is to negotiate draft decisions on specific provisions of the Convention or Protocol. On some subjects, these groups have turned into informal consultations given the blockages between the Parties. This is notably the case for the financial mechanism.

Outside these contact groups, the Parties continue to exchange their approaches in the workshops of the Working Groups on Long-Term Cooperative Action (AWG-LCA) and on the Kyoto Protocol (AWG-KP). Even though the goal is negotiation, these workshops shed light on the Parties' positions. Divergences are already beginning to appear, notably in regard to mitigation, that may keep a goodly number of negotiators up all night more than once! Nevertheless, areas of understanding remain possible on certain points,

such as the types of adaptation measures to promote in the future agreement on the climate.

Risk Management and Climate Insurance

Given its close ties to development, "adaptation" is a tricky notion to delimit precisely. The workshop held on 4 December within the AWG-LCA on risk reduction and management strategies, including insurance mechanisms, aimed to inform the participants of the types of concrete adaptation measures that could be taken. Rather consensual discussions...

Do Not Reinvent the Wheel!

For the countries that spoke during the workshop, there is a consensus that risk reduction and adaptation must go hand-in-hand. From this it follows that it is crucial to rely on existing experiences in natural risk reduction and management: methods to evaluate risks and vulnerabilities; early warning systems, etc.

What is more, according to the LDCs, risk reduction assistance too frequently remains an ex post approach, with emergency aid that matches media coverage. Several countries therefore insisted that one must act beforehand, and not only repair the damage.

Is it Possible to Insure Against Climate Change?

When it comes to risk management, risk transfer systems such as insurance may be necessary.

¹ Conference of the Parties to the Convention, Meeting of the Parties to the Protocol, Subsidiary Body for Scientific and Technological Advice (SUBSTA), Subsidiary Body for Implementation (SBI), the Working Group on Long-term Cooperative Action, and the Working Group on the Kyoto Protocol.

Yet, in developing countries—in particular in LDCs and small island states, most vulnerable to climate-related risks (cyclones, flooding, drought, etc.)—one cannot insure against these risks in most cases.

Nevertheless, according to the Munich Initiative on climate change, several insurance mechanisms are available depending on the level (micro, meso, or regional) and type of risk.

Even if insurance against climate-related risks cannot be the one and only solution, it inspires curiosity in developing countries. Thus, for Bangladesh (LDC group), micro-insurance could make it possible to meet the needs of the most vulnerable by, for instance, setting up harvest insurance for small farmers.

Needs and Proposals for the Future Agreement on the Climate

At the close of this workshop, it was clear that numerous barriers must be overcome in order to build developing countries' adaptation capacities, notably the lack of modern equipment to collect and track meteorological data (early warning systems), the poor quality of infrastructures, and even the weakness of institutional and political frameworks for risk reduction.

Consequently, the adaptation framework that will be clarified in the agreement on the climate beyond 2012 should emphasise the following:

- foster participation by all actors, in particular the most exposed populations;
- promote south-south cooperation;
- facilitate the inclusion of adaptation and risk reduction in planning;
- allow greater dissemination of adaptation technologies, based on risk reduction experience; and
- strengthen the synergies between the Convention and the Hyogo Framework for Action on natural disaster prevention.

The AOSIS countries are campaigning for a multi-faceted mechanism designed around three components: insurance, compensation and repair, risk management. This mechanism under the auspices of the Convention could be financed by developed countries and public-private partnerships.

Emission Reduction: Only a Question of Cost?

In the framework of the workshop on the Kyoto Protocol, a few Annex 1 countries² undertook a new exercise in stylistics—presenting emission reduction potentials.

Towards Warming of +6°C?

By way of introduction, an expert from the International Energy Agency (IEA) presented possible mitigation scenarios. If the current trend continues without new policies (reference scenario) and with a 45% increase in the demand for energy (by 2030), emissions will climb to 750 ppm, or a 6°C rise in temperature. This would be unbearable for the planet. To avoid this scenario, the economies of all countries must be “decarbonised”. And, investing in energy efficiency would notably allow emissions to be reduced at little cost.

Emission Reduction: What Ambitions?

However, with the exception of the European Union, developed countries have not been expansive on their reduction targets and the means to attain them. They have focused on other questions such as mitigation costs (Canada and New Zealand) and the criteria with which to compare countries' efforts (Japan).

In regard to cost, Saudi Arabia has shown some concern about the consequences that drastic reductions in emissions could have on its oil economy, hinting at a request to be compensated for these indirect effects.

Yet, is determining what action to take merely a question of estimating costs? Certainly not! As the IEA expert emphasised, it is also necessary to take into account the economic advantages of mitigation when it comes to public health, employment, etc.

² Developed countries that have committed to reducing their emissions between 2008 and 2012 in the framework of the Protocol.