

The international community's response to climate change

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Steve Hawking's question

- In a world that is in chaos politically, socially and environmentally, how can the human race sustain another 100 years?
- He later admitted that he does not know the answer and stated that the threat of climate change had now joined the two key threats to human survival of asteroid collision and nuclear war.

Beyond science

- “The scientific understanding of climate change is now sufficiently clear to justify nations taking prompt action.”

Statement of G8 + 3 national science academies
to the 2005 G8+3 summit

Individual response

Sr. John Houghton has identified three types of responses to the challenge of climate change:

- Denial
- Despair and doom
- Determination to do

How much time is available?

WRE CO ₂ Stabilisation profiles	Year in which global emissions peak
450	2005 – 2015
550	2020 – 2030
650	2030 – 2045
750	2040 – 2060
1000	2065 – 2090

Source: IPCC-TAR Synthesis Report

**Stabilizing the climate will ultimately
require a 60-80% reduction in emissions**

Scale of the challenge

- One of the greatest challenges of our times
- It will test the ability of mankind to solve a collective challenge
- The process of addressing this challenge has the potential to fundamentally change the way governments cooperate

The ultimate objective

- ...stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent **dangerous anthropogenic interference with the climate system**. Such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner.

Article 2 of the UNFCCC

Two dimensions of the response

- Mitigation (preventing the problem)
 - Reducing emission of greenhouse gases
 - Removal of carbon dioxide from the atmosphere
- Adaptation (living with the problem)
 - Reducing vulnerability to climate change impacts

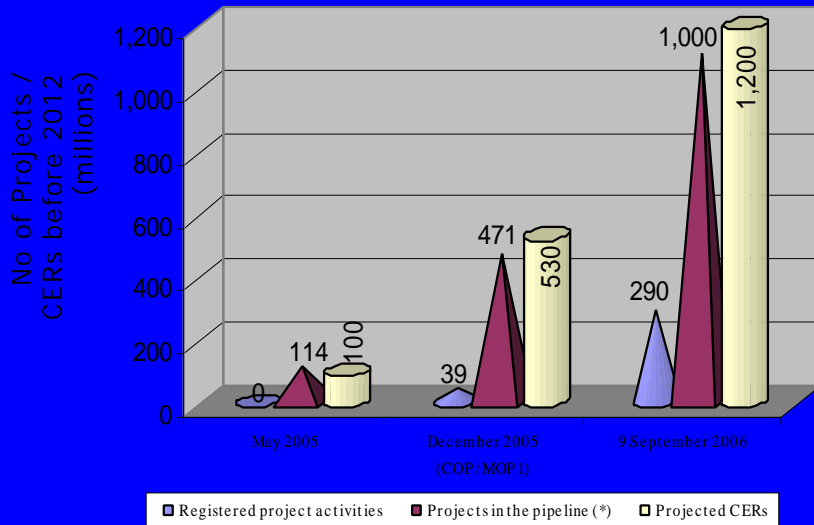
Kyoto

- Targets and timetables for developed countries (2008-2012)
- Innovative market mechanisms => generation of a new commodity (ton of carbon dioxide emission avoided) => carbon market
- Compliance regime

Clean Development Mechanism

- Project based Kyoto mechanism, which allows certified emission reductions in developing countries (CER) to be credited against emission reduction commitments of developed countries.
- Transformed the political dynamics of the climate process

Exponential evolution of CDM



(*) counts proj.act. in all CDM project cycle stages from validation to registered

Status: 9 September

Shaping the future regime

- Montreal 2005 launched two future processes:
 - Kyoto track on further commitments of industrialized countries (Annex I)
 - Convention dialogue on long-term cooperative action to address climate change
- Challenge to bring the two processes together in a coherent regime

The value of informality

- Informal settings for exchange among ministers has played a key role in moving the process forward
- Consensus decision making has its limits
 - Vulnerable to special interests
 - Lowest common denominator outcomes

Key challenges

- Ways to combine the continuation of the rule-based quantitative approach (Kyoto) with more “softer” actions by developing countries
- USA and Australia
- Differences in the stage of economic development among developing countries
- Adaptation

Alignment of interests

- Avoided deforestation and payments for ecosystem services
- Making fossil fuels compatible with climate protection – Carbon capture and storage
- The energy investment challenge
- Reducing vulnerability to climate variability and change – core development challenge

Role of actors

- UNFCCC – rulemaking, regulation, negotiations
- Broader UN (and the World Bank) – integration into development
- Business – holds the key to the solution
- Research and development – foundation for action, mitigation and adaptation solutions
- Civil society – public awareness, cultivating political will

World Bank investment framework

- “A long-term stable global regulatory framework, with differentiated responsibilities, is needed to stimulate private investments and provide predictability for a viable carbon market”

Note from the President of the World Bank, Paul Wolfowitz, to a meeting of the Development Committee, to be held 18 September in Singapore.