Responding to climate change

RTCC: Durban Platform submission

RTCC held a one-day workshop on 8 Feb 2012 with partners from PwC, Camco and the MSc in Global Energy & Climate Policy at SOAS called *'Raising the Ambition'*.

As an NGO and an official observer to the UNFCCC we attach our findings, together with further actions and ways for increasing ambition in the climate negotiations process.

Our discussions were split into three sections:

1. How can we mobilise capital from the public/private sector?
2. Should we recognise and reward efforts at national level?
3. Is it time to raise adaptation levels, and if so, how?

Below is a summary of those discussions and recommendations. We would be happy to share further thoughts with the UNFCCC on request.

1. How can we mobilise capital from the public/private sector?

-Capital is linked directly to investor confidence and perceived risk. Stability and clarity of policy can provide this. The recent UK experience with Solar PV FiTs demonstrates both the success and failure of public policy – to avoid this in the future governments should be encouraged to share best practice.

- The second period of Kyoto presents an opportunity to provide some continuity to the market through JI and CDM projects. A pathway for the transition to their replacement mechanisms post-Kyoto should be established to ensure this continuity in policy beyond 2020.

-The Green Climate Fund (GCF) should be primarily used to reduce risk for private investors. This was identified by financial experts taking part as a major reason for reduced confidence in the clean-tech and renewable sectors. Constructing the GCF as a mechanism designed to guarantee as opposed to deliver funds could also make it a more palatable proposition for some parties.

-Opportunities must be clearly presented by governments. There must be an understanding that it is not the private sector's role to save the world, but to make money. The framework for this investment requires standardised emissions reporting and monitoring in order to support stable policies.

-Pension schemes and investors should be alerted to the long-term financial dangers of placing too much emphasis on returns from high-carbon industry and technology.

2. Should we recognise and reward efforts at national level?

-There needs to be a greater emphasis on using clear examples that show how transitioning to a low-carbon economy serves economic and financial interests, i.e. we need to move from an 'after the US/China' to 'me first'. Those examples should come from places that are not the just the usual suspects (Germany, Denmark -> EU) but that speak to India, Brazil, etc. and are thus more easily transferable to different contexts.

-UNFCCC needs to do a better job recognizing what individual states/players are doing even if moves aren't officially part of an international process. One size rarely fits all. Part of this is wider stakeholder engagement.

-We shouldn't choose so much what's 'good' and what's 'bad' in terms of reducing the carbon intensity of our economies. Technologies that clean up production may be useful even if they focus on fossil fuels (CCS).

- More could be done to address the imbalanced nature of how we measure achievements through emissions inventories. There is an inherent weakness in a form of accounting that continues to exclude emissions embedded in goods and services consumed. The UNFCCC could develop a comprehensive methodology for capturing all the GHG emissions related to international trade. Nationally Appropriate Mitigation Actions (NAMA) should be benchmarked against this more representative production and consumption standard.

-Achievements need to be put in context. The principle of common but differentiated responsibilities also must apply to achievements.

3. Is it time to raise adaptation levels, and if so, how?

-Confronting adaptation is often seen as a 'defeat' and taking valuable funds away from mitigation efforts. It is now clear that there is an urgent need for adaptation, even in countries with low climate vulnerability such as the UK. The Durban Platform is primarily concerned with mitigation – this must change.

-However: There remains considerable uncertainty about what might constitute adaptive capacity. If we are to incentivize investment, we need to be able to measure and the UNFCCC can play an important role in demarcating the technical landscape.

-Building climate resilience into all aspect of policy from planning to procurement is the best route to adaptation. The UNFCCC should take the initiative at Rio+20 in aiming to push this concept forward with its fellow Rio Conventions and other agencies such as UNEP and UNDP. This could be a major policy achievement at the 2012 Rio Summit.

-Flood protection is the best example of adaptation and presents a clear example of Lord Stern's suggestion that we spend now to save later, it is but one example – we must broaden the scope and realise that it is a much larger issue.

-Investment opportunities are less tangible than with mitigation but they do exist and should be highlighted. Can they be linked to other existing forms of development aid? Business models for adaptation need greater support and future COPs could place greater emphasis on private sector success stories. Momentum for Change is a good start – but this needs to be built on at Rio+20 and COP18/CMP8 in Doha.

-There is a huge role for the insurance industry to play. Engagement with them should be increased. In particular their submissions into the process should be welcomed.

-Adaptation is also about behavioural change, which can be instilled through schools and Universities. RTCC is in dialogue with large and dynamic University bodies promoting real change in the UK. Could the UNFCCC do more to replicate this across the world and provide support?

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