

King's Comment

Climate Change: Poznan – the inside track

Quarterly Bulletin from Professor Sir David King, Senior Scientific Advisor to UBS

News is now in from the cutting edge of climate change negotiations. COP14, the fourteenth conference of parties to the United Nation's Framework Convention on Climate Change, which took place in Poznan, Poland in December 2008, was the latest leg of the most important and complex international negotiations the world has ever known.

The meeting was huge, comprising 11,000 people of whom 4000 were official government delegates. It was tasked to come up with a new international agreement on emissions control to extend or replace the Kyoto Protocol, which will expire in 2012. As well as sending a strong price signal to the business world, this agreement will need to produce very much more significant emissions reductions than the first phase of Kyoto has managed.

The context for the meeting was a strange one. Although the world is finally waking up to the dangers of climate change, the conference occurred at the end of a tumultuous year in which the financial crisis had knocked everything else off the headlines. But unlike the Y2K bug and yes, even the credit crunch, climate change is not a temporary problem. It's hard to overstate the urgency of the issue. We have very little time to negotiate an international agreement to reduce emissions and avert climate catastrophe.

There have been some rumblings of discontent about the scale of the meeting from those who question the carbon emissions it cost to bring in 11,000 delegates from around the world. In my book there is no room for such defeatist talk. If nobody went to meetings such as Poznan, the savings would make scarcely a dent on the rising global emissions curve. But in that case there would be no chance of the international agreement that can bring that danger line back down into the bounds of sanity. Meetings such as Poznan have never been more important.

However, much of the news from Poznan was disappointing. The urgently needed reform of market mechanisms including the Clean Development Mechanism was postponed. Discussions on carbon capture and storage (a vital bridging technology), nuclear power and deforestation were all stalled. And although most delegates seemed to accept that the world needs to be aiming to reduce global emissions by 50% by the middle of the century, neither a long-term nor an intermediate target was agreed. In other words, the outcome of the intensive Poznan negotiations was more or less "wait and see".

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The delegates did manage to reach one important agreement, as the meeting officially “operationalised” an adaptation fund for developing countries. However, this fund is made up of a combination of small voluntary contributions and a 2% levy on Clean Development Transactions, and its overall size is glaringly insufficient given the nature of the adaptation task.

One reason for these disappointing results is that many of the delegates were more focused on marking out negotiating positions than on reaching decisions. The deadline for the world to reach its new agreement on carbon emissions is December 2009; that’s not very far away but many of the negotiators were nonetheless biding their time. However, one can also see the hand of the very large US delegation—at 70 members it was by far the biggest from a single country—who were out to play a spoiler in President Bush’s last days.

Still, it was always unlikely that such a large, unwieldy meeting could produce serious results. Even with abounding goodwill it would be almost impossible to reconcile the requirements and ambitions of so many strikingly different countries. Moreover there were definite signs of hope in some unilateral declarations from unexpected places. For instance, in a remarkable development, Mexico became the first rapidly emerging economy to set a specific carbon reduction target, with a pledge at Poznan to halve greenhouse gas emissions by 2050.

Long term goals such as this one are an important first step, but it will be even more important for governments to commit to shorter-term goals against which they might actually be judged. President Lula of Brazil did just that. At Poznan he announced a commitment to reduce deforestation—the largest contributor of emissions per head in Brazil—by an extraordinary 70% by 2025. Such commitments by developing countries put the current US administration to shame.

The EU can hold its head up in this regard. Even before Poznan, as a bloc we had already committed ourselves to a 20% emissions reduction by 2020, and promised to increase this to 30% if an international agreement is reached. There were recent wobbles in this regard from Poland and Italy, each of whom sought to challenge this agreement. But at least in the case of Poland the challenge wasn’t unreasonable—they argued that they have been essentially occupied many times over the past 100 years and cannot afford to switch from their native, polluting coal to the cleaner, but Russian-owned, natural gas. The outcome of this was that Poland will initially pay just a fifth of the carbon price for coal-fired power stations. This is an intriguing model for potentially bringing coal-rich countries such as China and India on board, and in any case the overall EU target has not changed so that other countries will take up the slack.

The other extremely encouraging signs come from President Obama’s nascent administration. Obama received briefings from representatives at Poznan but was careful to stress that he was not yet US President, and that he sought no direct influence in these particular negotiations. However, he has made his position on climate change abundantly clear and it is worlds away from that of President Bush.

In a message that he videotaped and sent to the US Governor’s Global Climate Summit in November, Obama said: “When I am president, any governor who’s willing to promote clean energy will have a partner in the White House. Any company that’s willing to invest in clean energy will have an ally in Washington. And any nation that’s willing to join the cause of combating climate change will have an ally in the United States of America.”

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Moreover, Obama's appointments show that his commitment counts for more than just words. His new Scientific Advisor is John Holdren, an excellent scientist and a tireless champion of the need to deal with climate change. As Energy Secretary Obama has chosen Steven Chu, who, since winning the Nobel Prize in Physics, has devoted himself to renewable forms of energy. I know Chu well—he sits with me on the Copenhagen Climate Council—and he is completely motivated by the climate change agenda. He is not just a tremendous physicist, but also fully understands political imperatives. As appointments go, these couldn't be better.

Admittedly many of Obama's announcements to date about how he plans to tackle climate change have a very national bent. He is proposing a national cap and trade scheme. He is also promising a national emissions target of 80% reduction by 2050. (This mirrors the UK commitment and the EU ideal, but is an individual position rather than a global one.) Still, this is probably sound politics given the recalcitrance of the US to date. One possible outcome is that the new agreement will be born out of regional blocs, the EU, the Americas, Africa, Asia, which will locally decide on their strategies, while working towards a global goal.

And finally, it's worth watching out this year for the outcomes of meetings such as our Copenhagen Climate Council, which match top business executives from around the world to policy makers and scientists. Rather than unwieldy meetings like that at Poznan, the nitty gritty of climate negotiations is likely to be thrashed out in such smaller groupings. Watch out too for the upcoming G20 meetings involving all the world's major polluters. Many of us believe that the G8 has now had its time. It's simply no longer practical to exclude the emerging powers from climate change negotiations. Instead, the impetus for a larger but still manageable grouping began with our decision at Gleneagles in 2005 to include the five most rapidly developing nations along with the G8, and is now catching on.

This year will see a series of such meetings, which will grow increasingly intense as the deadline of December 2009 approaches. The Poznan parties will meet again in March, June and September. The G8 + 5 will meet in June and all the parties are obliged to set out their positions by the end of that month. The results from Poznan have made these negotiations even more nerve-wracking. There is little time left to thrash out all the difficult issues that were pushed aside in Poland. The agreement will be reached because it must be reached, but perhaps it will come down to the wire.

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In April 2008, UBS announced the appointment of Professor Sir David King as our Senior Scientific Advisor. Formerly the UK Government's Chief Scientific Advisor and Head of the Government Office for Science, Sir David advises UBS on all scientific matters with particular emphasis on global climate change and the challenges it poses to sustainable economic growth. He is also currently Director of the Smith School of Enterprise and Environment at the University of Oxford.

'Climate Change: Poznan – the inside track' is the inaugural edition of 'King's Comment', a quarterly series of science-focused bulletins by Sir David King. Visit www.ubs.com/sirdavidking to learn more.



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