



A Special Report on Selected Side Events at the United Nations Climate Change Conference - Poznań

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Events convened on Wednesday, 10 December 2008

Energy Efficiency in the Post-2012 Framework

Presented by the United Nations Industrial Development Organization (UNIDO)



Rajendra K. Pachauri, IPCC, highlighted the importance of fiscal measures and the need to create capacity both within and outside governments.

This event considered the role of energy efficiency in climate change mitigation by focusing on emerging opportunities and actions needed for a global solution.

Olav Kjørven, UNDP, introduced UN-Energy, an interagency coordination mechanism among UN organizations and programmes on energy efficiency, energy access, and renewables. Rajendra K. Pachauri, Intergovernmental Panel on Climate Change (IPCC), noted that price signals and institutional reforms are major challenges for advancing energy efficiency and cautioned against “one size fits all” solutions.

Nebojsa Nakicenovic, Vienna Technical University, Austria, noted that a significant percentage of emission reductions may be obtained through energy efficiency improvements. He also highlighted co-benefits of improving energy efficiency, such as human health improvements and energy security. Corrado Clini, Ministry of the Environment, Italy, emphasized the need to improve technological standards in the energy sector and provide access to finance in the form of loans.

Russel Mills, Dow Chemicals, noted that energy efficiency requires: company-wide effectiveness; clear targets and timelines; and a competitive price structure. He also said that “solar may be sexy, but energy efficiency is forever.” Atsushi Taketani, Japan, highlighted Japan’s established energy efficiency targets, which were designed to foster competition among private sector actors, and proposed sectoral approaches and exchange of best practices with Asia-Pacific countries on energy efficiency and climate change mitigation measures.

Jas Singh, World Bank, stressed that energy efficiency opportunities must be identified, implemented and monitored to yield results. He underscored the need to frame the discussion around saving money rather than saving energy. Marianne Moscoso-Osterkorn, Renewable Energy and Energy Efficiency Partnership, said energy efficiency lacks a strong lobby. She added that institutional problems must be addressed, and lamented that CDM projects on energy efficiency have not met performance expectations.

Zhihong Zhang, GEF, explained GEF’s contribution to removing policy and regulatory barriers, and highlighted the importance of demonstrating mature energy efficient technologies. Martin Khor, Third World Network, stressed that the market alone will not advance energy efficiency and that it is the role of government to address the needs of the poor. He argued that a new industrial revolution will be required to achieve necessary emissions reductions by 2050.

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Financial Options and Architecture for Climate Change

Presented by UN Environment Programme and the World Bank

This event examined the challenge of mobilizing investment in climate change mitigation, drawing upon the expertise of organizational leaders and country delegations.

Achim Steiner, UN Environment Programme (UNEP), noted that the current financial crisis and the scale of public finances mobilized to address mitigation would have been inconceivable only a year ago, and said it is time to stop pretending that it is impossible to fund climate change mitigation. He emphasized that investment capital will only flow once the correct public policies are in place, and that this issue needs to be taken up within UNFCCC negotiations.

Katherine Sierra, World Bank, said that, as a starting point, energy subsidies and barriers to innovation should be removed. Noting that most funding will need to come from the private sector, she underscored the need to establish predictable rules and long-term price signals. She highlighted that the World Bank had pledged US\$6 billion for addressing climate change, primarily geared towards stimulating further investment. She said that a market mechanism would ideally be global and allow benefits to flow to the developing world.

Daniel Kammen, University of California at Berkeley, presented on public finance and market mechanisms for mitigation. He highlighted the vital role that public funding will need to play in helping low-carbon start-up industries through the five-to-seven year "valley of death" period prior to becoming financially viable and commercially deployed.

Surya Prakash Sethi, Principal Energy Advisor, India, questioned the merits of looking to the developing world for emission reductions, noting that greater gains could be achieved by focusing on those responsible for a higher percentage of the climate problem.

Nick Robins, HSBC, underscored the urgency of the financial crisis, noting the need for action and bridge financing that will be required prior to the post-2012 climate agreement.

Fernando Tudela, Mexico, said that the magnitude of financing and the integrity of financing architecture will determine the outlook for addressing climate change.

Norbert Gorissen, International Cooperation, Germany, noted the additional revenue that has been generated from carbon trading, and said that this has resulted in more than 100 projects worth US\$200 million on mitigation, adaptation, and reducing emissions from deforestation and forest degradation.

David Corregidor, Endesa, said that industry requires a clear, long-term price signal to facilitate investment decisions, and that implementation of mitigation solutions has already begun.



Achim Steiner, UNEP, said that the recent rapid decline in oil prices presents a margin of opportunity to introduce a tax on oil.



Surya Prakash Sethi, Principal Energy Advisor, India, questioned whether the private banks can be depended upon to address climate change, given their recent track record in managing mortgages.



L-R: Daniel Kammen, University of California at Berkeley; Katherine Sierra, World Bank; Mohamed El-Ashry, UN Foundation; Achim Steiner, UNEP.

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Climate Change and the Risk of Hunger

Presented by the World Food Programme

This event discussed the relationship between climate change, hunger and agricultural production in the context of high food and fuel prices and the financial crisis.

John M. Powell, World Food Programme (WFP), noted that 90% of the 250 million people affected by climate change live in developing countries. He acknowledged the importance of health, education and nutrition, as well as early warning and rapid humanitarian response systems. He also underscored the "Purchase for Progress" initiative by WFP, which will procure most of the food needed for humanitarian operations from small-scale farmers and will help to connect them to markets.

Ogunlade R. Davidson, Vice-Chair of the Intergovernmental Panel on Climate Change (IPCC), argued that climate change must be seen as a development and poverty reduction problem in vulnerable countries. He highlighted that African agriculture is extremely vulnerable due to its fragile ecosystems and low adaptive capacity. He also stressed the need for significant financial and technical assistance, and the involvement of local actors to build adaptive capacity.

Martin Parry, Imperial College, London, noted that the 2008 food crisis is the largest impact manifest so far of climate change. He stressed that climate impacts have multiple drivers, including the pressures of demand and supply, and that most impacts from future climate change on agriculture will stem from reduced water availability. He also highlighted that Africa is the most vulnerable area in terms of agricultural productivity, which will require a combination of adaptation and mitigation measures.

Saleemul Huq, International Institute for Environment and Development (IIED), stressed the importance of community-based adaptation and noted that even if the 2°C target is met, there will be parts of ecosystems that will be negatively affected. He emphasized that scientists need to work with communities and incorporate their knowledge into adaptation strategies. He also underlined that South-South learning in adaptation will be crucial to understanding problem dimensions and harnessing the resources necessary to respond to emergencies.

Elenita Daño, the Philippines, stressed that the Philippines is one of the countries most affected by the rise in rice prices and that the conversion of land from rice cultivation to high-value crop cultivation and golf courses threatens food security. She highlighted the inherent limitations of the global market, including the risk of export barriers by rice exporting countries and unsustainable patterns of production and consumption in some segments of the population. She noted that the Philippines has mechanisms to respond to disaster, which need to be further integrated into adaptation strategies.

In the ensuing discussion, participants highlighted: the need to increase agricultural research investment; the risks posed by energy intensive agricultural production in Annex I countries; potential impacts of genetically modified organisms; and the need to produce more food with fewer greenhouse gas emissions.



Ogunlade R. Davidson, Vice-Chair of IPCC, noted in order to meet the 2°C target, countries will have to reduce emissions in the range of 80% to 95% by 2050.



Elenita Daño, the Philippines, questioned the role of the International Rice Research Institute, as it has not provided a prompt response to the food crisis.



L-R: Ogunlade Davidson, IPCC; Martin Parry, Imperial College London; John Powell, World Food Programme; Saleemul Huq, IIED; Elenita Daño, the Philippines.

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Global Energy Assessment

Presented by the International Institute for Applied Systems Analysis and the UN Foundation

This event provided an update on the Global Energy Assessment (GEA), and included presentations by lead analysts.

Ged Davis, GEA Co-President, said that energy policy is not limited to climate change considerations, and noted that the GEA will serve as a reference in the alignment of a number of energy priorities. Timothy Wirth, United Nations Foundation, emphasized the need to make the GEA globally relevant, and noted that the issues of energy and climate are intimately linked.

Thomas Johansson, Lund University, Sweden, outlined new challenges that he believes must be addressed simultaneously, including: peak oil production; energy affordability, equity, and security; and climate change mitigation. Nebojsa Nakicenovic, Vienna Technical University, Austria, noted that the GEA will build on existing energy studies, and said that it involves 25 lead authors and donors from the public and private sectors. He said that the cost of transitioning to a low-carbon economy could be reduced by research and development.

Diana Urge Vorsatz, Central European University, stressed the need to address energy efficiency, most notably in the construction of new buildings. She highlighted potential co-benefits, and the “energy inertia” represented in the lifespan of a building. Suzana Kahn Ribeiro, Federal University of Rio de Janeiro, Brazil, presented on transportation and urban planning, underscoring the importance of considering transportation systems as a whole. She noted the importance of identifying barriers to change, adding that while some solutions are replicable, many are site-specific.

Bjorn Stigson, World Business Council for Sustainable Development (WBCSD), said that technology deployment is needed more than further technological innovation, and called for greater enforcement of building codes. He lamented that government ministries are compartmentalized and not able to make integrated decisions. Anders Wijkman, European Parliament, referred to Brazil’s proposed technology fund that was rejected in 1992, and expressed disappointment at this loss of opportunity.

Irene Freudenschuss-Reichl, Ministry for Foreign Affairs, Austria, remarked that although the term “sustainable development” was introduced nearly 20 years ago, neither developed nor developing countries are on this path. She said that the GEA could be an important operational tool, and not just for analysis. Olav Kjørven, UN Development Programme, noted that the US is undergoing a major shift in policy direction on energy and climate change, and that this could provide transformational leadership.

Participants discussed: the impact of the current economic crisis on energy and climate change efforts; the need for social change and reduced consumption; and the need to re-think the primacy of markets.



Nebojsa Nakicenovic, Vienna Technical University, said a massive paradigm shift will be needed to address energy and climate concerns simultaneously.



Irene Freudenschuss-Reichl, Ministry for Foreign Affairs, Austria, noted increased cooperation between the EU and African countries on energy development.



Diana Urge Vorsatz, Central European University.



Olav Kjørven, UN Development Programme.

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Climate Action Under a New U.S. Administration

Presented by the Pew Center on Global Climate Change

This event discussed state action taken on global climate change, and prospects for national climate action, as well as for US engagement in the international climate regime. In an effort to facilitate exchange, the organizers requested that comments not be attributed to individual speakers, with the exception of those of Pew Center representatives.

Manik Roy, Pew Center, discussed the US President-elect Barack Obama's commitment to reduce US emissions to 1990 levels by 2020 and 80% below 1990 levels by 2050. He said there were important lessons to learn from individual states and the business community, which have been acting on climate change in advance of national action.

The first panelist described state climate activities, highlighting the Midwest Greenhouse Gas Reduction Accord, the Regional Greenhouse Gas Initiative, and the Western Climate Initiative, which collectively involve a significant percentage of US emissions. He discussed the commonalities and differences among these programmes, such as those related to the inclusion of different sectors and offsets. He stressed that despite regional differences, state governments are aiming to make programmes that can be integrated as much as possible.

The second panelist discussed the work of the US Senate Committee on Environment and Public Works. He said that the Committee was the first to pass comprehensive economy-wide global warming legislation. He suggested that this process had laid the groundwork for the next Congress and that climate change was a high priority. He said that he was not in a position to speculate about future legislation but noted the interest in progress on the issue.

The third panelist discussed progress on climate change in the US House of Representatives Committee on Oversight and Government Reform. She noted the significant role of the committees in passing legislation. She described Chairman Waxman's record on climate change and his previous sponsorship of legislation, and involvement in establishing principles for climate action, such as reducing emissions to prevent dangerous global warming, transition to clean energy sources, and minimizing economic events.

The fourth panelist explained the work of the US Climate Action Partnership (USCAP), which is working to elaborate proposals to provide guidance to companies and the incoming administration. She described the composition of the group, which includes large companies and environmental non-governmental organizations. She noted that USCAP had urged policymakers to act quickly to reduce greenhouse gases and had proposed short- and mid-term emissions reduction targets to that end. She said that the commitment of CEOs to engage seriously on these issues illustrates the importance of action on climate change, especially given the current financial situation. She urged US leadership and said that USCAP wants to see early, comprehensive and effective legislation.

Participants discussed: the pace of domestic climate legislation in the next Congress; what the EU can do to speed US action on climate change; the effectiveness of bypassing Congress to "fast track" cap-and-trade programmes; carbon border adjustments; bilateral engagement with China; US public opinion on climate change; green jobs; the Dingell-Boucher climate change bill; and obstacles to a comprehensive international agreement with US participation. In response to participant questions, Elliot Diringer, Pew Center, said that bilateral agreements with countries such as China should be seen as complementary to international cooperation. He also called for realistic expectations that provide the greatest chance for success in Copenhagen in 2009, and said that we can hope for the basic architecture of an agreement to be established there. He stated that if expectations are too high, then Copenhagen could be considered a failure.



Manik Roy, Pew Center on Global Climate Change.

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Business for Climate Protection

Presented by the Federation of German Industries

This event provided an opportunity for German business and governmental leaders to discuss possible private sector opportunities in mitigating climate change.

Tanja Gönner, Minister of Environment, Baden-Wuerttemberg State, said that Germany as has played a leadership role in developing renewable energy sources and energy efficiency technologies, adding that these efforts have been supported by laws and policies, and said that Germany intends to increase energy efficiency at a rate of 3% per year. She said that power generated by renewable energy sources currently makes up 15% of the market, and supports a thriving German industry.

Peter Löscher, Siemens, noted that although the financial crisis has supplanted climate change in the headlines, it is crucial and possible to tackle both at the same time. He said that, as with the financial crisis, humanity has incurred a massive "climate debt" which it must face, and noted that the effects of climate change could be irreversible if unabated. He described Siemens' US\$19 billion green technology portfolio, including wind turbines and energy efficient lamps. He called for a climate agreement that: includes rapidly developing countries and establishes a level playing field; contains a mix of short-, mid-, and long-term goals; provides incentives; preserves Germany's industrial base; and does not result in the export of industries and emissions to other countries. Making reference to author Robert Lewis Stevenson, he said one should not judge each day by the harvest one reaps, but by the seeds that you sow, adding that the true benefits of action taken to address climate change will not be realized for some time.

Friedrich Eichner, BMW, said that we need to find a way to reconcile the enablement of individual mobility with environmental sustainability. He highlighted that between 1995 and 2008, BMW increased fuel efficiency by 25% across its fleet, saving 150 million liters of fuel. He noted the release of two new hybrid vehicles, which use 20% less fuel than conventional vehicles and incorporate energy recovery braking technology. He also remarked on the recent launch of a new electric Mini car, which can be driven for 250 kilometers on a two-hour charge.

Werner Schnappauf, Federation of German Industries, noted several examples of efficient technology made in Germany, and underscored the contribution of members of the Business for Climate Protection initiative. He highlighted the current financial crisis as an opportunity for investment in green innovation, and said that the EU should launch a mission for energy efficiency akin to the US mission to put a man on the moon.

Participants discussed: the merits of hydrogen fuel cells, the EU Emission Trading Scheme, and a new website by the Business for Climate Protection initiative on the "virtual city of climate protection."



Peter Löscher, Siemens, said that "we will either act together or die together" and that German industry is part of the solution.



Friedrich Eichner, BMW, highlighted BMW's advances in fuel efficiency and development of hybrid vehicles.



L-R: Tanja Gönner, Minister of Environment, Baden-Wuerttemberg State; Friedrich Eichner, BMW; Peter Löscher, Siemens; Werner Schnappauf, Federation of German Industries; Adrian Dunskus, Business for Climate Protection (moderator).

More information:

http://www.bdi.eu/en/Startseite_engl.htm

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