

Alistair Fernie, Counsellor, Sustainable Development/Human Rights, UK Mission to the United Nations

Alistair Fernie introduced the Stern Report, released on October 30, 2006. He noted that the report had gone beyond the wildest expectations of the Government of the United Kingdom. The full version of the report is 700 pages and can be found on www.sternreview.org.uk. A longer 27 page summary and shorter 4 page summary can also be found on this website. He stated that the headline message of the report is that there is overwhelming evidence that “business-as-usual” carbon dioxide emissions will have catastrophic damage, which is not necessarily new. However, the new message is the economics of the issue—that the benefits of strong early action will far outweigh the economic costs of not acting. The impacts of carbon dioxide emissions and changes in temperature are open to interpretation, but include changes in crop yields, disease, water shortages, extreme weather events and rising sea levels, among others. It is the world’s poorest who will suffer the most from the impacts of climate change. The report is one of the first major government-sponsored reports on global warming conducted by an economist rather than an atmospheric scientist.

The most newsworthy aspect of the report was Stern’s calculations on the global costs of climate change. The estimates are broad and subject to debate, with a range of 5 to 20% of global Gross Domestic Product (GDP). Although this is a wide range, even the 5% figure is enough to wake people up to the problem. If we act now to reduce carbon dioxide levels, it will cost 1% of the global economy; however, if we wait, it will cost 5% or possibly more. The report argues that reducing emissions can be done in a way that does not cap the aspirations for growth of rich or poor countries and presents significant business opportunities for low-carbon technologies, goods and services.

Fernie summarized some of the policy responses to this problem: energy efficiency, cleaner energy, and addressing public demand; structuring markets to reflect the real costs; addressing market failures through pricing (tax, trading schemes, regulation); stimulation of new technologies; and encouraging public awareness of energy efficiency. To address market failures, ambitious multilateral action is needed. This should consist of emissions trading schemes, increased technology cooperation, addressing deforestation on the environmental agenda (which contributes more to global emissions each year than the transport sector), and providing assistance to countries to deal with the impacts of climate change. Fernie noted that report was commissioned to illustrate that climate change is not a purely environmental issue. It has pulled together the science, economics, and modeling to energize policymakers around the world to address this issue. Stern will probably be coming to New York in mid-February.

There have been a range of reactions to the report—from universal welcome among climate scientists, academics, and activists around the world—to a series of academic debates about its assumptions. There are three main criticisms of the report—those who criticize the science of the report; those that argue that technology will enable us to respond to the impact, a view that is more prevalent in the US; and those that believe that future generations will be more capable to deal with the impacts of climate change.

Fernie also discussed some of the politics of the climate change within the UN and the UK. With regards to the General Assembly Resolution last year on climate change, the EU felt that the text tabled did not reflect the urgency of the issue, and suggested amendments to the text. This disagreement indicates that there is no real consensus on this issue. He also noted that Secretary General Ban-Ki Moon had publicly made climate change a top priority at the UN. With regards to the Security Council, there are many who do not think that it is appropriate to include climate change in the discussion, but it is important to consider at what point climate changes does become a security issue as the impacts taken collectively do represent a threat to peace and security.

With regards to the political dynamic in the UK, many politicians are actively trying to “out-green” each other in the eyes of the public, and a large reason for this is the very active civil society in the UK, such as strategic NGOs that have been very successful in pushing climate change onto the political agenda. The climate change constituency has reached a critical mass where a politician has to show that they are hurrying along urgent action on climate change both at home and abroad.

In the US, the private sector is leading efforts to mitigate climate change, with the insurance industry worried about some effects of climate change, such as storms and coastal floods. Some large US-based firms, such as Goldman Sachs have also been recently involved in the effort to stop global warming.

Philipp Schmidt-Thome, Scientific Researcher, Geological Survey of Finland

Philipp Schmidt-Thome noted that the scientists working at the EU level were really glad to see the Stern report, which supported the research they have been doing for many years. He stated that it is important to focus the discussion more on adaptation than mitigation since we are already in the process of climate change—citing examples from the Baltic Sea region and other parts of the EU. There should be a paradigm shift to a bilateral strategy of adaptation along with mitigation. Regional development planners in the EU talk about spatial planning and the importance of the consideration of the impact of future design of land use on climate change.

Schmidt-Thome discussed one project for the EU Spatial Planning Observation Network where information was gathered on planning design in different regions. They tried to develop indicators on natural hazards and how climate change would influence these hazards. He discussed one example in which they designed a map of areas prone to forest fires, which was then overlaid with the changing length of droughts. The most affected areas were in the southern EU, but these areas did not have any forest fire related projects. He also discussed a second, award-winning project in the Baltic region that involved evaluating the impacts of climate change on sea level rise and what this signifies on a regional level. IPCC results were used and downscaled to the Baltic Sea region and 3 scenarios were developed: low, average and high sea level cases. Modeling and GIS are just some components; a vulnerability assessment of cities in the region is also needed.

Communicating the results of such studies is also important. It is important to provide a platform for discussion to allow people from different sectors to talk.

He further cited the importance of this with two examples of the need to undertake adaptation. In a small coastal town in Estonia, sea level changes flooding half of the city were predicted, and these same areas were later inundated in a winter storm. In Poland, predicted sea level rise scenarios left many areas, including waste deposits and aquifers, under sea level. Although people are beginning to perceive the problems of climate change, it is important to take a multi-hazard approach to climate change, not just distinct groups of people looking at droughts, storms, or floods.

Questions

Question about the Stern Report and future generations' ability to deal with impacts of climate change. This may be true for developed countries but in developing countries future generations may not be better able to deal with the impact. Alistair Fernie responded that the Stern report does not say that we should use a discount rate, but it has certainly been criticized for this. Two main reasons are that some changes are irreversible and economic modeling using discount rates assumes reasonable standards of living which is not the case for many people in the world. Thus, Stern argues that it is irresponsible for us to assume this.

Question about the Commission on Sustainable Development and the inclusion of NGO participation. At the CSD 15, by the time the text of the meeting is released, the NGO text is usually deleted. Alistair Fernie noted that the UK welcomes active participation, although he has not participated in the meetings himself yet. Roma Stibravy remarked that to ensure effective participation it is vital to have NGOs as part of the government delegations, which some countries already do.

Question/Comments from Sudhir Chella Rajan, Tellus Institute. He mentioned four concerns about the Stern report. The 550ppm target is misleading since there is a lot of scientific evidence that it is already too large. Also, there is little discussion of UNFCCC and developing space available for mitigating activities in developing countries. Sea level rise is a serious issue in the developing world which will be the most affected. There is an inadequate estimation of the cost of the climate exile crisis, especially with regards to flooding and health issues—costs that are not included. The report itself embodies a heroic belief in technology for mitigation, but there is no emphasis on lifestyle changes that should accompany technological change. Technology alone in the US will not be enough to meet emissions goals. Alistair Fernie responded that 550ppm is an upper limit, implying heavy adaptation. Most of the numbers in the Stern Report come from IPCC research. He agreed that the report does not address the financing of cleaner technologies and providing assistance, but it is implicit that a combination of clear and informed ownership of countries in tackling the problem of climate change is necessary to respond to the problem. With regards to rising sea levels, some costs are included in the 5% and 20% figures and a research agenda is set to look into it further. Roma Stibravy further commented that talks have been held on solar energy and its potential in developing

countries. Automobile carbon dioxide emissions will be the biggest challenge with regards to emissions and lifestyle changes.

Michaela (sp?) Walsh, Chair of last years NGO Conference at the UN commented that if Stern is coming to NYC, he should attempt to attract a younger audience, and reach out to universities.

Gary Ryan from the Anglican Consultative Office at the UN asked if the main center for criticism against climate change is in the US. Gary Ryan further asked who the best entity would be to put moral suasion on the offenders of carbon dioxide emissions, and if it is imagined that our children and their children will be better equipped to tackle the problems associated with climate change because of new technologies. Philipp Schmidt-Thome responded that it is not just the US; Finland itself is emitting lots of carbon dioxide, and there are many emerging economies in the world with this problem. It is important not to point fingers, because economic growth is still the most important feature in the world, and that is why the Stern Report is so important. He mentioned that one small criticism of the report is that it is dominated by meteorologists, without any consult with geologists who look back at how climate has changed the earth over long periods of time. He also responded that it is not a correct approach to say that future generations will be better able to deal with the impacts. Roma Stibravy noted that with regards to moral suasion, there are many churches looking at these issues, and especially in the US and in Latin America, this can be a very influential tactic. Alistair Fernie responded that international experience shows that moral suasion is more effective if it occurs on a domestic level. A shift is needed from thinking about addressing climate change as a minority interest to mainstream self-interest. The private sector is also important, and the insurance industry is a great example as one of the most active in the private sector and lobbying for action in the US.

Robert Pallard, Information Habitat noted that one critical issue is the impact of climate change on freshwater and agriculture, which no amount of technology can solve. Coal-fired power plants in China are and will be a huge problem. He further emphasized the scattered information on climate change and the opportunity of information technology to create a single site to bring together this information. Roma Stibravy noted that the UN Pension Fund makes substantial investments, and it would be interesting to investigate where and how the Fund can make a difference on this issue.

A representative from the Nigerian mission noted that the impact of climate change will be felt more by developing nations. Alistair Fernie responded that both developed and developing countries need to take action, and the impact of action not occurring will certainly be greater in developing countries.

Claudia Strauss, World Information Transfer asked why the Stern report focused on economics to make climate change heard. Furthermore, health issues are an important impact of climate change, although it is considered a difficult topic to hear. She also noted that there is an upcoming conference on climate change and human health in April.

Alistair Fernie responded that there is material in the report on health, such as water issues and insect-borne diseases. The UK government has no plans to draw attention to health impacts, but emphasizes that climate change will impact every part of human life including health. Philipp Schmidt-Thome noted that they are focusing on problems such as eutrophication, algae blooms along coasts, and in lakes and rivers, in addition to droughts, heat waves, and large drops in temperatures, which have led to many fatalities in the EU.