International Institute for Sustainable Development
Institut international du développement durable

Rethinking Climate Change Governance

UNFCCC Official Side Event hosted by IISD

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Report

John Drexhage, Director, Climate Change and Energy, International Institute for Sustainable Development (IISD), opened the session. He remarked that the session would examine the changing role of the UNFCCC in regard to international climate change governance. Should the UNFCCC play a framework role, as under the Convention; or a direct oversight role, as it does for the Kyoto Protocol? As implementation takes on a more significant role, is the UNFCCC or are other organizations best positioned to lead?

Deborah Murphy, Associate, IISD, presented on IISD governance research, elaborating on four challenges facing the UNFCCC. The first challenge discussed was how to make policy linkages between the various policy priorities that impact climate change but cannot be addressed in one negotiation (e.g., poverty alleviation, trade, food security). The second challenge was how to meet the needs and interests of nation-states without paralyzing the negotiating process. The third challenge was how to create space for non-state actors in the climate change system. The final challenge for the UNFCCC discussed in the current research was identifying the most efficient processes and institutions for managing financing mechanisms and funds.

Michael Grubb, Chair, Climate Strategies, remarked that discussing the role of the UNFCCCC is a difficult but necessary conversation that needs to happen. The discussion is complicated by the fact that governance of commitments and governance of implementation are closely linked and it is not possible to untangle one from the other. There needs to be multilateral oversight of implementation; without this oversight, different organizations and countries will make up their own rules, and we'll have a patchwork of tools, rules and standards, which is not necessarily productive. We have to ask what we are actually trying to govern, and we need to account for the implications of what has happened in the United States over the past year. The commitments agenda over the past few years has been driven by the need to get the United States back on board. But if the U.S. domestic process has been unable to deliver despite getting the Copenhagen Accord, and everything else had been conditioned on that, do we need to change what we govern? What are the constructive coalitions of countries that are trying to move forward on the implementation of a low carbon development agenda, and what do they need from an international structure? And how do we engage the non-state actors that will be expected to implement the agenda?

Benito Müller, Oxford Climate Policy, noted that governance structures need to be both top-down and bottom-up, and that the UNFCCC is needed to set international policy and help to translate it at the national level. With regard to efficient management of funds, a change from the current structures of the Global Environment Facility (GEF) is likely. The new fund will be a throughput mechanism, with the devolution of decision-making to country trust funds, and to the national and local levels. There is a degree of restitution and social justice in climate change financing, as it can compensate for imbalances between developed and developing countries that goes beyond bilateral programs.

Franz Tattenbach, *President and Chief Executive Officer, IISD,* noted that implementation is very much underway on mitigation strategies. We must ensure that negotiations do not get in the way of implementation; but at the same time, implementation cannot overshadow the goal of making emission reduction commitments at the international level. There are two possible reasons for the sustainable development agenda being sequestered by climate change. On the one hand, climate change is perceived as a very relevant issue, and if we do not address the climate change challenge, the rest does not matter. On the other, the need to address climate change has gained momentum in recent years, and the sustainable development agenda and other multilateral agreements cannot think of moving forward without considering climate change.

Ambassador Lumumba Di-Aping, Deputy Permanent Representative to the UN, Sudan (previously Chief Negotiator for the G-77 and China), stated that the critical issue is how we safeguard two fundamental issues: the right to existence for some and the right to development for others. Our inability to be effective on climate change is related to a lack of permanence. We cannot solve these problems with week-long negotiating sessions a few times a year, let alone measure our success. A missing issue in the debate is climate change and security—that is to say, water shortages and desertification caused by climate change. This is not part of the formal UNFCCC agenda. Another important issue is measurement, reporting and verification (MRV), which has two sides: emission reduction commitments in those countries that have a historical responsibility are inadequate and actions in developing countries that are necessary to ensure low carbon pathways to development. The best way to MRV actions in developed and developing countries is through an international independent oversight body. Addressing climate change will require a combination of public efforts and long-term investments in all countries. We have to rationalize where we channel climate change monies. Adaptation is not investment-friendly, and market mechanisms will direct investments to emerging economies before they will go to Africa. Without careful planning and numerous funds, additional institutional inequality could be built into the system, and least developed countries (particularly small islands states) will be the victims.

Question and Answer Session

Are the existing negotiating blocks still useful given rapidly changing economic situations in various emerging economies? Is the UNFCCC the appropriate venue for discussing such fundamental questions of the right to existence and to development?

Graduation can address the differences among developing countries. At a certain threshold, such as GDP per capita, a country can exit the developing country group. But we must keep in mind the difference between developed and developing countries, along with the fact that the largest constituencies of poor people are likely to be in middle-income countries. For example, India and China have more poor people than Africa, yet they are perceived as fast-emerging economies. To help countries develop quickly, yet in a low carbon way, we need to encourage green economic growth. Developing country growth cannot be based on old development models; we need to a new paradigm of low carbon growth. The climate change negotiations are the right venue for this low carbon discussion because climate change implicates everything. Currently, sustainable development is not at the heart of economic transformation—but it needs to be.

What is the best structure or mechanisms for the management of climate change funding?

There are various options for institutional structures, including one overarching fund or various funds. If the international mechanism is a throughput mechanism, one treasury might be fine. But if the international funding regime is expected to address various themes or areas, we might need the expertise and focus of various funds and mechanisms. For example, countries are at varying levels of development, and the economics of adaptation are not necessarily investment-friendly at this point, but we still need the adaptation funding. We need to consider if we can lump all funding under one macro-mechanism or if various funding mechanisms would work best. A single fund has certain efficiencies, but it might not address all needs.