

THOMAS BECKER

Deputy Permanent Secretary in the department of International Policy and Climate change in the Danish Ministry of Climate and Energy

What is the state of the world?

Two challenges: Climate Change and Energy Security: The world is facing two very interlinked challenges: Climate Change and Energy security

Climate Change: Science (IPCC) has made it clear that climate is changing rapidly, and entails catastrophic consequences for many countries and lives (not least in the poorest countries), not to mention the very negative effects on global GDP and global security. This is UNLESS global action is taken urgently, which will reduce the catastrophe. Science also tells us what is needed: a target for GHG emissions stabilization in the atmosphere 450 ppm equivalent to a 2 degree temperature rise. In order to meet this target governments must commit to targets and national policies for reductions of GHG. No question about it: the world society of countries has a collective interest in urgent collective action, but the effects of climate change are long term and some countries will be much worse affected than others. So the big question is, will the right countries be willing to pay the price or free-ride? In short we are facing a collective action problem.

Energy Security: Record high oil prices the past 5 years, dependency of fossil fuels from some of the most unstable regions in the world and not least the combination of limited fossil fuel resources and rising energy needs in the future all present pretty tough challenges to the countries of the world.

Solutions: These energy security challenges combined with the looming catastrophe of climate change make it necessary for societies to get serious about reaping all the low-hanging fruits of energy efficiency, and invest heavily in renewable energy sources and low carbon technologies. We need not only public investment patterns to shift in this direction, but the key is to get the private investment patterns to shift, since this is where the real money is.

So how do we do all of this? My bid is that governments MUST solve some important aspects of these challenges in Copenhagen in 2009 at COP15.

A global deal on climate change should provide Targets for emissions! – meaning developed countries' commitments to sufficient targets for GHG-reductions both in the short and long term. These commitments shall in turn be implemented in national policies and regulation in each country in order to create a price on carbon emissions and create the necessary long term certainty and incentives for private investments in green solutions. (ex. Detailed national allocation plans, detailed plans for Renewable energy production, emission-quotas for companies, CO2-taxes, energy taxes, standards, emission-trading, removal of barriers, subsidies for renewable energy and so on)

However in order for this to happen the most important players need to feel that this is a fair deal (on the 5 building blocks). This means that the emerging economies also have to deliver on mitigation on a nationally appropriate basis. And it means that the developed world must deliver the sufficient instruments for technology dissemination and adaptation to the developing world.

The US is key: My bid is that THE KEY to getting this deal is the US. If the US gets onboard it will create the necessary dynamics to get the other most important players on board both in the developed and the developing world. And right now we are *waiting and waiting* for January 20.

2. *Where is the world going?* Well: do I believe that governments will take on this challenge and provide the necessary governance in order. Does multilateralism stand a chance?



Well... In my job [explain] you have to be optimistic – that is the short answer. The longer answer is that the road is covered with obstacles before this goal is met – and we continuously see new obstacles on our way. But let me do a little stock taking on reasons for pessimism and optimism...:

Why should we be pessimistic? First, the current financial crisis. Probably not the best motivator for governments to 1) put the climate issue at the very top of the political agenda, 2) put more financial burdens on companies and tax payers as a result of green legislation, or 3) find the necessary funds for government investments in new green infrastructure and technology development. However, it will probably be a motivator for reaping all the low-hanging fruits of energy efficiency gains.

Second, even if this obstacle is overcome, the question is still whether the US will be able to 1) move far enough on the ambition level to persuade the developing world that the US has taken its fair share – and 2) fast enough to get climate legislation through Congress in order for the US negotiators to make a commitment in December 2009. These concerns are still question marks!

Why should we be optimistic?

First: The EU *is* showing leadership in this process. 20/30% target. And I think that this *is* a prestige project to the EU, making it impossible not to deliver – despite the current hurdles and hick ups on burden sharing, carbon leakage and Border tax adjustment.

Second, both of the US presidential candidates have continued to talk climate, energy security and renewables – even after Black Monday. This is light years from the positions that we thought were achievable just one year ago!

Furthermore, the question marks concerning ‘whether the US will move fast enough’ are overstated in my opinion. When we chose the year 2009 a few years back, we considered two options 2009 and 2010 and consulted a bunch of American expert before choosing. And our analysis was, as it still is: that 2009 is tight but, it is all about political will. A political will that be directed at showing results internationally. In 2010 its back to concentrating on the midterms. In 2009 a new president needs to show that he can deliver results on the international stage

My own personal persuasion is that a new president doesn't get a better chance of redeeming US reputation internationally, and improving diplomatic relations with the EU and the rest of the world. In fact, to “put some diplomatic capital in the bank” that can be cashed in when dealing with some of the other great security challenges the US is facing on the international scene: ex. fighting terrorism in Afghanistan, handling Iraq, nuclear proliferation in Iran, and what not – is probably not the worst idea!

Finally, I am an optimist when I see some of the initiatives that have started to appear from several of the emerging economies. For instance South Africa has prepared a national strategy on climate change and China has developed a strategy on energy. No question about it: these moves are important if we are to find ways to include the major emitting and the richer developing countries in the fight against climate change. (In near terms this will mean substantial deviations from emission baselines in 2020 for the more wealthy developing countries – if not more.)

3. *What can be done to better the governance of world?* In short: Getting the US back on the multilateral track on the international scene! Not that this will solve everything: we still need to persuade other great powers that “Noblesse oblige” China, India, Russia – but it will certainly bring back some much needed muscle to the UN system to tackle global challenges.