

**IPCC REPORT: NOW WHAT DO WE DO?**

A Multilateral Package to Get the Job Done

CONCLUSIONS of "L14" GOVERNANCE EXPERTS

A group of representatives from L14 countries<sup>1</sup> gathered informally at Langdon Hall in Ontario, Canada, on January 28-30, 2007.

Premises

1. Dealing with climate change is a challenge for humanity. Its technical dimensions are complex and cross-sectoral. The political equations to solve are still distant. International organizations, processes and mechanisms have to recognize, in all their implications, that we face a global commons problem. Country representatives in several fora that deal with the problem have to transcend their national interests and envisage solutions that are really global. To break the deadlocks in the negotiation processes, it is our view that informal intergovernmental actions could be decisive and influence the decisions facing existing international organizations.

2. To create the foundations of a global and long term solution, it is necessary to overcome the limited views of department mandates, to establish new lines of inter-ministerial tradeoffs, and transcend narrow national interests. In this regard, leaders have a unique role to play. Meeting together at Summits, they can provide a collective vision and catalyze collective action. We believe that a leaders-level forum based on the expanding the informal G8 Summit group to include the "Gleneagles5", plus an Islamic country is the vehicle through which the climate change issue can be addressed and a new impetus could be injected in the negotiating fora. A viable package to address the deadlocks requires a common view of developed and developing countries. The solution should be approached by a discussion between the G8 and the non G8 countries on an equal footing.

3. We must find enough collective and individual actions to ensure a package of initiatives perceived by individual countries as in their own national interest. Problems of climate change are linked to other issues, as energy security, utilization of the nuclear fuel cycle, technology transfer and development to limiting emissions. The energy security prism lends itself to consideration of win-win-win initiatives and transforms questions of sacrifices into terms of constructive investments. A broader and deeper perspective should offer new possibilities of breaking the deadlocks.

Our Approach

4. Our group included experienced senior experts in high level international negotiations, some serving high-level government officials (contributing in their personal capacity) and former political leaders. We were provided with briefings and access to experts in the climate change and energy security area. We discussed the design of a draft consensus package that only L14 Leaders, and no other forum or organization, could produce.

5. We do not believe in creating new institutions when existing ones have the capability and legitimacy to do the job. The L14 Leaders could devise a multidimensional strategy, making commitments amongst themselves and inviting a broad range of international organizations to undertake specific actions. (See Appendix for the "Grand Bargain" package).

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<sup>1</sup> G8, Brazil, China, Egypt, India, Mexico, and South Africa.

### Uncertainty trumped by public reaction and political will

6. Despite the uncertainties - the precise extent and timing of climate change, of regional changes (some beneficial), and of the impacts of specific policy initiatives on climate change - the public mood demands action. Investments, measurable commitments and broad involvement of Leaders, both political and business can break the Catch 22; the developed countries insist on universal binding commitments (eg the Byrd- Hagel Resolution) while developing countries point to the developed worlds' responsibility for creating the problem, asking why they should not aspire to raising their own standards of living, and why any sacrifices should not be borne by developed countries. Nicholas Stern has persuasively detailed the heavy costs of postponing action. We have the toolbox of technologies and policies to deal with free rider problems and incentives for compliance. Market forces, sustained by the right policy signals, act quickly across borders. There is political will to motivate the appropriate R&D initiatives that could alter the terms of the dilemma.

### The Preamble to an L14 Package

7. Both industrial and emerging market economies need to acknowledge their common but differentiated responsibilities, to see that all countries take national action on climate change, and to evolve an effective regime aimed at stabilizing global levels of carbon emissions, within agreed acceptable targets. Current levels of affluence in industrial countries have been directly associated with cumulative carbon emissions. Advanced industrial countries must provide financial and technical support to the developing world for their sustainable economic growth and social equity. To accommodate future population and economic growth, new methods are required for the development of alternative sources of energy supply that have the potential to reduce global reliance on oil and conventional coal.

8. Action is also needed now on energy efficiency, conservation and diversification, and adaptation. New technological innovations are urgently needed and must be made available to developing countries. Governments need to encourage private sector efforts on R&D. It is necessary for governments to use policy tools, both regulation and taxation, to enhance market signals. We must provide incentives for long-term investments in those technological innovations, new energy-use applications and energy-producing facilities that will have significant impacts on carbon emissions and climate change. For example large, new investments in coal power generating stations and upstream fossil-processing facilities should provide for allowance (siting, space, design) for future retrofitting for carbon capture and sequestration.

### Conclusion

9. To proceed beyond the definition of the problem and of setting goals, beyond the specification of targets, beyond the consequences of inaction, we should focus on actions. Commitment by the L14 to act in their own countries would have great effect. We need to mobilize the efforts of a wide range of international organizations to contribute according to their areas of competence. Our collective efforts will be channeled into the UNFCCC negotiations.

There is great power in a coherent package of invitations to international organizations from L14 Leaders. The IMF, World Bank, WTO, OECD, IEA, IAEA, WTO, UNEP, and the L14 groups of Finance Ministers, Environment Ministers, Energy Ministers, and Science Ministers would rise to the challenge. To address the global climate change problem, nothing less than such a "grand package" will do.