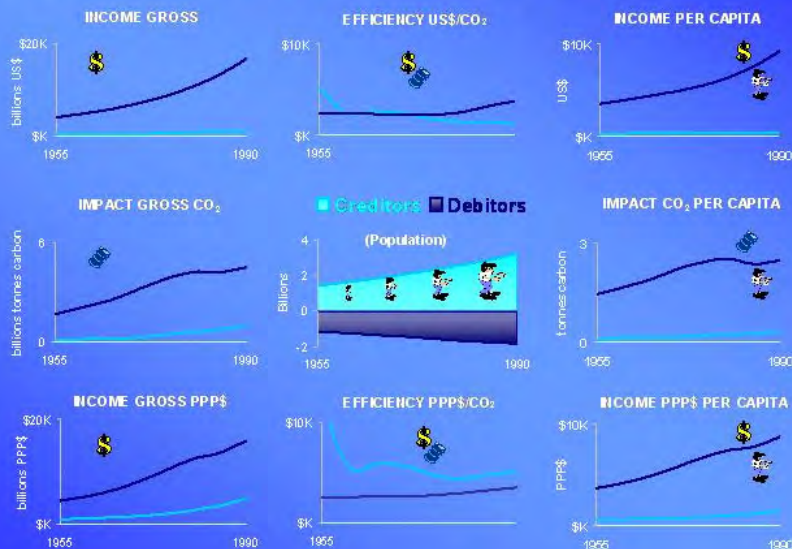


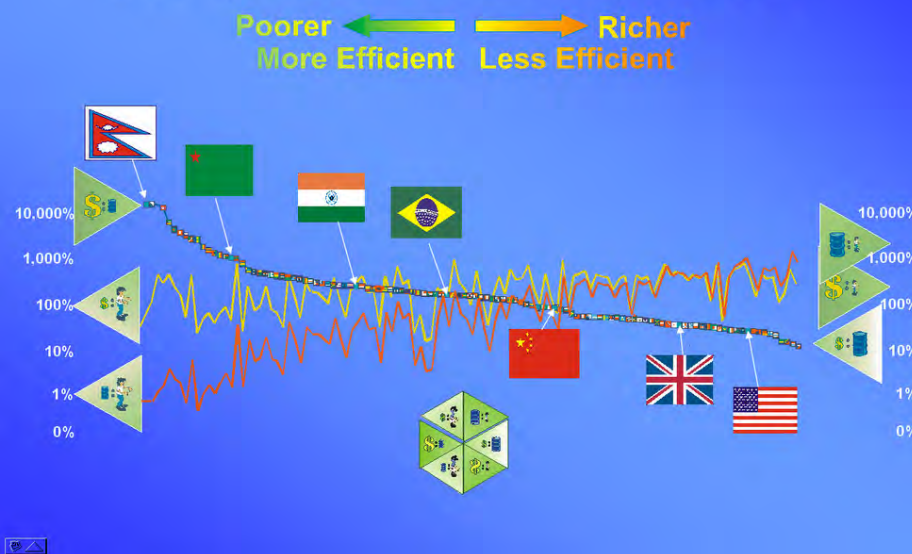
16 01 2003 - Responding to the World Bank et al draft on: -

"Poverty and Climate Change"

Trends of Expansion & Divergence



PPP \$:tonne 'Efficiency' - 1990



"Comments on this Consultative Draft are very much encouraged and welcome.

The consultation draft can be accessed at www.worldbank.org/povcc.

Please use the Comments Form available at this web-site to provide feedback on the paper.

You may also contact the Bank at: povcc@worldbank.org.

Comments may be submitted until mid-January 2003.

The paper will be finalized in early 2003 following the consultation process."

The draft needs linking to the formal

"Contraction and Convergence" of greenhouse gas emissions globally.

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<http://www.gci.org.uk> C&C Refs <http://www.gci.org.uk/consolidation>

GCN <http://www.topica.com/lists/GCN@igc.topica.com/read>

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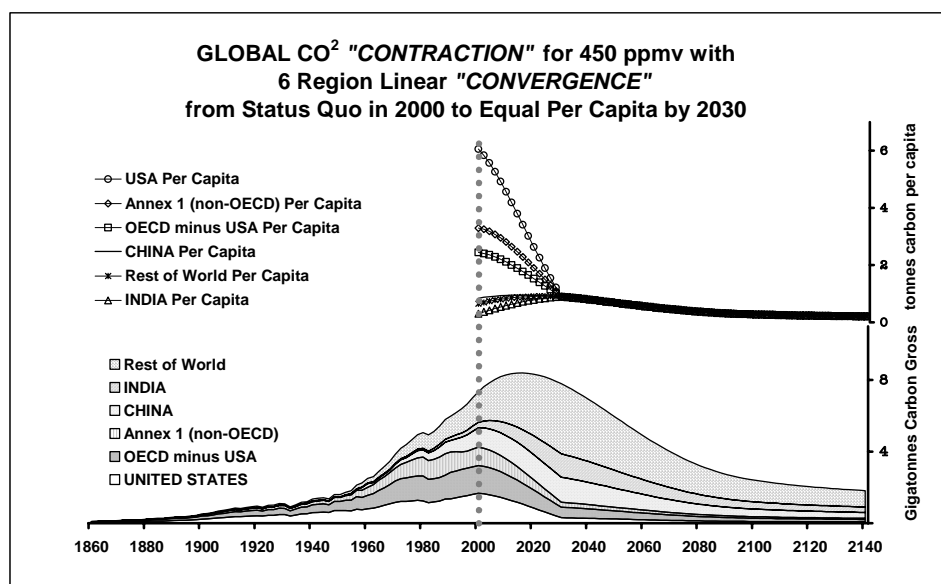
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World Bank et al draft on: - *"Poverty and Climate Change" [2003]*

16/01/2003 - Herewith the essence of the GCI Response

Link the report to global emissions "Contraction and Convergence" (C&C)¹: -



C&C example

As is, this draft stresses adaptation. This implies that the United Nations Framework Convention on Climate Change (UNFCCC) can default to being a convention for adapting to dangerously changing climate rather than preventing it.

*Unintended or not, this is completely the wrong impression to create. Moreover, we feel that this can be avoided if the - obviously very useful - analysis of 'adaptation' is specifically **re-linked** [not de-linked] to the overall requirement for climate change prevention/mitigation, in other words the objective of the United Nations Framework Convention on Climate Change (UNFCCC).*

On the basis of precaution and equity, the objective of the UNFCCC is to stabilise the rising atmospheric greenhouse gas (ghg) concentration at a level that prevents dangerous climate change. By definition this requires a global contraction and an international convergence of future ghg emissions and shares.

Moreover, if this contraction and convergence is pursued in a rational, collective and risk-averse manner, such formal Contraction and Convergence (C&C) - with international permit trading - helps to integrate the avoidance of dangerous climate change and the achievement of poverty eradication.

GCI recommendation: - *However briefly, link the report to recognising the need for this by linking it to the prevention/mitigation imperative in a C&C generic manner. This will reinforce the point that adaptation can only ever be a subset of prevention/mitigation.*

¹ <http://www.gci.org.uk/refs/UNEPFI5e.pdf>

A little argument with two examples from the draft report: -

At the outset the draft report stats that: -

“The challenge of reducing greenhouse gases is tackled in many other reports; the focus here is on climate adaptation.” (Overview). The objective of this paper is to contribute to a global dialog on how to integrate adaptation to climate variability and climate change into poverty reduction.” (Foreword).

GCI's contention is that adaptation - in the absence of a serious global prevention/mitigation framework – will be an increasingly futile battle. Indeed the draft report's section - “The Way Forward” - indirectly acknowledges this: -

“We can continue . . . ignoring climate change issues in addressing poverty reduction or leaving them as add-ons in the development process, and thus create the risk that impacts of climate change will undermine efforts to reduce poverty.”

In the same vein (on page fourteen), the draft report presents the Munich Re data for uninsured loss estimates from extreme weather events for the past forty years. Tracking the rise in the frequency and intensity of these events, the damages show a rate of doubling per decade (around 10 to 12% per annum). It should be clearly noted that these Insurance Industry figures are estimates of damages or “uninsured economic losses” and they explicitly exclude mortality costs. Mortality from these events is now running at 100s of thousands of deaths per annum and threaten millions more imminently (vide current SADC drought/famine figures) and beyond.

Still omitting the mortality, GCI has set these damages from Munich Re in the context of the key climate indicators and their rates of change (concentrations/emissions as modelled by IPCC WG1) as shown on the right. If economic losses (insured or not) keep rising, as they have been (according to industry data) for forty years, significantly faster than the rate of growth, the global nature of this increasingly futile battle of the rates (damages: growth) is immediately apparent. The negative value of damages increasingly competes with the value of assets created under growth. And theoretically, within a given timeframe, impacts will exceed income. Even with C&C rates for stabilisation at 450 ppmv, the damages will keep rising throughout the Century ahead, albeit at a mitigated rate.

This serves to make clear the imperative need to set the report resolutely now in the context of a global C&C type prevention/mitigation agenda. As argued overleaf, “Accelerated convergence” to equality of tradable shares per capita creates a pro-development bias for developing countries that want to buy into sustainable development rather than increasingly unsustainable damages.

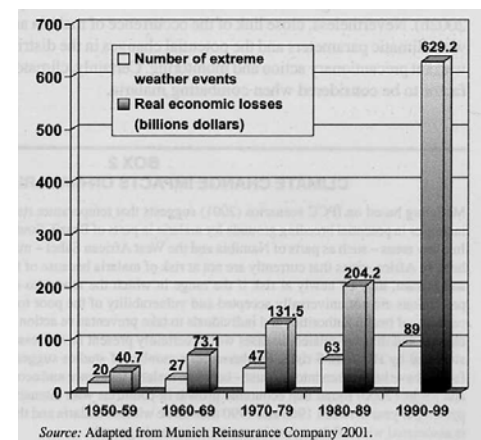
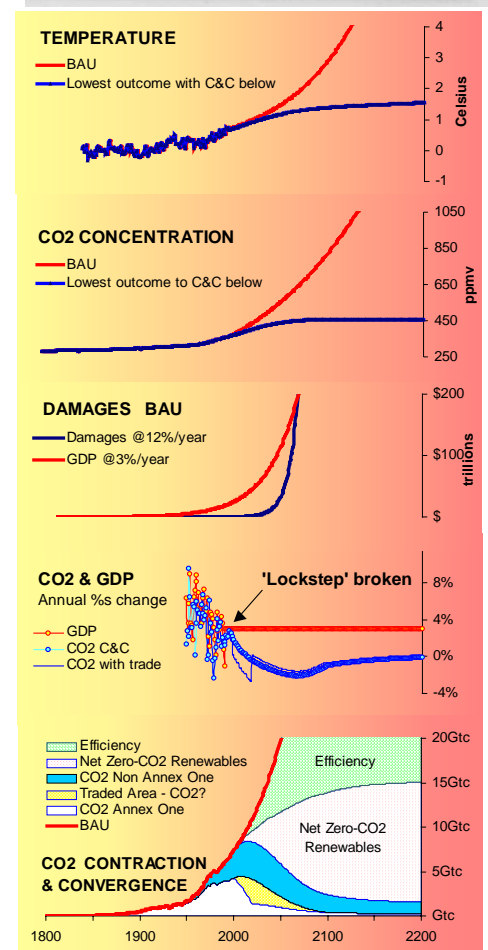


Figure 2. Costs of extreme weather events, 1950–99

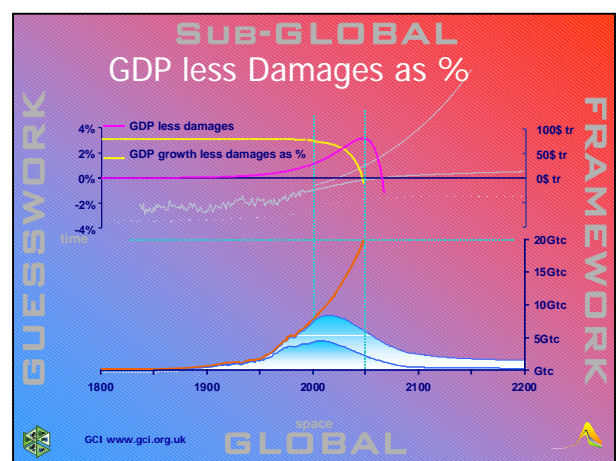
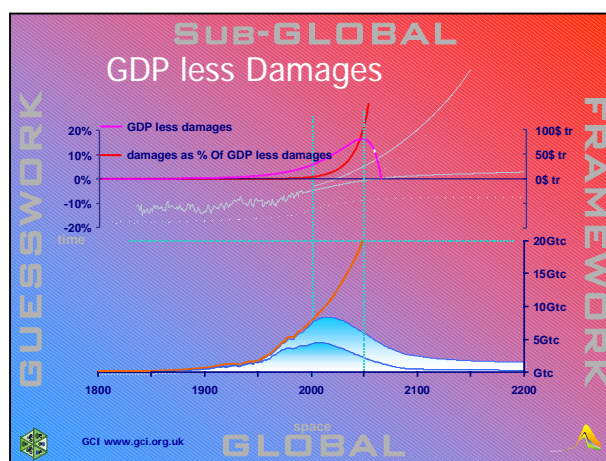
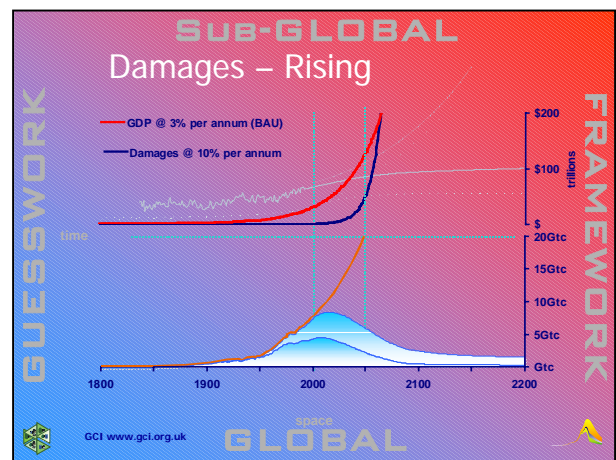
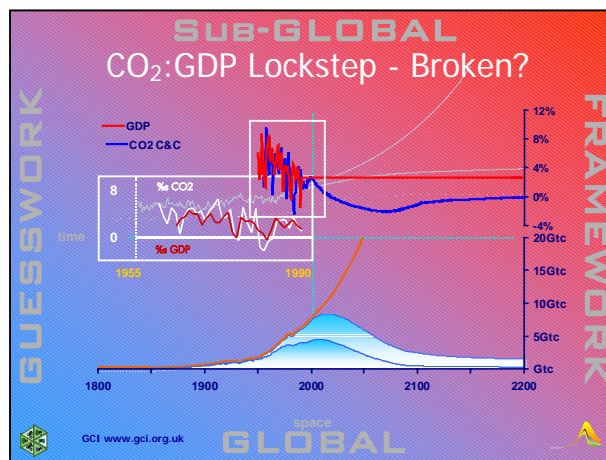
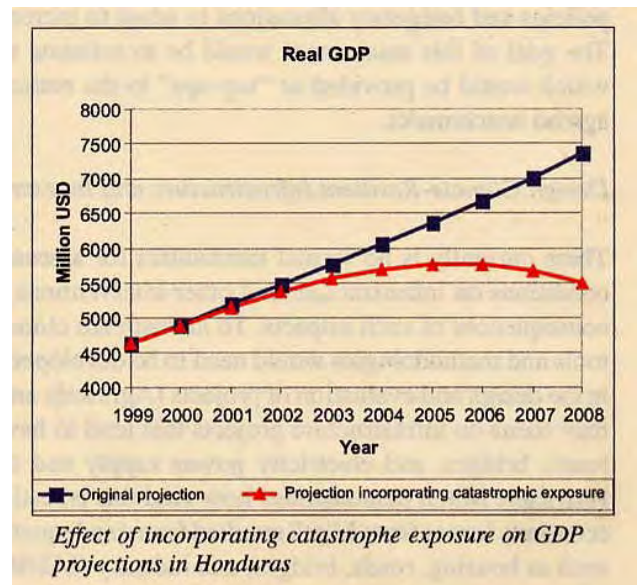


As uninsured economic losses and estimates for these are not presently reflected in any national GDP accounts, economic analysis lacks what is increasingly this key feedback.

Without this feedback, from now on any planning for sustainable economic development anywhere is increasingly hostage to the lack of the global framework conditions that would naturally arise when this feedback is included. This is obviously necessary for prevention/mitigation efforts to have any chance of success.

The example of growth depreciated by damages the report presents in box 13 on page 35 (for Argentina Honduras and Nicaragua), presents collapsing growth for the region within this decade, and presumably negative thereafter.

Assuming we are unable to break the CO₂ GDP lock-step (that has been the case during the period of the Munich Re dataset) or to get on course quickly for stabilising CO₂ at or below 450 ppmv, the report's regional example can be seen as indicative of the global dilemma, as illustrated in the following slides².



² full slide set with notes at: - <http://www.gci.org.uk/slideshow/C&CSlideshow.ppt>

This is a hopeless economic scenario. Clearer information about the worsening nature of this situation should be signalled in the Bank's draft report.

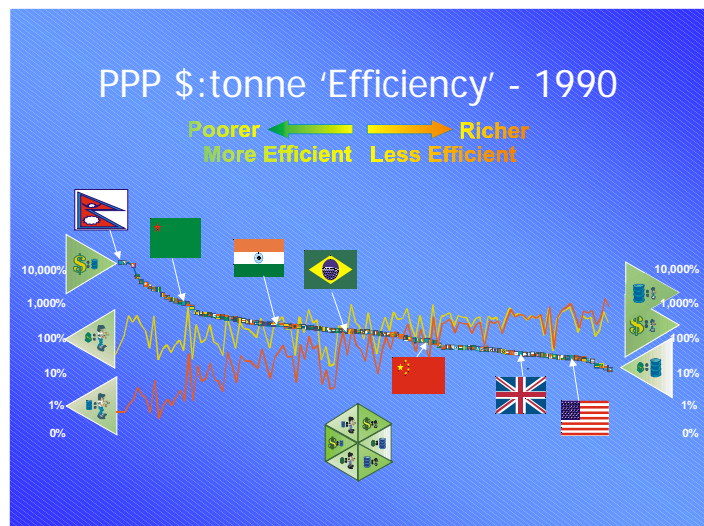
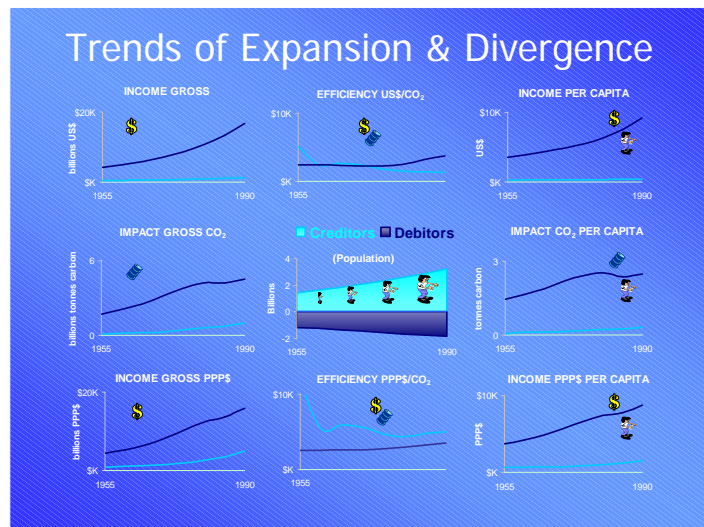
As is, this draft rather plays into the trends that threaten to deliver the painful truths of dangerous climate change: - increasingly unstable conditions that are eventually no longer even amenable to frame-worked prevention/mitigation policies as rates of change are amplified by positive feedbacks from additional changes in the biosphere/geo-sphere [ice melt-off, methane release, die-back etc].

The sensitivity the report addresses is the understandable 'resistance' in developing countries to buying into any prevention/mitigation agenda. Developing countries do not have much incentive, inclination and in many cases even capacity to re-establish source/sink equilibrium for ghg concentration in the atmosphere.

This is aggravated by the extent of historically worsening asymmetry in decades of the post-war hydrocarbon economy (see slide to the right). These trends of "expansion & divergence" advance steadily over the period from 1960 to 1990 in a consistent formation where roughly 1/3rd of global population have over 90% of global purchasing power at high impact, while the other 2/3rds at low impact have under 10%.

Moreover, the spatial distribution of efficiency internationally (PPP adjusted \$/tonne carbon from fossil fuel burning in any year, but here 1990), shows that on average while developing countries are much poorer, they are orders of magnitude more 'efficient' in terms of their relative lack of impact on the climate system currently, let alone cumulatively to the present. The draft would benefit from much greater candour about these conditions.

Further, when the draft report presents ideas to promote poverty alleviation and adaptation to changing climate in the absence of a prevention/mitigation framework, it wrongly implies or assumes that 'someone else, somewhere else' is doing the prevention/ mitigation job adequately. They aren't. If the remains of the Kyoto Protocol are assumed to be 'that job', difficult as it has been to get that job 'done' at all, no-one – not from any tangent to the debate - has accepted that Kyoto is remotely 'adequate'. It may be long on political correctness but it is short on environmental effectiveness.



Consequently, GCI urges the authors of this draft report to set their vitally useful work clearly in the context of a stable ghg concentration target and a globally integrated prevention/mitigation framework – such as C&C – for achieving it.

This will signal clearly that: -

1. The negotiations have become scientifically linked to stabilising the upward rise of atmospheric concentrations in a much less stochastic manner than has been the case under the sub-global Kyoto arrangements;
2. Developing Country Parties can negotiate *“convergence accelerated relative to the rate of contraction”* as a politically effective way of buying into prevention/mitigation with trade and the enhanced equity share with which to finance their sustainable development;
3. Developed Country Parties can temporarily buy their way out of the log-jam caused by the politics of “historical responsibilities” [as led through the Brazilian Proposal] versus *“efficiency targets”* [as led by the USA];
4. Developed Country Parties can vigorously export the post hydrocarbon technologies now coming onto the market;
5. The good intentions of the development community are secured from the random politics of increasingly unsustainable development and economies everywhere are secured from the uncontrolled parallel growth of damages;
6. The early investment in the post hydrocarbon economy that is vitally needed to stabilise rising atmospheric ghg concentration is not wasted.

