News Release

WORLD ECONOMIC FORUM

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What Next for the Climate Challenge?

19 September 2010

The December climate change summit in Cancun, Mexico, seeks to regain the momentum towards a global agreement, despite its long odds.

What actionable steps should leaders focus on in Cancun to rebuild trust and ensure ongoing progress in areas such as deforestation, energy and finance?

Key Points

• Pragmatic optimism is called for on this issue, accepting the limitations of multilateral processes while remaining committed to them.
• Progress requires a multi-pronged approach, combining dynamic bottom-up solutions (such as sustainable cities) with top-down international negotiations. The world cannot and should not wait for a cohesive global governance framework on climate change.
• China is leading the race towards a low-carbon economy. It is responding faster and in larger scale than most other countries. Over the next decade, this will force action among those in the Western world who have used China as an excuse for inaction at home.
• A missing part of the conversation is oceans – 90% of carbon is in the oceans, mangroves and sea grasses. The debate needs to encompass both land and sea.

Synopsis

Climate change is a complex collective action problem at global scale – no single state has all the answers and no single approach will ensure success. Progress requires a mix of local, organic solutions with top-down frameworks and emission reduction goals.

The upcoming gathering of leaders at the Cancun climate change summit is necessary but not sufficient for maintaining momentum. A realistic approach to these negotiations is important, especially following Copenhagen, which was perceived to have backfired due to inflated expectations.

The hope is that Cancun will produce a balanced package with concrete outcomes. This includes implementing fast-start funding to cover adaptation efforts, finding agreement on reducing emissions from deforestation and forest degradation (the so-called REDD+ mechanism), long-term funding and emission reduction goals. It will not be a “hole in one” but it will represent progress.

Beyond the ritual of negotiations, the process needs to be grounded in practical considerations. A “policy trade fair” approach was recommended, using the meeting to showcase real-world examples of what works (and what does not). There are many positive examples of functional carbon markets and sustainable cities, as well as capital policies that help channel funds into carbon-friendly investments.

China is seen as being a winner in the race towards a low-carbon economy. It is investing heavily in energy efficiency and renewable energy sources, spending RMB 5 trillion to achieve an energy mix target of 15% from renewables. In addition, the Ministry of Finance is considering a carbon tax, which could potentially be in place by 2012.

At the city level, Chinese mayors are focusing on building “eco-cities”. At the international level, China is an active

participant in multilateral meetings and sees the G20 in particular as an important forum to achieve progress on the crucial area of financing climate change initiatives.

Session Panellists
James Cameron, Vice-Chairman, Climate Change Capital, United Kingdom; Global Agenda Council on Climate Change
Lykke Friis, Minister of Climate and Energy of Denmark
Jayendra Naidoo, Executive Chairman, J & J Group, South Africa
Greg Stone, Senior Vice-President and Chief Scientist for Oceans, Global Marine, Conservation International, USA; Global Agenda Council on Ocean Governance
Yang Fuqiang, Director, Global Climate Solutions, WWF International, WWF - World Wide Fund for Nature - China, People's Republic of China

Moderated by
Nik Gowing, Main Presenter, BBC World News, United Kingdom

Disclosures
This summary was written by Gareth Shepherd. The views expressed are those of certain participants in the discussion and do not necessarily reflect the views of all participants or of the World Economic Forum.

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Tuesday 14 September

Keywords: climate change, China, Cancun, Copenhagen, adaptation

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