



**CENTER ON
INTERNATIONAL
COOPERATION**

**Climate Change and
Global Public Goods program**
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Climate, scarcity and multilateralism
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In this talk, I want to focus on how the multilateral system we have now is placed to deal with climate change – and with related issues, like energy security and rocketing food prices. I'm going to argue that to handle such complex challenges effectively, far-reaching reform is needed – but also that such reform is achievable, and will generate real results if we can carry it through.

First, though, a quick scene-setter. You'll already know the familiar litany of damages we can expect from climate change – temperature increase, rising sea levels, droughts, floods, glacial melting, extreme weather events and so on – and that all of this is happening much faster than scientists expected even just a few years ago.

You'll also be aware that policymakers have set themselves a demanding deadline of the end of next year to agree on what happens after the Kyoto Protocol's first phase expires in 2012. Right now, it's not clear that they actually know what kind of a deal they're trying to agree, much less how to get there. It's also discouraging to realise how far off track most countries are with the very modest targets they agreed on Kyoto.

And of course, you'll also not have missed the upheavals underway on various issues that have a close relationship to climate change.

On energy, oil prices recently touched \$135 a barrel, their highest level ever. Many analysts think the oil price could hit \$200 before the end of the year.

Meanwhile, global food prices have on average risen 83 per cent over the last three years. The biggest driver here is simply the fact that more people are getting more affluent – and shifting to western diets with more meat and dairy products, which are much more grain-intensive. Globally, we've consumed more food than we've grown for each of the last five years, leading to stock levels at an all time low – and most experts agree that rather than being just a blip, we're seeing the start of a long term trend of higher prices.

Now the underlying point I'm trying to make here is this: these issues are all interconnected – and the multilateral system needs to treat them as such.

It's pretty obvious that climate change will be bad news for food security, for instance: the IPCC reckons that it will lead to between 40 and 170 million more undernourished people. But it's more surprising to realize that the link can work the other way around too – that global food production is responsible for one fifth of the world's greenhouse gas emissions.

Or look at links between energy and food. It's become clear to us all that biofuels can cause problems for food security: this year, a full third of the US corn crop will go into fuel tanks rather than stomachs. But it's more surprising to realize how much the world's food system depends on

energy, too: for intensive agriculture depends on energy to plough the land, harvest crops, and then process, refrigerate, freight and distribute them, as well as to make some crucial kinds of fertilizer. So as energy gets more expensive, food does too.

And notice as well how many common drivers and implications are shared between these issues.

One example is that the rising material demands of a global middle class - in China, in India, in the US, in the UK – are a central driver not only of climate change, but also of higher prices for energy and food. Demand for both oil and food is forecast to grow by 50 per cent by 2030.

Another common theme is that when key resources become more scarce – whether the resource in question is energy, or food, or the climate's capacity to soak up our emissions safely – then it's usually the poorest and most vulnerable people who get hit hardest by the impacts.

And a third is that all of these issues involve some very fundamental questions about equity and fair shares – which I'll come back to at the end.

II.

So there are a few thoughts on the nature of the challenges we face in the years to come, and why it's so important to understand them. How does today's multilateralism shape up in the face of these risks?

Well, one of the best analyses remains that set out by the High Level Panel on threats, challenges and change, of which David was a member. The Panel was stark about the limits of trying to treat different global risk issues as separate, stand-alone threats when what's needed is a coherent, integrated approach.

As it put it, "finance ministries tend to work only with the international financial institutions, development ministers only with development programmes, ministers of agriculture only with food programmes and environment ministers only with environmental agencies."

Its blunt conclusion was that, "Existing global economic and social governance structures are woefully inadequate for the challenges ahead".

A few years on, and the situation's no better. The system we have is still fragmented into institutional silos, while the risks are systemic. Only at the centre of organisations – in the offices of Prime Ministers, Presidents, Secretaries of State and Secretaries General – is the whole picture to be found.

But these 'centres' have limited time and attention, which makes it hard for them to imagine, or deliver the long-term cross cutting policy agendas that are needed. All too often, the urgent crowds out the essential, and the long term view is lost. And that risk increases exponentially when we're talking not just about one government or organisation, but about the need for lots of them to act collectively.

In a paper that my colleague David Steven and I wrote for the Progressive Governance summit that Gordon Brown chaired in April, we argued that the key to making the multilateral system more effective is to focus less on the organisational *form* of multilateralism – summits, bureaucracies, treaties and communiqués – and more on its *function*. What do we actually want the international system to *achieve*?

We argued that in essence, the multilateral system needs to deliver three kinds of outcome – which we called shared operating systems, shared awareness and shared platforms. Let me give you a quick tour of the three.

Start with shared operating systems – which are where we're ultimately trying to get to. Multilateralism is usually at its best when we don't notice it – when it presides over a stable system that ticks along, providing a public good with minimal fuss.

For example: no airplane flies without shared global standards for air traffic control, safety and security checks – and the system works so well you never have to think about it. Or consider that you can send money around the world without your having to know a thing about the international banking protocols that make it possible. The fact that both systems are organised by the private sector isn't the point: the important thing is that the function is delivered, regardless of the form the operating system takes.

So as we think about stabilizing the climate, or managing scarcer energy supplies, or feeding the world, we might start by trying to imagine what a stable operating system would look like – and how it would differ from the system we have today.

On climate change, for example, we might imagine that there would be an agreed ceiling on greenhouse gas concentrations, and a 'global emissions budget' derived from it. Property rights to this budget would be decided according to a formula that provided countries (or indeed citizens) with a fair share of this scarce resource – almost certainly on the basis of convergence to equal per capita rights to the atmosphere if the deal's to have any chance of winning developing country assent. Finally, a global emissions trading system would tick quietly along, moving the world back to climate stability, and our economies towards decarbonisation.

The point about successful shared operating systems is that the core long term objective (such as a stable climate, or ensuring access to food for all the world's people) is already in the process of being delivered, rather than being a long term aspiration.

In reality, of course, we can't jump directly to shared operating systems; if we could, there would be no problem. So how to get there? This is where shared awareness and shared platforms come in.

Shared awareness is the precursor to change and involves building a common understanding of an issue around which a coalition can coalesce.

One of the most superb examples of this process in action is the Intergovernmental Panel on Climate Change. In its 20 years of existence, the IPCC has institutionalised the connection between climate scientists and the international community. It has also functioned as an anchor for conversation and debate on the issue, and been responsible for helping bring together governments, businesses and civil society. Without its influence, there would have been little prospect for a concerted and comprehensive attempt at climate stabilisation.

As the IPCC shows, the need for shared awareness applies at every level, from top to bottom: not just between political leaders, but at working level too. And it needs to extend outside governance systems to encompass relevant *publics*. Non-state actors are key players in 21st century foreign policy: progress on climate change is all about influencing the consumption patterns, behaviour and beliefs of millions of people – not just a few hundred diplomats. The same could be said of a lot of other challenges, from HIV to counter-radicalisation.

So that's shared awareness. And finally, there are shared platforms.

These are where we're moving from awareness to action – but not yet as far as the stable state of a shared operating system. Instead, things are in flux.

As an example, look at the Make Poverty History coalition that made such a massive impact on the international development agenda in 2005. It was effectively a partnership between civil society and

governments that wanted to push for change, and trigger more aid, fairer trade and increased debt relief.

It wasn't supposed to be a comprehensive solution on international development – an operating system, in other words – but it aimed to work towards it by building support and channeling it towards specific ends. What shared platforms are all about, then, is the development of advantageous political conditions in which it's possible to start moving towards the endpoint of shared operating systems.

III.

So that's a quick overview of shared operating systems, shared awareness and shared platforms. What do they mean in the context of climate change and the issues most closely related to it?

I think the first thing to be clear about is that while we now have tremendous shared awareness about the problem of climate change – thanks to the IPCC, the Stern Review, Al Gore, Hurricane Katrina and so on – we actually have very little shared awareness about what the solutions look like. And the same point holds true on energy and food as well.

I always get annoyed when I hear politicians talking about how scary the impacts of climate change will be, before suggesting that all members of the public need to do in solution terms is remember not to leave the TV on standby. The solution story they set out just isn't commensurate with the problem story – so people assume that either the problem's being exaggerated, or that it's already too late.

So we need to start investing massively in shared awareness on solutions – not just to climate change, but also to the issues it's most closely connected to – with the central objective of imagining the shared operating systems that we need.

In the last couple of minutes, let me mention just a handful of areas where I think we need to get started on imagining these new forms of international cooperation.

First, we need to get our surveillance systems sorted out. We have a World Food Outlook and a World Energy Outlook, both of which come out every year, and the IPCC – in effect a World Climate Outlook – every five years or so. What we don't have is a single report that “joins up the dots” between all of them. And that matters not only analytically, but because these kinds of publication can drive policy agendas – the IPCC being an obvious case in point.

Second, financing. The transition ahead of us is going to cost a quite fantastic amount of money. Nicholas Stern thinks mitigating climate change will cost one percent of GDP a year; the International Energy Agency reckons \$45,000 billion by 2050.

On top of that, the International Energy Agency thinks that growing world energy supply 50 per cent by 2030 will cost \$22,000 billion in total – just under half of 2006 gross world product.

On top of *that*, the UN estimates we need to invest \$30 billion a year in agriculture, mostly in the developing world – well over half of total global aid spending. All this is before we even consider the cost of the impacts of scarcity issues in terms of humanitarian assistance.

We need a more joined-up assessment of the price tag for managing scarcity trends, that takes account of where money spent on one issue will help on the others. We need a clearer sense of how the money will be channeled – whether through the private sector or the public, as development assistance or additional to it, and so on.

And above all, we need to decide on a far way of splitting the bill between the world's countries if we want to move on from the currently stalled situation where none of the investment needed is really happening in earnest.

Third, trade. Even as talks on the Doha Round stagger on, a bigger issue is emerging in the background. This is that the rules-based trading system that we've built, and enshrined in the World Trade Organisation, is designed for different conditions to the ones we have today. The current system is basically designed to mediate disputes over market access between countries who want to export and countries who want to limit imports.

What we have today, though – at least on energy, food and various other very strategic commodities – is a situation in which security of supply, rather than market access, is starting to become the predominant concern. Look at Washington's worries over China's attempts to secure its energy supplies in Africa; look at Bangladesh's worries over India's suspension of rice exports. The trade system we have now is silent on these issues.

Fourthly, there's a huge amount of work to be done to build up the international system's crisis management capacities. We can all already see the impacts that scarcity issues have on the ground: riots over food or energy prices in dozens of countries, all over the world; disputes over land a key factor in the violence in Kenya at the start of the year; water scarcity a major threat multiplier in Darfur; and too many extreme weather events to list on the climate change front.

So we need to build scarcity issues much more thoroughly into our conflict prevention and mediation efforts. International Alert published a report last year noting that peacebuilding and climate change adaptation work are often the very same thing.

We need to ensure better financing for our humanitarian agencies as they deal with the results of a more turbulent world. We're all relieved that the World Food Programme managed to raise the three quarters of a billion dollars it needed earlier this year in order to cope with what its head called the 'silent tsunami' of food prices – but in future, we need adequate funds in place *before* disaster strikes.

And we need to build up the humanitarian system's capacity to help more people. Today, the rule of thumb is that the UN can help about 100 million people at one time. In future, we may have to be ready to help many more than that – and now's the time to start investing in capacity as well as better co-ordination.

Let me finish with two last things we need in order to be able to cope with scarcity issues.

The first is simply leadership.

So far, the global leadership we need on these issues is absent. It's not just a question of political will, fundamental though that is. It's also about vision.

The world's political leaders have not yet found the narrative they need to explain the transition ahead – the story of why it is that we're entering a stretch of rapids on the river, how we can together steer the boat through it, and what the calm water at the other end looks like. There's some sage advice on this in the Book of Proverbs: "where there is no vision, the people perish".

But as I've tried to argue in this talk, the emergence of non-state actors as influential foreign policy players in their own right means that today, leadership is not the exclusive domain of governments and international agencies. So if policymakers have yet to find the language we need, it's up to the rest of us to start articulating it – through shared platforms.

Second, we need to face up to the question of fair shares that's at the heart of all this.

As I've already touched on, the single biggest driver of rising food prices, rising oil prices, rising concentrations of greenhouse gases is simply demand: the rising demand that comes with the rising affluence of a growing middle class, and a rising population too.

If supply – of oil, of food, of “airspace” for our emissions – rises at the same rate, then fine. But we know better than that; nothing rises for ever. And as we start to put together a global deal for bringing our consumption within sustainable levels, we need to face up to the need to ensure fair shares of these resources for all.

Fair shares of global food supplies, rather than the poor being squeezed by rocketing demand for crops as feed for livestock, or fuel for cars.

Fair shares of global energy supplies, rather than a century of friction and conflict between great powers trying desperately to secure oil resources all over the world.

And fair shares to the world's atmosphere, so that we can get on with the job of sharing out a safe global emissions budget that brings the world's climate back to stability, rather than endless squabbling over who created the problem.

It's a big jump from where we are, yes. But not, I think, unrealistic. United Nations Association members know better than most how conditions of great stress – like the Second World War – can prove to be fertile ground for extraordinary progress in the human story, like the Declaration of Human Rights or the UN itself. Let's keep reminding people of that fact in the years ahead.