



IEAGHG Information Paper; 2013-IP5: Lord Nicholas Stern Identifies 3 Obstacles to International Climate Action

Lord Nicholas Stern presented at an event hosted by WRI and the International Monetary Fund. A synopsis of his presentation is given here whilst more details can be found at http://insights.wri.org/news/2013/04/lord-nicholas-stern-identifies-3-obstacles-international-climate-action?utm_campaign=socialmedia&utm_medium=wri-group&utm_source=linkedin.com&goback=%2Egde_69154_member_228934854

The problem, according to Lord Stern, reflects a lack of understanding in three main areas: climate change's real risks, the benefits of an alternative pathway, and the need for collaboration and mutual understanding.

The Real Risks of Climate Change

By Stern's own admission, the Stern Review greatly underestimated climate change's risks and impacts. "Emissions are at the top or above the projections we talked about six or seven years ago. Some effects are coming through faster," he said. "We didn't say enough about the interactions between climate and ecosystems."

He outlined how these risks are already presenting themselves today—and are poised to worsen in the future. "Insurance companies tell us that weather-related catastrophes have tripled since 1980," he said. "The United States last year experienced 11 extreme weather events each costing more than \$1 billion. And the current drought may turn out to be the most expensive natural disaster in U.S. history."

Stern believes that a key component of mobilizing political will, then, is a stronger risk narrative driven by a new breed of scientific models. These models should not only reflect the severity of climate risks, but the human and environmental costs that are typically ignored in data-driven models—like the thawing of permafrost and extreme weather events' impacts on development.

The Benefits of an Alternative Path

According to Lord Stern, the world needs to view the next several years as a new era, the "New Energy Industrial Revolution." Like the eras of innovation that preceded it—the industrial revolution, expansion of steam and railways, the information and telecommunications technology revolution, etc.—this period will be full of growth, investment, creativity, and emerging markets. It's important to see it as a time of economic opportunity rather than a time focused solely on scaling back greenhouse gas emissions.

It's also a time to adopt win-win-win strategies that integrate development, adaptation, and mitigation into one package. For example, decentralized solar power brings affordable electricity to poor communities, reduces emissions, and is less vulnerable than traditional, grid-based power. These are the types of solutions that will drive economic growth and climate stability.

Learning from Collaboration and Mutual Understanding

It's important to point out that some people are moving on climate change, even if they're moving too slow. "We're seeing radical change in China with the 12th Five-Year Plan," Stern said. "The EU has stuttered recently, but has been moving along. Ethiopia and Mauritius both have ambitious plans. Understanding what others are doing is a crucial part of collaboration."



Stern went on to explain how institutions like the IMF and the World Bank can play a key role in fostering this collaboration. Collectively, these organizations work on poverty reduction, growth, sustainability, and development. If they better align their individual missions, they can foster international collaboration and ensure that economic development happens in harmony with climate mitigation and adaptation.

2013: A Year of Opportunity

An hour-long discussion of underestimated climate risks was certainly a sobering experience. But despite the discouraging data of late, Stern is hopeful. In fact, he believes that this year presents an unprecedented opportunity to ramp up the political will for international climate action.

“You have John Kerry and new leadership in China raising the issue of climate change,” Stern said. “The head of the IMF and the World Bank today made very strong public commitments. You look at plans in Ethiopia, South Africa, Mexico, and other parts of the world, and leadership is taking these issues seriously. My own view is that 2013 is the best possible year to re-double our efforts to create the political will that so far has been much too weak.”

John Gale

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