

Concept note to the:

**Climate Governance Conference:
Addressing Climate Governance Risks in a new
Climate Regime - Knowledge, Economy and
Equity Paradigms**

15th June 2010, Berlin, Germany



Convened by:

InWEnt – Internationale Weiterbildung und
Entwicklung gGmbH
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On behalf of:

The Conference Concept

Climate change poses serious governance challenges to global and national communities as international commitments and agreements are being negotiated to coordinate national efforts to adapt to and to mitigate climate change impacts. To prevent a global average temperature rise of 2° Celsius and to ensure rights to sustainable development, new and stringent regulatory frameworks, laws, policies and reforms are needed to reduce global greenhouse gas emissions, introduce low carbon development pathways and support the important social, economic, and legal transitions to address climate change. At the same time, countries most vulnerable to climatic impacts require assistance to develop climate resilient infrastructures and fortify necessary adaptation needs.

The legitimacy and effectiveness of such climate change response actions rely heavily on the governance of the processes by which those actions are determined, and of the institutions or groups responsible for their respective operation or implementation. Sufficient levels of transparency, accountability and public participation are essential to the good governance of such processes and their stakeholders.

In light of the recent Copenhagen Climate Summit, a number of these governance challenges to achieving a global agreement were articulated. This Conference aims to address some of these challenges in three areas:

- Knowledge and Access to Information
- Equity
- Economy

By addressing key underlying governance questions pertinent to each challenge area, the conference aims to facilitate shared learning and strengthen common approaches for viable trajectories toward future climate negotiations. These challenges are elaborated below.

Knowledge and Access to Information

Adequate knowledge and information regarding climate change issues are necessary to ensure effective public participation and decision-making processes surrounding important climate change issues. Key to involving stakeholders in the shaping, enactment and monitoring of climate change related actions is developing their capacities to participate in these processes. This includes enabling user-friendly knowledge bases and access to relevant and credible information on key climate issues. Such issues may include but are not limited to scientific assessments on sources and impacts of climate change, climate financing schemes including subsidies and investments, global, regional and national carbon markets, and technology development, deployment and transfers.

A review of the current situation regarding availability, access to and use of climate change related information and knowledge suggests two significant risk areas which could deter or not sufficiently enable prudent decision-making and effective public participation on climate change issues. On one hand, information regarding both the causes of and “solution-oriented” responses to climate change may lack appropriate transparency, accountability and integrity in its formulation and presentation, or is otherwise “influenced” to serve the interests of particular interest groups or agendas. Another risk may

be that access to information regarding the implementation of climate change responses is restricted, lacks transparency or is transparent but due to its highly technical nature is unintelligible to most non-technically-minded people affected by the issue.

At the Climate Governance Conference, participants aim to identify where these risks exist and discuss possible ways to mitigate them. The needs to address these risks are underscored as crucial undertakings to ensure wide public participation and accountable decision-making processes.

Equity

As with environmental governance and principles of sustainable development, the issue of equity remains highly contested in climate change debates. The recent Copenhagen Summit witnessed serious controversy over equity concerns by countries and communities, which is said to have been one of the underlying reasons why a binding legal agreement could not be struck. For many countries, the call for “climate justice” was voiced in relation to climate change adaptation actions and funding. A number of countries also demanded an equitable approach to mitigation commitments and actions.

Appreciating equity principles and concerns in a new climate agreement may be best facilitated through improved transparency, accountability and oversight regarding decisions and actions to allocate, distribute, spend and account for “new and additional” public financing for adaptation and mitigation activities. Issues arise such as how limited global resources are allocated?, to which countries?, to which locations within those countries?, and on what basis (e.g. on National Adaptation Plans of Action - NAPAs)? The sub-national distribution of climate grants or loans – where some local communities benefit while others do not – could exasperate the equity paradigm. Similarly, the degree to which national poverty reduction strategies and the achievement of Millennium Development Goals (MDGs) are supported through climate financing poses concern.

Finally, the enabling environments and capacities of national government administrations to absorb climate finance in recipient countries are key factors in ensuring equity. In this context, it is necessary to identify and address relevant capacity needs for strengthening governance structures. By articulating and addressing some of the governance and corruption risks associated with these processes, new climate regulation and financing arrangements may gain more legitimacy and credibility from a wider range of stakeholders thereby answering some of the equity demands and concerns.

Economy

One key challenge to promoting effective, efficient and equitable climate mitigation is to reinvent local, national and global economies to become more environmentally sustainable with low greenhouse gas emissions. The private sector plays a vital role in this process. A new climate agreement invariably wants support and “buy-in” from corporate players. Encouraging companies to change course and pursue low carbon paths, or to encourage those who have already made concerted efforts to improve further, means introducing viable incentives and providing sufficient investment security.

Clearly, financing for climate mitigation requires significant investments from corporations across the globe. These investments include, among others, the development and use of “green” technologies, industrial applications and conversions, and renewable and/or sustainable energy sources and

applications. The nature of these investments – hefty R&D inputs, high upfront capital outlays, and often slow rates of return - necessitates public financing support in the form of public subsidies, public investment and/or feed-in-tariffs. In this context, the governance of such emerging “public-private partnerships” demands sufficient public scrutiny. Decision-making processes and actions related to public financing and other incentives to encourage and support private sector climate mitigation businesses, need to be transparent and accountable to the public and be subject to public oversight. Established governance indicators and measurement tools to facilitate “monitoring, reporting and verification” may prove effective in this context. Lack of sufficient transparency, accountability mechanisms and public oversight, or poorly designed mitigation schemes suffering from a lack of advance consultation amongst stakeholders, could result in outputs not necessarily cohesive with mitigation objectives, the abuse or misuse of public funding, and/or corruption.

The growth of emissions trading or cap and trade systems, beg similar considerations. While these systems provide incentives for corporations to reduce their GHG emissions, they pose genuine governance challenges and may be vulnerable to corruption and related abuses. It is necessary to ensure that existing and emerging “carbon markets” afford a fair environment for businesses to operate and compete and that their ultimate purpose to reduce GHG emissions is practiced. This requires an appropriate application of oversight and transparency, accountability, and anticorruption standards to, *inter alia*, the allocation of emissions allowance allocations and their (potential) auctioning, the issuance of carbon credits, namely Certified Emissions Reductions (CERs) under the Kyoto Protocol’s Clean Development Mechanism (CDM) and Emissions Reductions Units (ERUs) under the Protocol’s Joint Implementation programme, the determination of emissions baselines, the setting allowance/credit values or carbon prices, the levying of carbon taxes, and imposition of rules and procedures for carbon-trading, selling, banking and marketing of both carbon credits and emissions allowances.

Likewise, monitoring, reporting and verification processes attached to ascertaining emissions reductions both in relation to emission allowances and carbon credits, and to national climate mitigation commitments, need to transpire in transparent and accountable ways with sufficient public oversight so as to safeguard against corruption risks and to ensure credibility and legitimacy.

Conference Agenda:

- 8.30 a.m. *Coffee and Tea and Registration*
- 9.00 a.m. **Session I: *Introduction***
Moderator: **Hinrich Mercker**, Head of Division on Environment, Energy and Water, InWEnt gGmbH - Capacity Building International, Berlin, Germany
- Welcome addresses:** Overview and Appreciations:
Sebastian Paust, Chief Executive Officer, InWEnt gGmbH - Capacity Building International, Bonn, Germany
Cobus de Swardt, Managing Director, Transparency International Secretariat, Berlin, Germany
- Key Note Speech:** **Dirk Messner**, Director, German Development Institute, Bonn, Germany
- 9.45 a.m. **Session II: *Overview Presentations***
Knowledge and Access to Information
- **Harald Heinrichs**, Professor at the Institute for Environmental and Sustainability Communication (INFU), Leuphana University Lueneburg, Lueneburg, Germany
- Equity
- **Roda Verheyen**, Director, Climate Justice Program, Hamburg, Germany
- Economy
- **Claudia Kemfert**, Energy Economist and Head of Department at the German Institute for Economic Research (DIW Berlin) and Professor at the Hertie School of Governance, Berlin, Germany
- 11.00 a.m. *Coffee and Tea*
- 11.30 a.m. **Session III: *Panel Debate – Knowledge and Access to Information***
The panel discussion seeks to address issues of knowledge and access to information deficits in current climate law and policy development and oversight. In this session, panellists discuss the particular risks and safeguards associated with two fundamental knowledge gaps affecting vibrant public participation in climate dialogues
- Information regarding climate change, its “causes” and “solutions” may be presented or manipulated to serve the purposes of particular interest groups: The origins/formulation of such information lacks transparency, accountability and integrity.
- Access to information regarding public financing, respective decision-making processes and carbon markets is restricted, lacks transparency or is transparent but due to its high technical nature is unintelligible to most non-technically-minded people affected by the issue or subject which the information concerns.

- Chair: **Laura Altinger**, Economic Affairs Officer, Office of the Director, Environment Division, United Nations Economic Commission for Europe (UNECE), Geneva, Switzerland
- Speakers:
- **Peter Newell**, Professor of Development Studies, University of East Anglia, Norwich, UK
 - **Sven Harmeling**, Senior Advisor Climate and Development, Germanwatch, Bonn, Germany
 - **Jacob Werksmann**, Program Director Institutions and Governance Program, World Resource Institute, Washington, USA
 - **Luc Bas**, Head of Government Relations Europe, The Climate Group, Brussels, Belgium
- Discussants:
- **Balgis Osman-Elasha**, Senior Researcher, Climate Change Unit, Higher Council for Environment and Natural Resources (HCENR), Khartoum, Sudan
 - **Martin Lichtl**, Advisor on Sustainability Marketing and Communications, Hofheim am Taunus, Germany
- 1.00 p.m. *Lunch*
- 2.00 p.m. **Session IV: *Panel Debate - Equity***
- Appreciating equity principles and concerns in forging a new climate agreement, requires, *inter alia*, increasing levels of transparency, accountability and oversight in public decision-making and ensuing implementation processes regarding the adoption and implementation of climate mitigation laws and regarding the allocation, distribution and expenditure of “new and additional” public financing for adaptation and mitigation. By articulating and addressing some of the governance and corruption risks associated with these processes, new climate regulation and financing arrangements may gain more legitimacy and credibility from a wider range of stakeholders thereby answering some of the equity demands and concerns.
- In this Session, panellists discuss the following topics
- The Governance of Climate Finance in Contributing Countries, International Funds and Agencies
 - The Governance of Climate Finance Recipients (independent, national and multilateral entities)
 - The Governance of Climate Mitigation Regulations and Enforcement
- Chair: **Luiz Ramalho**, Head of department on Sustainable Business Development, InWEnt gGmbH - Capacity Building International, Bonn, Germany
- Speakers :
- **Robert Dixon**, Team Leader Climate Change, Global Environment Facility (GEF), Washington, USA
 - **José Miguez**, General Coordinator on Global Change Research, Executive Secretary of the Interministerial Commission on Global Climate Change, Ministry of Science and Technology of Brazil, Brasilia, Brazil
 - **Motsomi Maletjane**, Programme Officer, Financial and Technical Support Programme, United Nations Framework Convention on Climate Change (UNFCCC), Bonn, Germany
- Discussants:
- **Tilmann Santarius**, Head International Climate and Energy Policy, Boell-Foundation, Berlin, Germany
 - **Estelle Fach**, Programme Analyst, Governance (REDD), UN-REDD-Programme, United Nations Development Programme (UNDP), New York, USA
 - **Estherine Lisinge-Fotabong**, Department on Environment&Climate Change

and Culture&Tourism; NEPAD, Johannesburg, South Africa

3.30 p.m. *Coffee and Tea*

4.00 p.m. **Session V: *Panel Debate – Economy***

Session V addresses governance and corruption risks in the areas of economy:

- Green technology development and investments where decision-making processes and actions related to public financing and other incentives seek to encourage and support private sector climate mitigation businesses are manipulated or influenced involving abuses of power.
- Carbon markets where governance deficits and corruption, fraud and related abuses may derail private sector initiatives to achieve low carbon pathways and emissions reductions.
- Monitoring, reporting and verification (MRV) processes (which could draw on established governance indicators and measurement tools) where processes to ascertain emissions reductions both in relation to emission allowances and carbon credits and to national climate mitigation commitments lack appropriate transparency, accountability and anticorruption safeguards.

Panellists consider ongoing practices and needs for the infusion or improvement of appropriate oversight and transparency, accountability, and anticorruption standards to ensure that existing and emerging regulations and policies afford a fair environment for businesses to operate and compete and that their ultimate purpose to reduce GHG emissions is practiced.

Chair: **Djordjija Petkoski**, Program Leader, World Bank Institute, Washington, USA

Speakers:

- **Carolyn Zerger**, Division on International Climate Protection, German Federal Ministry of the Environment (BMU), Berlin, Germany
- **Laura Altinger**, Economic Affairs Officer, Office of the Director, Environment Division, United Nations Economic Commission for Europe (UNECE), Geneva, Switzerland

Discussants:

- **Enno Harders**, German Emissions Trading Authority (DEHSt), Berlin, Germany
- **Chandra Bhushan**, Associate Director and Head of the Industry and Environment Programme, Centre for Science and Environment (CSE), New Delhi, India
- **Nora Honkaniemi**, Advocacy Officer, The European Network on Debt and Development, Brussels, Belgium
- **Julio Godoy**, Journalist, IPS-Inter Press Service International Association, Berlin, Germany

5.30 p.m. **Session VI: *Wrap up and Closing Ceremony***

Conclusion-reports from each session

Closing Address: **Kaveh Zahedi**, Senior Climate Change Coordinator, United Nations Environment Programme (UNEP), Paris, France

6.00 p.m. *Drinks and Reception*

Further information regarding the conference:

Venue	InWEnt - Capacity Building International, Germany Stresemannstrasse 91, 10963 Berlin, Germany
Language	The conference will be held in English.

For information regarding conference registration and administrative support please contact:

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