Durban: failure will be success (again)

Durban: failure will be success (again)

Simon Zadek [1] 28 November 2011

There is no global deal nor any chance of one at Durban's COP17. Fortunately, "Plan B", predicted by the author after COP15, is looking feasible and even healthy. Welcome a profusion of national, regional and city initiatives to save us from devastating climate change

History may well vindicate the seemingly, tortuous failure of the Copenhagen climate talks as the most successful failure [2] of modern times.

@COP15 [3]'s Plan A was a top-down deal involving global institutions, massive cross-border, public resource transfers, and national commitments to which sovereign states could be held to account. Plan A, of course, was the deal that did not happen. But as I argued on the 5th November 2009 on OpenDemocracy in Plan B on Climate [4]:

> "Our most terrible secret is that a deal in Copenhagen that relies for its success on binding, long-term commitments by sovereign states to dramatically reduce emissions and provide adequate public finance to assist developing countries to address mitigation and adaptation challenges, will fail."

Even my own mates [5] were not impressed by what they saw as my disloyalty, lack of ambition, or just plain stupidity. Despite these endearing views, and their reinforcement by other mates such as UN environmental chief, Achim Steiner, my take has remained stubbornly fixed. Today's problem is not that a deal was not made, it is that too many folks still think one should be.

Economists, at least the decent sort, elegantly demonstrate that second-best solutions are generally better than unworldly, first-best solutions. And for once, their mind-numbing maths is correct. History tells us that the best solutions on paper evoke what I dubbed the fury of the five institutional horses of apocalypse in the run-up to Copenhagen: political leakage, gaming, rent-seeking, bureaucratization and corruption. If Plan A had come to pass, in a nutshell, it would have absorbed all of our attention and resources for years to come, and failed miserably with much acrimony on all sides.

Plan B [4] was always going to be a messy, thoroughly human affair. National, regional and city initiatives developed with their respective citizens' narrow interests in mind, particularly jobs, income and growth. Such initiatives would leverage plurilateral, co-operation, as Caio Koch-Weser, Vice Chair of Deutsche Bank and green champion, spelt out at Davos in early 2010, essentially coalitions of the willing. Such co-operation might be evoked by richer folks' dignified sense of responsibility. But in the main, it would be evoked by less angelic feelings of fear, guilt, and economic self-interest. Contrary to the conventional wisdom of the benefits of 'untied aid', what we can get is a ton of money aligned to industrial and broader economic interests. Africa's largest planned green power project, the Lesotho Highlands Power Project [6], has secured funding from China in pursuit of its economic interests, a sign of things to come.

Renewables is an important test case for Plan B. Most developing countries cannot afford the additional costs of ambitious renewables programmes, which is where the plurilateral bit comes in. Morocco is advancing plans to build at least 5 GW of renewables by 2020. Key to the plan is to sell its desert energy into Europe, and this ready market has attracted public investors such as the European Investment Bank and the German equivalent, KfW. India has accelerated its renewables ambition after a relatively slow start, with its flagship programme, the India Solar Mission. They intend to attract US$50 billion in new investment, but to help that get going they have reached out again to international public institutions such as the International Finance Corporation.

South Africa is aiming for a game-changing increase in renewables, with plans for 17.8GW by 2030. And the eagerly-awaited bidding process for an ambitious 3.7 GW that is intended to attract private investors and technology providers is now underway. South Africa is also advancing both policy development and institutional reform to provide comfort to private investors that the opportunities they think they see are those that they will get.

And much has been done to create a coalition of the willing to pay the bill. The South African Renewables Initiative [7] is a South African-led, international partnership that will be launched in Durban on the 7th December with the aim of supporting the financing of scaled ambitions for renewables and green growth in South Africa. In its sights are the extra costs of delivering the renewable energy set out in the current Integrated Resource Plan, of the order of US$9 billion. Were South Africa to raise its ambitions to a technically feasible 24GW by 2025, textra costs would rise to up to US$14 billion, unlocking for South Africa an unprecedented US$50 billion plus in investment and generating tens of thousands of jobs.

Smart use of scarce international public finance can bring down the extra costs, and draw in private capital on more affordable terms. Low cost debt combined with insurance instruments that reduce commercial risks could for South Africa reduce the incremental costs of current plans by about one third. Remaining is still a number to be reckoned with, but one that is much easier to digest domestically in return for the economic benefits that will flow along with additional tax receipts and foreign exchange earnings.

So Plan B can and does work. Bottom-up initiatives with international cooperation can and indeed must get the job done. But there is a long way to go. The International Energy Agency estimates that US$5.7 trillion must be invested in renewables alone by 2035 to avoid catastrophic climate change. The UN's latest 'Emissions Gap' [8] report highlights the gap between emissions reduction commitments and what needs to be achieved. So does McKinsey's blistering analysis in Resource Revolution [9] of the massive resource productivity gap facing us by 2030 as our planet struggles to satisfy the consuming demands of 3 billion middle class folks.

If Plan B is all we have, it has to be driven to greater scale, rather than being a 'default through failure' to deliver Plan A. Current international public financing for renewables is not of the right order of magnitude. Piecemeal international support and uncertain domestic plans create a vicious circle of low ambition and opportunity, weak leadership and distrustful investors who will as a result charge more for doing less. Turning the vicious into a virtuous circle that delivers ambitious renewables development, accelerated climate mitigation, and upside economic benefits will require the international community to make larger-scale, longer-term, more credible commitments, and likewise domestically.

Durban could build on Copenhagen's successful failure in moving beyond demands for a drip-fed Plan A – in fact by burying once and for all what is clearly not going to work. The gathered throngs could embrace a far more promising Plan B, rooted in communities' interests in having jobs, income and food on the table, suitably greened. Through such a lens, any new financing mechanisms would focus on mobilizing mutually-beneficial, international co-operation to advance suitably entrepreneurial, lighthouse approaches such as those in Morocco, India and South Africa. Banking on such initiatives could inspire the climate talks to advance actions that have a sporting chance of addressing the challenges folks are in Durban to address.

Country or region: South Africa
City: Durban
Topics: International politics
Science

$("div#contentgrid").removeClass('grid-8'); $("div#contentgrid").addClass('grid-6'); });

$(document).ready(function () { $("div#contentgrid").removeClass('grid-8');
$("div#contentgrid").addClass('grid-6'); }); About the author

Simon Zadek is an independent advisor and author. He blogs at www.zadek.net/blog [10].

Subjects

Durban [11]

South Africa [12]

International politics [13]

Science [14]

$("#fps-wide").remove();//$("#fps-wide").hide();
Source URL: https://www.opendemocracy.net/simon-zadek/durban-failure-will-be-success-again

Links:
[1] https://www.opendemocracy.net/author/simon-zadek
[2] http://www.guardian.co.uk/commentisfree/2011/nov/28/durban-climate-talks-plan-b
[3] https://twitter.com/#%21/search/realtime/%40cop15
[4] http://www.opendemocracy.net/openeconomy/simon-zadek/plan-b-on-climate-national-deals
[5] http://bit.ly/vzOagZ
[6] http://www.citizen.co.za/citizen/content/en/citizen/business-news?oid=235368&sn=Detail&pid=334&Plan-for-Lesotho-green-power
[7] http://blog.sari.org.za/
[8] http://www.unep.org/publications/ebooks/emissionsgapreport/
[9] http://www.mckinsey.com/mgi/publications/resource_revolution/index.asp
[10] http://www.zadek.net/blog
[11] https://www.opendemocracy.net/cities/durban
[12] https://www.opendemocracy.net/countries/south-africa
[13] https://www.opendemocracy.net/topics/international-politics
[14] https://www.opendemocracy.net/topics/science
[15] http://creativecommons.org/licenses/by-nc/3.0/
[16] http://www.opendemocracy.net/contact