



# agenda for action

by Roberto Dobles

Time is running out to tackle climate change. We can wait no longer. Though it is one of the greatest challenges that humanity has faced, appropriate action has not yet been taken. We have to recognize that, although its causes are specific to each country, its consequences are global and cumulative. No one can predict these with complete certainty, but we now have enough scientific evidence to understand that the benefits of strong early action clearly outweigh the great costs and risks of inaction.

Climate change, however, is not just about costs. A complex group of interlinked catastrophes (environmental, economic, human, social, ethical and political—and concerning health, equity and justice, among other factors) also lie at the centre of the problem, as does the relationship between developing and developed countries. The world is in danger and important steps have to be taken soon to change course. As greenhouse gas emissions have a long lead-time in affecting the climate, our actions (or inaction) during

the next two decades will have a profound impact in the second half of this century and beyond.

Policies must be modified, both nationally and globally. We cannot expect to reverse current trends with the same policies and mechanisms that created them in the first place. To get different results, we have to stop resorting to the same ways. Business as usual is not an alternative. We need to devise creative and innovative means of addressing the problem.

Our efforts should commit developed and developing economies to stronger actions consistent with the principle of common but differentiated responsibilities. However, defining an equitable set of responsibilities, linking strategies and developing an effective system of global governance are key parts of the puzzle that have yet to be defined. This must be done urgently. And we must learn how to align our countries' priorities with global action,

harmonizing national strategies with the development of a new and more effective global governance system.

For its part, Costa Rica has decided to act immediately, unilaterally declaring its goal to become carbon neutral. We are designing an integrated climate change strategy to achieve this in such a way that this complex goal can be replicated in other countries with similar characteristics.

This process is bringing the climate to the top of the government agenda. The Administration that was elected last year included it as a priority in its National Development Plan. Important segments of the private sector and the media have already shown enthusiastic support, and society is beginning to share the vision that a carbon-neutral economy is also a competitive one.

The strategy, clearly orientated to action, was defined around five strategic components:

**Measurement:** This will develop an accurate, reliable and verifiable system with built in mechanisms for monitoring.

**Mitigation:** This is focused on becoming a carbon neutral country with a vision integrating complex environmental, health, economic, human, social, ethical, economic, moral, cultural, educational and political issues with the national competitiveness strategy. Promoting carbon neutral companies, regions and communities — and other stakeholders — will provide both incentives for action and an additional differentiation element for competitiveness.

Action will include these main elements: reducing emissions at source; enhancing carbon sinks through reforestation and natural forest regeneration; and developing carbon markets at production and local and international product level. Our avoided deforestation program (which includes our participation in the Coalition for Rainforest Nations) and a new tree planting campaign, which will be also linked to Wangari Maathai's Billion Tree Campaign, are part of our planned climate change actions. The relationship of climate change to the country's competitiveness strategy is an important part of our design. We are creating the conditions to induce responsible and competitive behaviour.

The international business community — as the Carbon Disclosure Project companies recognise — accepts that major economic, financial and competitive climate change risks are associated with exposure to:

- \* Competitive risks, from the shift in future consumers' from high intensity carbon to low carbon or carbon neutral services and products.
- \* Reputational risks, from consumers' perceiving inaction by companies.
- \* Regulatory risks, from exposure to potential local and international regulations.
- \* Economic and financial risks, from impacts on assets and infrastructure caused by extreme climate events.

Against these risks, there are also major opportunities associated with innovation, consumers' perceptions, investors' preferences and rapid technological change in existing sectors of the economy — and with developing new ones related to climate change issues.

**Adaptation:** Water resources, health, agriculture, infrastructure, coastal areas, forest ecosystems and land and marine biodiversity are among the key components of the adaptation strategy, as are risk management and preparation for disasters.

**Education, culture and public awareness:** The country wants its people to be involved, engaged and committed in combating climate change, and to build a societal system of decision making for implementing the strategy. Individual habits, consumer preferences and patterns of consumption must be made compatible with climate change imperatives.

We want informed citizens with the awareness and knowledge to enable them to participate more actively and effectively in climate change issues. This will, in turn, increase their capacity to influence the decision making processes to take the action needed to make a difference.

**Capacity building:** If we are to implement a comprehensive national strategy, we must build capabilities at all levels of society to respond to climate change, to measure and mitigate its causes and to learn — and communicate — how to adapt to its consequences.

Global governance and its mechanisms will be put to the test as they try to solve one of the greatest challenges in the history of mankind: the ones which allowed the current climate change crisis to develop must be revised. We will not obtain different results doing the same things and relying on previous ways. Developing new technologies to move to a low-carbon or carbon-constrained economy — and to stabilize carbon dioxide in the atmosphere — is a priority, one which must be integrated into the puzzle.

Some sort of agreement will be needed among different countries, especially the major emitters. If the current stalemate is to be broken, countries must show leadership in building a new international climate regime with the necessary targets and time frames to take us into the future safely and intelligently. Defining new and additional commitments and breaking the atmosphere of suspicion between countries will ensure a true and global solution.

The post-2012 climate framework must consider the both the experiences of the Kyoto Protocol and other new and complementary sector and policy approaches. A wider framework is needed to reverse present trends. Combining broad and specific commitments would encourage developing countries better to integrate climate concerns into development planning. This would allow policies to be tailored to national circumstances, and at the same time give countries the international recognition that will increase their competitiveness in attracting direct foreign investment.

Critical aspects of the Kyoto Protocol include the use of the 'cap and trade' approach of binding targets for Annex I parties, the flexible mechanisms (emissions trading and joint implementation), and the Clean Development Mechanism (CDM), which allows developing countries to create tradable credits on a project-by-project basis. Continuing the CDM post 2012 is critical for encouraging investments in a vital part of the market. But it only allows credits for discrete projects, so different programmatic crediting approaches are needed to achieve deeper and broader emissions reductions in developing countries. So are stronger incentives and new mechanisms,

The scope of CDM investment should also be expanded to cover sectoral and policy-based activities — setting emission reduction targets for sectors or whole economies from estimated baselines approved by international accredited bodies — in such a way that a whole sector would become eligible for trading allowances and certified emission reductions.

Thus action on climate change action is the responsibility of all countries, not just major ones. Action must be consistent with the principle of common but differentiated responsibilities. Costa Rica is pursuing a strategy which is consistent with its local, regional and global ones. 