World Resources Report

Decision-Making for Uncertainty: Making Governance Systems "Fit for Purpose"

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Question One: Does climate change require new approaches to making decisions? Is the way we currently plan for the future and react to unexpected change sufficient to accommodate the uncertainty, scale, long lead time, and complexity associated with climate impacts?

At present governance systems are ill-equipped to deal with what is a fundamental systems challenge and an example of policy failure. Making governance systems "fit for purpose" will require a significant re-orientation in how governments understand and respond to climate change. This conceptual and operational change will involve not only considerable institutional evolution but a culture change in bureaucracies and administrative systems. Failure to implement such changes will increase our climate risk, reduce our resilience, and condemn future generations to an ever-diminishing set of choices to ensure their survival.

Climate change is an inter-disciplinary, inter-sectoral, time-sensitive challenge that needs an integrated and strategic approach to policy formulation and delivery. The question being addressed is: are current decision-making practices used by governments able to incorporate the long-term nature, surprises, heightened

change and variability, and the uncertainty of a changing climate, or does such decision making require an entirely new approach? The answer is a resounding no.

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The climate change and governance challenge

Despite two decades of policy attention, climate change remains poorly understood. What is at root a problem of chemical imbalance in the atmosphere has become a profound economic, social and ecological challenge. Advocates ranging from UN Secretary General, Ban Ki-moon to Al Gore and Sir David King, former chief scientist in the UK government, go further and define climate change as the civilizational challenge of our age. Indeed one can argue that defining modernity now means understanding and responding to climate change.

But the public articulation of climate change continues to be as an environmental problem and this misreading has condemned it to the slag heap of policy priorities. (Unless, of course, one happens to be a vulnerable, small island nation.) In general, however, the temporal urgency of climate change seems not to have influenced public and, in turn, government priorities too significantly. Which is why one can have a situation, as in the United States last year, where polls ranked climate change last out of 20 public priorities.

The continuing framing of climate change as an environmental issue is part of the problem why it gets short shrift in terms of policy attention. Despite the landmark Stern Review of the economics of climate change in 2007 this remains largely the case. But its inherently inter-disciplinary and inter-sectoral nature is primarily why climate change elicits an incoherent and ineffective decision-making response.

As a cross-cutting issue, climate change is at once in many departments but only really "owned" as an issue by environmental departments. The siloed nature of government departments, the hierarchies within them and the lack of effective inter-departmental cultures of working ensure that issues such as climate change are put in the "too hard to deal" with category of policy response.

Added to this, the relative low ranking of environment departments in the governmental pecking order makes "joined up" governance on climate change even harder to achieve. It is difficult to set the agenda if one is shouting from the back of the classroom.

These challenges of mainstreaming and political clout are familiar to anyone who has been working in the sustainability space or on cross-cutting issues such as gender and human rights. But the challenges are not only in mainstreaming climate change but in giving it the central institutional profile and importance it needs to be addressed effectively.

This is a global, inter-generational issue that is treated as if it is merely about national energy profiles and carbon trading. To date, climate change has largely been the preserve of environment, energy and power departments within governments. Within these, expertise has been focused largely on effective engagement in the international climate negotiations and the domestic energy debate. The broader domestic and international repercussions of climate change have been left unaddressed.

Even now major national plans on infrastructure, transportation and city development in many countries have no climate analysis or risk assessment. For example, India"s planning commission projects a $500 billion build-out of infrastructure in the next five years, but does not specify how this infrastructure must be climate resilient. Indian auto manufacturers privilege personal vehicles as the answer to India"s transportation needs, instead of working with public authorities on sustainable mobility solutions in a carbon-constrained world.

The city of Delhi issues a masterplan for development over the next few decades but does no climate vulnerability or adaptation mapping. It orders the damming of glacier-fed rivers to supply Delhi"s water needs, inattentive to the risk posed by climate change to Himalayan glaciers and water security for this burgeoning megacity. The cases are legion.

Not only that, the myopia on climate change translates into national budgets that are too weak to address the mitigation and adaptation requirements of many areas of policy attention - from public health and housing to agriculture and coastal defense - increasing the vulnerability of the nation. This lack of policy emphasis then cascades through the institutional order and results in a lack of investment in

human resources and capacity building to adequately respond to climate change in an integrated fashion.

In conclusion, the tone is set at the top and if climate change is not prioritized at the central political level, it will not deliver at the bottom where the interface with the public is the greatest.

What then, needs to change? And if so, how?

Clearly, climate change has to be framed as a complex, long-term strategic issue that lies at the heart of government. Given the uncertainty of climate impacts and the continuing evolution of the science, the approach should be strongly evidenced-based and framed as integrated climate risk management rather than a theocratic, climate evangelist approach to the issues.

In our inter-dependent world, autarky is no longer an option for countries and they are becoming more vulnerable as the risks they face become more interconnected. Climate change is a real and existential risk for many countries and requires a fundamentally different response at the domestic and diplomatic level.

Action on climate change has to have a high-level political mandate and a legal personality; i.e. it has to be a statutory duty not a voluntary measure. It has to be led by the Prime Minister or President and steered by a cabinet committee or comparable high-powered, political entity - given the high degree of coordination that will be required at the governmental level.

There should also be a new Office of Country Risk at Cabinet level tasked with identifying, monitoring and preparing an integrated response to climate and other risks.

All major line ministries must be tasked with climate change integration plans "“ as some are now required to produce departmental sustainable development plans in countries such as the UK. This should devolve down further to the most appropriate local level to ensure the iteration at every level of government with adequate management systems.

New statutory agencies such as low-carbon or green investment banks (public sector or public-private partnerships) may need to be established to provide affordable and predictable finance to fund the transition to low-carbon infrastructure and realize the green opportunity agenda.

Civil service bureaucracies will have to be re-trained "“ not just new entrants but middle managers and senior civil servants who can be the most resistant to the changes in working culture implied.

Professionals from planners to civil engineers will have to be trained in climate literacy and new approaches based on systems thinking and partnership models. This new orientation will have to be embedded in staff training colleges to ensure that a new breed of bureaucrat emerges who is fit to deal with the challenges of the 21st century.

Clearly, all this will work most effectively against the background of strong public support for action on climate change and the role here of social movements and civil society organizations is key. Leadership by the business community on the green economy / green growth agenda will also be vital to spur and sustain these kinds of institutional reforms at the heart of government. If industry is seen to back this agenda, the political resistance will be that much easier to address.

The good news is that such reforms are not utopian pipedreams, but can indeed be found in many parts of the world in isolated form. For example, in the United States, the national security community has redefined climate change from a climate security perspective and brought it into the very heart of decision-making. Hilary Clinton has called climate change a "threat multiplier" and the National Intelligence Council has produced seminal work redefining why the United States should play a leadership role on the climate agenda. There are now cross-governmental committees addressing this issue and further evolving how the security community works with other parts of government to address the climate challenge.

In the United Kingdom, there is strong cross-party support for action on climate change and the Climate Change Act has codified the country"s legal commitment to reduce emissions by 80% by 2050. This is now a legal duty overseen by Parliament with concomitant responsibilities by Cabinet, line ministries and agencies and this has markedly influenced decision-making structures and the response level of the bureaucracy.

In Germany, the re-insurance company, Swiss Re, is working with the government and the regional governments to develop an integrated risk management approach on climate change. Swiss Re advocates a Country Risk Office or Ministry who "could be responsible for managing such a prioritized risk landscape, taking an holistic

approach to risks before events occur and ultimately reducing the risk burden to society."

In Singapore, the government has already adopted a "whole of government" approach to integrated risk management and uses risk assessment and horizon scanning (national scenario models) to prepare for upheavals.

These are just a few illustrations of some of the reforms being experimented with to challenge established ways of government working and decision-taking to address the "long-term nature, surprises, heightened change and variability, and the uncertainty of a changing climate." They need to be deployed at all levels of government to create institutions that are indeed "fit for purpose" in a climate-changed world.

Failure to do so will not only increase our climate risk and reduce our resilience, but condemn future generations to an ever-diminishing set of choices to ensure their survival.

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