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Comments by the German representatives of the Benefits Workshop ():

### Summary:

- Germany received the impression that the workshop was a little bit science dominated, though the number of international top-class researchers was impressive.
- Researcher agreed that global estimations of benefits are only partial possible. They criticised the highly aggregated climate indicators and demanded instead disaggregated regional and sectoral results, which promise to be stronger and more transparent.
- An overall agreement was achieved that any future policies need to include mitigation and adaptation in order to fulfil Art. 2 UNFCCC.
- Germany regrets that the insurance sector data on climate-related damages were not mentioned during the workshop.
- Also Germany expected a more intense dialogue among researchers and governmental representatives on policy-oriented questions. Nevertheless, the workshop lead to some useful results which offer opportunities for future OECD work.

### 1. The Science of Climate Change:

- Almost all presenters tried to identify an acceptable target for GHG concentration in the atmosphere and the acceptable increase of GMT. However, most researchers thought that more research, i.e. improved modelling, is necessary, though some researchers were skeptical if uncertainties could ever be resolved (e.g. Jacoby). Germany appreciated John Schellnhuber's new approach of not trying to define a critical threshold, but rather a critical band in the sense of spans.
- This most essential point was raised explicitly by Tom Wigley: „Assuming that there will be increasing adverse impacts beyond 3,5°C increase in GMT (and only marginal impacts below!) the stabilization target could be less than today or > 1000 ppm, with a median value of around 600 ppm CO<sub>2</sub>”. “The choice of the target depends on the acceptable risks” (*should be compared with the proposed target within the EU of 1,4 °C respectively 450 ppm CO<sub>2</sub>*).
- It should be the challenge for the scientific community to describe the risks, linked with different stabilization targets, appropriately in order to bring policy makers in a position to decide.
- Regarding the Background Paper, Germany repeats its criticism on the sectoral and methodological approach. Germany also mentions that some researcher disagreed with Smith' assumption that most damages below a 3 degree rise in GMT are marginal (Leemans on biodiversity; Parry on agriculture and water). Germany thinks that the suggested threshold of 3-4 degree of temperature rise is too high and suggest research for a lower threshold of 1-3 degree rise in GMT.

### 2. Governmental representation:

Only a few governmental representatives had a chance to present their views on the issues. All in all del's seemed to be reluctant to join the discussion. There was concern about the recognized gap between the current scientific debate and the present need of policy makers in the framework of the ongoing climate negotiation process. Dennis Tirpak (UNFCCC-Secretariat) confirmed that

damages caused by global warming have not yet played an important role. But the political sensitivity of this subject can be foreseen by the already raised question „Who shall pay the damages ?“.

### **3. Munich Re data:**

- The German proposal to acknowledge Munich Re's data on extreme weather events costs could not provoke any positive reaction. Most researchers did not want to relate extreme events to climate change, even in bilateral conversations. Only Schellnhuber tried to bridge to the "Century of Floods".

### **4. Socio-economic impacts of climate change:**

- With the exception of Stephen Schneider, socio-economic impacts such as migration and conflicts, were not discussed.

### **5. Non-related presentations**

- Germany criticises that too many presentation were not related to the workshop objectives (in particular Rotmans', Richels').

### **6. Support for Parry's IPCC work proposal:**

- Germany supports the proposed "three dimensions" by Martin Parry:
  1. "cost of mitigation: costs of stabilising CO<sub>2</sub> concentrations";
  2. "cost of avoided damages (benefits)";
  3. "adaptation costs"
- In particular Germany supports the indicator "Millions at Risk" in addition to monetarised indicators. This indicator seems to be suitable to describe the four most important vulnerabilities such as water shortages, health risks by malaria affected people, famine and floods.

### **7. Questionable assumptions:**

- E.g. Mitigation will in general reduce economic growth (Yohe), Industrial countries will not experience climatic damages rising wealth of developing countries will make them less vulnerable to climate change (Tol).
- Positive remarks on Madlener/Jochem's presentation; the German examples (e.g. employment) were appreciated.

### **8. Future OECD work:**

- OECD will prepare a Workshop Summary Report with first policy conclusions (though Germany believes that there is a need to discuss those).
- Establishment of a web page with all documents.
- German representative felt the OECD conclusions were too encyclopaedic in order to lead to final conclusions.
- Germany supports further evaluation of different costs categories and the establishment of statistical material; however, cost-benefits data of the insurance sector on extreme weather events have to be taken into consideration even if the damages cannot be linked in any verifiable quantified share to actual global warming impacts (This situation will be the same in 10 years, 20 years etc.).
- Germany suggests three areas for future work for meeting the advisory needs of policy makers:
  1. Impacts due to low change in temperature (1-3 degree GMT rise);
  2. Regional focussed and time scaled impact information;

3. Regional disaggregated impact assessments for the most vulnerable sectors. OECD should check its capacities for substantial contributions, in particular on the socio-economic issues.

- In addition Germany believes that there is a need for work on "climate-policy communication" (reasoning the need for mitigation and adaptation measures, policy reactions on obvious impacts and their handling, regional and sectoral cost-benefits considerations).