

## Dealing with THE GLOBAL CLIMATE CHANGE CHALLENGE



*How can we attain the level of international cooperation, particularly between the developed and developing world, which will enable us to meet the challenge of climate change?*

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We have heard a lot about the problems, and broad-brushed where we need to go. Coming from an environment economics background, I believe that we need a three-pronged approach. The three prongs – the economic crisis, environmental issues, and emphasis on energy – can be bundled and fixed together.

The IPCC report says that 85% of the money needed for the infrastructure to counter global warming will have to come from private investors. Copenhagen might have to serve as a signalling mechanism. It needs to give the world, individual citizens and the private and public sectors the understanding that people in high positions are going to have to work together.

We have spoken a lot about developing nations. But think about Hurricane Katrina. It is important to consider that in the USA we have very poor people whom did not have the means and resources to deal

with that crisis, and years later still don't.

Recently I have been meeting many people in the insurance and reinsurance markets. They are discussing starting micro-insurance schemes – the flip side of microcredit – whereby NGOs and private investors invest in very small-scale insurance for people who are disadvantaged in developed and developing nations, though primarily developing. I would like to hear how realistic people think this is. It works within a framework we are historically comfortable with, but changes it just enough to make it a possible solution for immediate resilience in the face of a crisis. We have things that need to be done now and maybe this means that we need to stay within a model that we are comfortable with in the short-term, while continuing to improve the framework to better reflect the long-term realities of climate change.