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PRESS RELEASE

UNFCCC Executive Secretary: unwarranted fear of economic hardship the root cause for inaction on climate change

(New Delhi, 22 January 2007) – According to the United Nations' top climate change official, a lack of global leadership on climate change is seriously hampering efforts to combat global warming.

Speaking at this year's Delhi Sustainable Development Summit, the Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC), Yvo de Boer, said that an unwarranted fear of economic hardship was the root cause for inaction.

"Industrialized countries fear unwillingness on the part of their developing country competitors to act and are therefore reluctant to take the first step themselves. Developing countries fear that a new round of climate negotiations would impose on them obligations that would hurt their economic goals," he said.

According to Mr. de Boer, the key to the climate change problem is to provide incentives for economies to grow along a greener path, and to put in place mechanisms to ensure that resources required to green the growth are available.

He pointed to India as an example of a country which is already successfully making use of such incentives.

"India is showing that economic growth and climate protection are far from being mutually exclusive. The country already has 155 registered CDM projects, with another 400 projects in the pipeline," he said.

The Kyoto Protocol's CDM (clean development mechanism) aims at enhancing sustainable development by allowing industrialized countries to generate emission credits or allowances through investment in emission reductions projects in developing countries.

India's CDM projects range from a biomass plant in Rajasthan to a wind power plant in Karnataka. They are expected to generate about 300 million certified emissions reductions (CERs) by the end of 2012. Each CER represents a tonne of carbon dioxide equivalent which can be traded on the international carbon market.



Since 2005, the estimated potential of emission reductions to be delivered by the CDM pipeline has grown twelve-fold to more than 1.5 billion tonnes – equivalent to the combined emissions of Australia, Canada and the Netherlands.

“Whilst it is clear that the CDM is working in India, it is also clear that more of these incentives are needed to have to have a significant impact on protecting the world’s climate,” Mr. de Boer added.

Recent scientific findings suggest that much deeper emission cuts are required than the average of 5% of the 1990 emissions of industrialized countries agreed under the Kyoto Protocol, with the European Commission calling for reductions on the order of 60-80% by mid century.

Under the UNFCCC, talks and negotiations are under way which need to result in a “global compact” to fight climate change, according to Mr. de Boer.

Such an agreement would channel green investment into the rapidly growing economies of the developing world, several of which, like India, are set to overtake developed countries within the next decades.

Meanwhile, the business community is calling for the assurance that there will be continuity for the existing carbon market beyond 2012 - the year the first commitment period of the Kyoto Protocol expires.

“A post 2012 agreement is needed as soon as possible” said Mr. de Boer. “There would be a significant risk for the value of carbon beyond 2012 without a long term provision for the carbon market. Industrialized countries need to take the lead on this,” he added.

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