



**Climate Change and Sustainable Development:
an international workshop to strengthen research and understanding**

New Delhi, 7 April 2006

**Keynote speech
by Richard Kinley, Officer-in-Charge, UNFCCC**

It is a genuine pleasure for me to be here today. In addition to sharing some ideas on a subject that is dear to my heart, it is a chance to come back to New Delhi, my first opportunity since the 8th Conference of the Parties in 2002. The adoption of the Delhi Declaration on Climate Change and Sustainable Development at COP 8 could be considered as an inspirational foundation for today's discussions.

Many of us have been waiting expectantly for this year's discussion in the Commission on Sustainable Development on Energy for Sustainable Development; Industrial Development; Air pollution/Atmosphere; and Climate Change. The four topics are inextricably linked and at the core of sustainable development strategies. I hope that the results of this workshop will be an important intellectual input to CSD 14 and will help to push the discussions at the session to concrete and substantive conclusions.

Sustainable development emerged as a unifying concept in international relations almost 20 years ago with the publication of the report of the Brundtland Commission. Since then, and especially because of the Rio principles and Agenda 21 and the World Summit on Sustainable Development, sustainable development has won almost universal acceptance as a principle. Implementation has begun but I dare say that the Brundtland Commissioners and many Rio delegates must be somewhat disappointed at the limited progress made on the ground in almost two decades.

The greatest challenge in this 20 year odyssey is posed by global climate change. Climate change has traditionally been characterised as an environmental issue. I feel that this is a fundamental misperception. Rather, climate change is the ultimate sustainable development issue. I remember my former boss, Liz Dowdeswell, always liked to describe the Framework Convention on Climate Change as the first international sustainable development agreement. Why is that?

The climate change we face today arises from the accumulated results of two centuries of unsustainable development - unsustainable industrial development, unsustainable energy production, unsustainable land use, unsustainable lifestyles and consumption patterns. In short, from use of the global atmosphere as a free good without consideration of the consequences for the environment, the economy or future generations. Meanwhile billions of people live in poverty and are seeking the better life to which they are entitled, often through repeating yesteryear's mistakes.

Concentrations of greenhouse gases in the atmosphere today are 33 per cent higher than pre-industrial levels, and annual rates of increase have never been higher. Global emissions of greenhouse gases are rising. This is clearly not sustainable.

On a positive note, scientific knowledge about climate change is advancing rapidly. Significant new studies seem to emerge on a weekly basis. The scientific consensus on the cause and nature of the problem is firming up to a remarkable degree. Climate change policy makers are very much looking forward to the Fourth Assessment Report of the IPCC which is being prepared under the able leadership of our host today, Dr. Pachauri.

The impacts of climate change are increasingly being felt, and acknowledged as such. These impacts - whether sea level rise, melting ice caps and glaciers (not to mention the Arctic), severe weather events, drought, flooding, warming - will affect every aspect of society and economic life. The human and economic dislocations that can be anticipated are (to mix my metaphors) chilling. And it will be the poor who are hardest hit, and least able to adapt. In the last year, I feel that a major threshold has been crossed as public opinion at the global level has come to the conclusion that yes, the climate is changing and humanity is not only the cause of this change but is about to face a major problem due to the consequences.

One often hears of feedback effects in discussing the science of climate change. But there is another feedback effect - unsustainable development leads to climate change impacts which further exacerbate unsustainable development.

But more fundamentally, achievement of the key development goal of poverty reduction can not be considered in isolation from the climate change problem. One might even argue that climate change and its impacts put achieving this goal in jeopardy. Thus, dealing with climate change is a precondition for sustainable development.

I would like to suggest today that in addition to being a precondition, dealing with climate change can also be the driving force for making sustainable development a reality. No other so-called environmental issue captures public imagination and political agendas in a way comparable to climate change. Most importantly the human and economic consequences of not dealing with climate change are beginning to be understood and found to be alarming. In this way, it may be the driver which forces the world community to get serious about sustainable development and move from “principle” to “implementation”. The costs of not doing so are too high. Technologies and policies which take climate change into account can also have significant economic, environmental and health co-benefits.

I want to touch on the three other themes of CSD 14 and their relationship to climate change. First, energy. About 70 per cent of greenhouse gas emissions come from the production and consumption of energy. Thus, the energy sector has to be at the centre of any climate change strategy, and any sustainable development strategy. The recipes are well-known - conservation, renewables, fuel switching, deployment and transfer of existing technologies and development of new ones.

But what is most distressing is that despite the energy sector's contribution to the climate change problem, there are still 1.6 billion people who do not have access to electricity, and 2.4 billion people who rely on traditional biomass for cooking. Energy is a prerequisite for economic development. The prosperity that economic development brings, in turn, stimulates demand for more and better energy services. The challenge is to reconcile economic development priorities and the need to address climate change by reducing GHG emissions - in other words, to provide the people of the world with clean energy.

According to the International Energy Agency, the total energy investment, including energy supply infrastructure, over the period 2001-2030 will be \$16 trillion USD. Two thirds of the increase in global energy demand will come from developing countries. Unless something is done, fossil fuels will continue to dominate the global energy mix, meeting most of the increase in overall energy use, and leading to further increases in emissions. How to facilitate these investments in climate-friendly technologies, particularly in developing countries, is the biggest test for public policy. The scale of the challenge is imposing, with many leaders and commentators now thinking that the world has perhaps 20 years to come to grips with the climate change challenge. Remember, this is virtually the same number of years that have passed since the release of the Brundtland Commission report.

The imperative becomes avoiding locking the world into energy choices with 50 year time horizons that will inexorably push the world toward climate changes of unprecedented proportions, and demands for adaptation that simply cannot be met. Many countries have recognized energy security as a vital concern. The options for addressing this concern provide historic opportunity of a fundamental shift towards sustainable energy systems that also take account of the limited carrying capacity of the atmosphere. What is needed is to combine the objective of energy security with climate security!

Industrial development presents a somewhat more promising picture. The potential for emission reductions in industry is very high; in fact, significant gains have been made in many countries over the last 2 decades. Greenhouse gas emissions from industrial processes decreased by 10 per cent from 1990 to 2003 in Annex I countries. Improvements in GHG intensity have also been impressive. One can hope for more with the introduction of the carbon market providing an additional incentive for efficiency. Major efforts, however, are required to get the technologies into much wider use in all parts of the world.

The final CSD theme, the atmosphere and air pollution, is also fundamentally linked to climate change. Progress in dealing with the critical problems of local air pollution that afflict many cities, with the associated health effects, will also lead to progress in reducing greenhouse gas emissions. This is one of the major win-win dynamics that must be exploited, and which is increasingly being advanced in many countries.

The primary responsibility for action to address climate change, and to promote sustainable development, resides at the national level, shared between governments, industry and citizens. However, the scale of the problem is such that it is unthinkable that long-term progress can be made without an effective international

cooperation regime. The beginnings exist in the form of the Framework Convention, and its Kyoto Protocol - the institutions, the reporting and review systems, the inventories, the financial mechanism and other funds, and so on.

The Kyoto Protocol has created a new commodity - carbon - and has opened up a completely new market in tradable carbon allowances. This development has to be seen as a central and potentially radical contributor to sustainable development. The innovative market-based mechanisms of the Kyoto Protocol allow developed countries to fulfil their emission commitments abroad, by investing in sustainable development in developing countries.

The Clean Development Mechanism has seen exponential growth since the Kyoto Protocol came into effect in 2005. At the end of last year, only a few dozen projects had been registered. As of yesterday, the number of registered projects was 150 many of which are implemented here in India. Over 500 projects are in the pipeline. These include a wide range of projects, from small hydro power stations and landfill gas capture, to electricity production from biomass and wind farms. The currently registered CDM projects are expected to generate some 340 million tonnes of certified emission reductions by 2012, roughly equivalent to the annual greenhouse gas emissions in 2003 of the Netherlands, Sweden and Slovakia taken together. When you include projects in the pipeline, the estimate jumps to over 800 million tonnes of emissions reduced - about the size of the annual emissions in 2003 of Canada and Switzerland combined.

So, the world faces a situation of rising greenhouse gas emissions, increasing impacts of climate change, growing public concern, and a Kyoto regime which will lapse in 2012. The outcomes of the Montreal Climate Change Conference offer some positive indicators of progress. Governments agreed in Montreal to open discussions on two tracks: negotiations of the commitments for industrialised countries that are Party to the Kyoto Protocol beyond 2012; and a global dialogue process in which all countries will participate. The Dialogue will provide a forum for the international community to agree on the best way to bring global emissions down, and to adapt to climate change. Sustainable development issues are central to the Dialogue, and will also feature in the discussions of the future commitments of industrialised countries.

It is my hope that through these processes, a global consensus will re-emerge on the way forward, like the ones that prevailed before the negotiation of the Framework Convention and before the Kyoto Protocol.

Climate change is the biggest sustainable development challenge. But solutions to climate change are also a vehicle for addressing many sustainable development concerns. Every opportunity, including CSD 14, should be fully used to promote real action. We cannot afford to spend another 20 years in theoretical debates and political negotiations. It is time to act, and we have all the policy instruments we need to do so in front of us.

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