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**The World Bank Group Energy Week  
“Energy, Development and Climate Change”  
Washington, 31 March – 2 April 2009**

**Address by Yvo de Boer, Executive Secretary  
United Nations Framework Convention on Climate Change**

Ministers, excellencies, ladies and gentlemen,

I am pleased to address you at this important event via video link from Bonn, where the first Climate Change Talks of 2009 have just started.

I want to express my gratitude to Kathy Sierra and the World Bank for making the Energy Week possible with this specific topic, because if we craft an agreement that insufficiently addresses developing countries’ energy concerns, we will have failed.

The Secretary-General of the United Nations has termed this year the “year of climate change”. The reason is obvious: Copenhagen. December. 2009.

Copenhagen 2009 will be the moment in history in which humanity has the opportunity to rise to the challenge and deal decisively with climate change.

It is beyond the shadow of doubt that greenhouse gas emissions have to be radically reduced to keep climate change from sliding into climate chaos. Science tells us that to avoid the most catastrophic impacts of climate change, emission reductions of -50 to -80% by 2050 are needed, and that emissions need to peak in the next 10 - 15 years.

The critical question is: How to do this, when the world depends on unsustainable, climate-unfriendly energy use to power its economies? Another critical question is: How can the global energy supply gap be overcome in a way that does not spur climate change?

According to the IEA, huge investments of over USD 26 trillion are projected for the world's energy infrastructure, with more than half of that in developing countries. We all know that energy is crucial for all aspects of development. Energy impoverishment keeps developing countries locked in poverty. In all of sub-Saharan Africa, excluding South Africa, only 28 GW is generated every year, and needs clearly exceed supply.

There is also low access to power for African businesses, households and public facilities. Of Sub-Sahara's 500 million people, only 24% have access – compared to 54% in South Asia and 90% in East Asia, Latin America and the Middle East and North Africa. Billions of people go about their daily lives without access to reliable energy services, and many millions find their health threatened because they rely on traditional fuels.

***There is a glaring need to bring power to the people.***

Given climate change, there is an even greater need to bring clean power to the people. The upcoming investments into energy infrastructures have to be directed into climate-friendly options. We cannot realize the 45% increase in energy demand that the IEA projects for 2030 in a conventional way without running our planet, our people and our prosperity into the ground.

For the past years, the international community has been aware of the fact that the current model for energy production and use is nearing its end. The financial crisis and many countries' responses to the crisis have driven this fact home even harder.

Through their economic stimulus packages, China, the EU and the US are beginning to redirect energy policies into a greener future. Linking economic recovery to ambitious climate change policies is an encouraging first step into a new energy era. Today's high-emissions global economy needs to be transformed to low-emissions, and for that the transformation of energy systems needs to be initiated.

It is critical that economic recovery packages direct a substantial share of resources into new energy systems and environmentally sound technologies to avoid technological lock-in effects. The challenge now is **how** a serious Copenhagen outcome can be used to help energy-impooverished countries turn a fundamental corner.

*And broadly speaking, how can a serious Copenhagen outcome help a new clean energy era to establish itself globally?*

A serious Copenhagen outcome will reflect clarity on four key political prerequisites, which need to be resolved during the course of this year in the run-up to Copenhagen.

**The first political prerequisite relates to targets for industrialized countries.**

Obviously, ambitious mid-term emission reduction targets for industrialized countries is a make-or-break prerequisite. Developing countries are calling on industrialized countries to show leadership in reducing emissions, given their historical responsibility.

A number of industrialized countries have announced targets for 2020, and others are in the process of setting theirs.

**The second political prerequisite relates to actions by major developing countries.**

Gaining clarity on nationally appropriate mitigation actions - NAMAs - is just as important as gaining clarity on the level of ambition of industrialized countries. Many developing countries are already implementing climate change mitigation actions, and many have climate change strategies in place.

In Bali, developing countries indicated that they are willing to undertake additional measurable, reportable and verifiable mitigation actions, provided they get the promised measurable, reportable and verifiable support from industrialized countries.

NAMAs need to contribute to developing countries' sustainable development goals and boost their economic growth. NAMAs need to be a central element in developing countries' moves towards a sustainable energy future.

The scope and scale of NAMAs has not yet been defined by the negotiations. But judging from Parties' proposals, they could include anything from voluntary renewable energy targets, to boosting energy efficiency standards, to deforestation projects, provided that international support is available and the additional mitigation benefit can be measured, reported and verified. Your ideas in this area would be very valuable. Developing countries need to begin identifying what mitigation activities could be subject to international funding. This would be especially important for NAMAs in the context of energy supply.

We all know that technological lock-in effects in the energy sector have to be prevented. Speedy clarification on both the definition of NAMAs, as well as their measurement, reporting and verification, could mean that developing countries could utilize NAMAs to boost sustainable energy as of 2012. This would ensure that NAMAs are a key tool to help developing countries enter a clean energy era.

NAMAs will depend on the effective delivery of finance and technology through international cooperative action. The negotiations are in the process of clarifying how best to match the financial support and the mitigation action, possibly under a NAMA registry under the UNFCCC.

An additional question is: Could investing in NAMAs of developing countries also count towards meeting targets in industrialized countries, and could this somehow be linked to the carbon market? This would entail linking to both the targets and the financial commitments of industrialized countries.

**The third political essential relates to generating support.**

In order to succeed, Copenhagen needs to mobilize very significant financial resources to assist developing countries in their additional mitigation actions. Significant new, additional

and predictable financial resources also have to be mobilized to unleash adaptation action in developing countries.

Significant public funding is essential. Multilateral and bilateral sources of funding represent an important option for mobilizing funding. Yet here it is critical that these are new and additional resources, as opposed to repackaged ODA. However, such public sources are unlikely to provide the type of support that would be sufficient to meet all the needs for both mitigation and adaptation.

The carbon market is another viable option. The more ambitious the emission reduction targets of industrialized countries, the higher the amount of financial flows mobilized through the carbon market.

The Kyoto Protocol's clean development mechanism is an established architecture. The CDM currently has over 1400 registered projects in 53 countries. An estimated 33% of all projects transfer both technology and knowledge to developing countries. A 2% levy on CDM projects feeds the Adaptation Fund.

The way has recently been cleared for a wide array of new projects in energy efficiency and renewable energy to be included under the CDM. Copenhagen needs to clarify how the CDM can be expanded and improved. Work on this has already begun by the Executive Board of the CDM.

The carbon market has the potential to secure a significant amount of predictable financial flows to developing countries. In times of economic uncertainty, the world needs to seize the opportunity of generating a large amount of the required finances from within the climate change regime.

At the same time, the carbon market is unlikely to cover all financing needs. It will be important to create a mix of financial instruments with effective disbursement mechanisms. Parties are working hard to achieve clarity on financing so that Copenhagen can indeed mobilize sustained and predictable resources.

**The fourth political essential relates to governance of the resources.**

It is critical that governance structures are founded in equity, and respect the interests of developing countries.

***Whatever the agreed outcome, Copenhagen will impact the work of international financial institutions.***

For international financial institutions, the key challenge over the coming months is to demonstrate that institutions like the multilateral banks stand ready to implement actions in developing countries within frameworks created by the Conference of the Parties to the UNFCCC.

For example, multilateral banks could demonstrate how to provide basic capacity to developing countries to integrate mitigation and adaptation into their national strategies. This could entail tailoring the means for climate-friendly or climate-resilient action to obtain funds from the financial architecture.

***Copenhagen has the potential to move the world towards a sustainable future.***

But, as you see, much work still needs to be done before ambitious, cooperative international climate policy can make a significant contribution towards bringing power to the billion people in developing countries who need it so desperately to better their economic prospects and their quality of life.

Economic stimulus packages put together to address the urgent economic problems can help the transformation that the world needs. It is essential that spending on energy goes towards low-emissions energy infrastructures to avoid locking the world into unsustainable patterns of growth.

I am confident that Copenhagen will do much to propel the world into a new clean energy era. With NAMAs, and with effective and efficient governance structures in place that

respond directly to developing countries' needs, bringing clean power to the people can become a central mitigation activity over the next years.

Thank you

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