Press Release

Greenhouse gas cuts are economically feasible, say UN officials

Bonn/Nairobi, 28 February 2001 – As diplomats and experts converge on Accra, Ghana to finalize a major assessment of the technology and policy options for reducing greenhouse gas emissions, senior United Nations officials are calling on governments to recognize the economic and competitive benefits of making an early transition to climate-friendly economies.

"There is now no question that human-induced climate change is happening and poses serious risks. So responsible governments must bite the bullet and commit to reducing and limiting emissions of greenhouse gases," said Michael Zammit Cutajar, Executive Secretary of the UN Climate Change Convention.

"I am convinced that the turn-around in global emissions can be achieved over time through cost-effective policies and 21st century technologies that will benefit economic growth and sustainable development. Developed countries must take a convincing lead in demonstrating these opportunities. The Kyoto Protocol, on which negotiations will resume soon, seeks to start this movement," he said.

The Accra meeting will finalize the third and final solutions-oriented volume of the Intergovernmental Panel on Climate Change's Third Assessment Report. The first two volumes of this report – which assess the causes and impacts of climate change – have already been completed.

"The potential for rapid technology innovation leading to clean energy and other climate change solutions is clearly extraordinary," said Klaus Töpfer, Executive Director of the United Nations Environment Programme. "Governments need to unleash this potential by giving the private sector the signals and incentives it needs. They also need to remove the economic, legal, behavioral and institutional barriers that can discourage consumers and companies from exploiting climate-friendly technologies."

Established in 1988 by UNEP and the World Meteorological Organization, the Intergovernmental Panel on Climate Change is now refining a Policymakers Summary that will present the 1,000 pages of technical findings about emissions-reduction options to a broader audience.

Much of the economics and other climate change research literature of recent years has addressed how the costs of climate change policies could be minimized through "no regrets" strategies. Such strategies make economic and environmental sense whether or not the world is moving towards rapid climate change. The literature shows that a substantial range of technically feasible and cost-effective policies and measures for reducing emissions are available today.

For example, raising energy efficiency not only reduces greenhouse gas emissions but can make industries and countries more competitive in international markets. Furthermore, while no-

regrets policies are certainly justified, the precautionary principle and the level of net damage expected from climate change justify adopting policies that go beyond no regrets.

Many cost-effective policies involve sending the appropriate economic and regulatory signals to national markets. Policies to reduce price distortions and subsidies can increase the efficiency of energy, transport, agricultural, and other markets. Consistent and appropriate signals will encourage research and give producers and consumers the information they need to adapt to future constraints on greenhouse gas emissions.

Market-based incentives such as deposit-refund systems can encourage people to trade-in their cars and appliances for more energy-efficient models. Technology and performance standards can reward manufacturers for selling climate-friendly goods, or penalize those who do not. Targeted subsidies, voluntary agreements linked to appropriate targets, and direct government investment can also be cost-effective in shaping the behavior of both consumers and producers.

The energy sector has many options for making early emissions reductions. Leaks and spills during the extraction and transport of fossil fuels can be minimized, fiscal and tax policies can encourage the early introduction of new technologies, the conversion efficiency of electric power plants can be raised, and power-plant emissions can be reduced by switching to less carbon-intensive fuels. Since the world's commercial energy system will be replaced at least twice by the year 2100 due to natural turnover of equipment, there will be many cost-effective opportunities for making this system more climate friendly.

The transport sector is also a major – and rapidly growing – source of greenhouse gas emissions. New technologies can increase the efficiency of automobiles and reduce emissions per kilometer traveled. New materials and designs can reduce a vehicle's mass and increase the efficiency at which it converts energy, thus lowering the amount of energy required to move it. With improved transmission designs, engines can operate closer to their optimal speed and load conditions.

The feasibility of operating vehicles on fuels other than gasoline has been demonstrated in many countries, and renewable energy technologies are becoming more and more competitive. Emissions can be further cut through changes in maintenance and operating practices. Policies to reduce road traffic congestion can save both emissions and costs, and urban planners can encourage low-emissions transport. Policies to reduce air traffic congestion can also cut emissions while improving safety.

For their part, developing countries will need access to climate-friendly technologies if they are to establish a low-emissions industrial infrastructure. Technology can be transferred through several different channels. The traditional channel has been bilateral and multilateral development assistance in the form of grants, export credits, insurance, and other trade support. Incorporating climate change considerations into the programmes of national development offices and multilateral development banks would greatly increase the transfer of low-emissions technologies.

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