Statement to the 11th Conference of the Parties to the UNFCCC
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Mr. President, Excellencies:

Thank you for the opportunity to address the Eleventh Conference of the Parties and first meeting of the Parties to the Kyoto Protocol, on behalf of the International Energy Agency.

World energy-related CO_2 emissions are 20.5 per cent above their 1990 levels as of 2003. Emissions increased by one billion tonnes of CO_2 in that year alone. The IEA World Energy Outlook 2005 indicates a 50 percent increase in emissions by 2030, if we limit our efforts to policies implemented today. This is not acceptable. We must put ourselves on a sustainable path, from both a climate and an energy perspective.

The energy Ministers of IEA countries recognise this challenge. At their meeting this year, they emphasised that we are not bound to any "business as usual" energy future. We need a robust strategy to address the multiple challenges of the energy sector, including an urgent response to the rise in global CO_2 emissions. This is really about finding a strategy to transform the world's energy systems.

To be robust and acceptable to all stakeholders, such a strategy must be least-cost. Emissions trading mechanisms, such as those of the Protocol, are guiding energy decisions towards lower CO_2 emissions. There is now a price to pay for emitting greenhouse gases for the many entities covered by emissions trading systems. This is a powerful incentive to save energy, switch fuels, and develop climate-friendly technologies – and our analyses indicate ways to broaden its reach. A more efficient and effective CDM is necessary to fully deliver on its promise of emissions reductions and sustainable development. In that context, we welcome the possibility to credit reductions on the basis of programmes.

But these are not the only policies that countries can pursue. It is also urgent to promote energy efficiency improvements more aggressively. IEA analyses shows that the potential energy and financial savings are considerable, but they require the right policies to be implemented. Energy efficiency will deliver not only significant emissions reduction, but also strong economic growth and energy security. Strong energy efficiency measures will buy time, while lower and zero-emitting technologies are developed and made cost effective. The time to pursue energy efficiency is now.

Technology development is also urgent. Our recent work suggests that zero-emitting energy supply systems are not just around the corner. Much more R&D and large-scale demonstration projects are needed to bring technologies like CO_2 capture and storage, nuclear, renewables, or CO_2-free hydrogen and fuel cells to the market. There is no silver bullet; in fact it is clear that a range of new technologies will be needed if we are to meet our climate and energy objectives at an affordable cost.

This year, the IEA has received a new mandate from the G8 leaders. At Gleneagles, the G8 launched a dialogue, open to developing countries, on climate change, clean energy and sustainable development. We have been tasked with advising the dialogue on alternative energy scenarios and strategies, on best policy practice in energy efficiency in industry, buildings, appliances and transport. Our tasks also cover clean coal technologies, renewables, and enhancing international co-operation on R&D towards cleaner energy systems. We intend to reach beyond industrialised countries to developing countries and other stakeholders in preparing our response to the Gleneagles Plan of Action.

In the last few months, the IEA was put to the test as hurricanes Katrina and Rita disrupted global oil supply. The Agency delivered on its original mandate: we coordinated the release of oil stocks and relieved the market pressure caused by the hurricanes.

Mr. President, Excellencies, the G8 is now asking the IEA to identify practical solutions to climate change, for developed and developing countries. Likewise, we will do everything we can to deliver on this challenge.