



**Major economies meeting on climate change and energy security  
Washington, 27-28 September 2007**

**Address on behalf of the Secretary General of the United Nations  
by Yvo de Boer, Executive Secretary**

Honourable Secretary Rice, Special Representative of the President of the United States Connaughton, distinguished guests, ladies and gentlemen,

It is an honour for me to address you on behalf of the Secretary-General of the United Nations.

We have come here from New York, where the Secretary-General convened the High Level Event on Climate Change. The event concluded with a clear call from 80 Heads of State and Government for a breakthrough at the United Nations Climate Change Conference to be held in Bali in December this year. World leaders called for a comprehensive and inclusive process on the future to be launched in Bali and for a new framework to be in place by 2009.

This major economies meeting will deliver a detailed contribution to the climate change process under the UNFCCC. This involves 2 questions:

1. What constitutes a meaningful contribution? and
2. How will it support the UN Climate Change Conference in Bali?

While I will focus on the first question, let me quickly touch upon the second one.

The United Nations Climate Change Conference in Bali has to provide the political answers to what the Intergovernmental Panel on Climate Change has been telling us. Bali will have to set out the negotiating agenda for the next 2 years. It needs to lay out the building blocks needed for a post-2012 framework and establish the process to work on these.

Back to the first question: What constitutes a meaningful contribution?

The economic cost of delayed and fragmented action will by far exceed the economic cost of taking early, strong and concerted action. Strong action on climate change is necessary to avoid the dramatic consequences of accelerated environmental deterioration and the societal consequences, particularly for the poorest and most vulnerable.

There is a need for real action that measures up to what science is telling us. Such action would constitute a successful initiative, if it also safeguards economic growth and the attainment of development objectives.



What will that entail, what is needed? I would like to mention five points:

1. A long-term goal - also on your agenda

According to the scenario for the lowest stabilization level assessed by the IPCC, a long term goal in line with the latest science would include a peak in emissions in the next 10 - 15 years and a decline of emissions by 50% over 2000 levels by 2050. This would stabilise emissions at around 450 parts per million CO<sub>2</sub>eq in the atmosphere and correspond to a 2 - 2.4°C rise in temperatures.

A long-term global goal to reduce emissions will only be successful if it gives substance to the ultimate objective of the United Nations Framework Convention on Climate Change.

2. Specific intermediary steps for industrialised countries

The level of ambition involves the following considerations.

A response to climate change can only be successful if it entails industrialised countries continuing to take the lead in emission reductions, and going well beyond present efforts, given their historic responsibility and their economic capabilities.

Under the Kyoto Protocol, industrialised countries committed to reductions of about 5% over 1990 levels. The Kyoto Protocol has always been regarded as an important, yet modest first step in climate change abatement. Well beyond objectives in place at the moment, the EU announced a reduction of 20% by 2020 and is prepared to reduce emissions by 30% if others follow suit.

At the recent Vienna Climate Change Talks 2007, Parties to the Kyoto Protocol agreed to work based on a range of emission reduction objectives of Annex I Parties of 25-40 per cent below 1990, which is in line with the most stringent IPCC scenario referred to above. This range will be used as a reference for future work.

The intermediary steps also have to be in line with the time-frame that science shows. Furthermore, they have to be reportable through established reporting mechanisms under the UNFCCC. For this, reporting mechanisms may need to be expanded. It is essential that intermediary steps are subject to compliance and monitoring.

The necessary level of ambition can be achieved by linking the highest number of countries through comparable commitments. The alignment of national initiatives may be helpful in this regard.

A flexible and expanded carbon market will help deliver cost-effective results. It will also help to green economic growth in developing countries, if it builds upon and expands on the Clean Development Mechanism (CDM). Other carbon pricing signals, such as taxes, will also help foster action by the private sector.

Sectoral approaches, especially in sectors that stand out, such as energy and transport, would be critical for the medium term. Many of the measures and policies that Parties to the UNFCCC and Kyoto Protocol adopted aim to add and integrate climate change elements into existing sectoral policy and institutional frameworks. This needs to be expanded and can contribute to engaging industrial sectors in a harmonised way in order to bring about the necessary market transformation.



In addition, carbon sinks can play a major role, not only to mitigate emissions but also to strengthen societal resilience to climate change. Sustainable land management is not only an efficient mitigation approach but is also effective for adaptation and poverty reduction.

Technological solutions and related collective action should be in line with the UNFCCC's work. Technology is at the heart of the solution and a major push is needed to strengthen technology cooperation and to make existing and new climate-friendly technologies commercially available. Successful deliberations enabling this could indeed deliver a key building block to a climate change deal post-2012 and contribute to a large part of the solution.

### 3. Further engagement by developing countries

Further engagement by developing countries, particularly those whose emissions already, or will in the near future, significantly contribute to atmospheric concentrations.

Voluntary sectoral targets could be one option to move forward. For developing countries, a pledge and review process may indeed be the way forward. Further engagement by developing countries needs to be underpinned by synergies between sustainable development, climate and energy goals. Developing countries may need incentives to limit emissions with green investment being channelled into the rapidly growing economies. The carbon market already provides important incentives for this.

A successful response to climate change that involves developing countries in a meaningful way must involve three points:

1. Be based on global sustainable development pathways that mitigate and reduce vulnerability to climate change impacts.
2. Inclusively involve all developing countries to open up the opportunity to enhance sustainable development on a broad scale.
3. Respect the principle of common but differentiated responsibilities and capabilities.

Overall, mitigation action needs to ensure that the aggregate result of mitigation initiatives is commensurate with the challenge of maintaining climate security.

### 4. Adaptation

A successful climate change deal post-2012 needs to deliver on adaptation and its funding, thereby delivering on the concerns of those most affected by climate change, especially Least Developed Countries and Small Island Developing States. Countries that are will be affected the most by climate change are often those with the lowest capacity to cope with the impacts. Given the magnitude and complexity of the adaptation challenge, capacity development at an unprecedented scale is required and funding for this has to be ensured.

To be successful, the response to climate change must deliver a sustained and sufficiently funded adaptation strategy, specifically for the most vulnerable countries/communities. The Clean Development Mechanism's Adaptation Fund will generate real funding for adaptation, but overall adaptation funding needs to be scaled up, specifically to avoid piecemeal and ad hoc funding. A reliable mechanism is needed, e.g. the share of proceeds of traded emissions.

A successful response must directly involve Small Island Developing States and Least Developed Countries in the response, given that they will disproportionately bear the brunt of climate change impacts.



## 5. Financing the response to climate change

In 2030, it is estimated that up to 86% of financial and investment flows will come from the private sector. Enabling these flows to be directed into climate-friendly and climate-proof investments is key to success.

Mitigation measures needed to return global greenhouse gas emissions to current levels by 2030 require additional investment and financial flows of between USD 200-210 billion in 2030.

For adaptation, additional investment and financial flows needed for in 2030 amount to several billions of USD.

The carbon market has put in place structures for public-private action. Expanded structures for public-private action would be an important contribution to enhance investment and financial flows to address climate change in the future.

Next to expanding the carbon market, action on optimising and shifting public and private investment flows to more climate-friendly and climate-proof investments is critical for movement on financing the response to climate change.

## 6. A response to climate change will only be successful, if it delivers on these points.

1. It needs to be inclusive, cooperative, global and embedded in sustainable development. It needs to accord equal importance to both adaptation and mitigation, and include technology as a key component of the solution.
2. An effective future multilateral framework must involve strong commitments by industrialised countries, enhanced engagement of developing countries and the proactive involvement of the private sector.
3. It needs to respect the principle of common but differentiated responsibilities and capabilities.
4. It is good to bring the major economies together because this relatively small group of countries holds the key to tackling a big part of the problem.

Delivering in these points will be a yardstick to measure the success of this initiative.

Thank you