



## **IEA Governing Board at Ministerial Level**

**Paris, 15 October 2009**

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

Global action to avoid the worst impacts of climate change is not only inevitable, it also represents the best opportunity we have to set the human economy on a sustainable path away from the distortions of the past.

Energy ministries are at the centre of the decision-making that will lead us to this future. In this context, it gives me great pleasure to welcome the early launch of the IEA's Special Early Excerpt of the new World Energy Outlook 2009 (WEO 2009), that will be published in full next month.

I very much appreciate that the IEA made this advance publication available. This timely release ensures that the latest energy sector insights can still provide substantive input for discussions during the critical, final stretch of the negotiations ahead of Copenhagen. It also provides food for thought and a range of suggestions which can help energy ministries from all nations define and urgently articulate the key elements they wish to see in a Copenhagen agreement that will lead us to this future.

Clearly, a substantial part of the response to climate change must come from the energy sector, which accounts for 85 per cent of global CO<sub>2</sub> emissions, and 64 per cent of the world's greenhouse gas emissions.

The WEO 2009 presents the most up to date, comprehensive analysis of how the energy sector can deliver on a climate change deal in Copenhagen. It is also the first analysis that includes the impact of the financial and economic crisis on this sector and its emissions. Four clear and compelling messages emerge from the report.

First, continuing with current energy policies would have catastrophic consequences for the climate. The report shows that business-as-usual activity will take us to an atmospheric GHG concentration of over 1000 ppm CO<sub>2</sub> -equivalent which, according to the Fourth Assessment Report by the IPCC, could result in an increase of global average temperatures of five to six degrees Celsius. Clearly, the world urgently needs to move onto a different trajectory to avoid irreparable damage.

Second, the financial and economic crisis has created a unique window of opportunity to transition the global energy system to a 450 ppm trajectory. Lower baseline emissions

have brought the 450 ppm trajectory within reach, and have made it possible for developed countries to set more ambitious mid-term targets.

Third, to delay would only increase costs. Indeed, the report shows that every year of delay adds 500 billion dollars more to the cost of reaching the 450 ppm reference scenario of the report. This is partly due to technology lock-in effects. The power plants that are built today determine the CO<sub>2</sub> emissions for a generation. This makes it all the more important to ensure that low-emissions investments are made now. And once investments do start to pick up again, it is of utmost importance that they will be steered into a low-emissions direction.

Most important, however, is that a delay of just a few years would render a 450 scenario completely out of reach. This comes into even starker perspective if the world wants to reach a 350 ppm stabilization level, as some call for.

Finally, and for me this is a critical insight, the report shows that the cost of changing direction would not only be reasonable, but that energy efficiency and other savings could largely offset the total investment required. The report shows that achieving the 450 scenario requires additional investments, but that the costs are manageable and the co-benefits are numerous. The consequent savings the report identifies in other areas, such as pollution control and healthcare, make urgent action on clean energy a huge, no-regret solution in its own right.

The WEO 2009 also makes clear recommendations on what needs to be done to achieve the 450 ppm trajectory. It illustrates the scale of the energy-related reductions consistent with a 450 ppm trajectory; measures to achieve those reductions; technologies needed; policies to drive the measures; specific investments required; and also the ways to provide financial resources for actions in developing countries.

All in all, this report shows that the economic crisis presents us with a historic opportunity to bring the peak in global emissions forward. It shows that it is possible to transition onto the 450 ppm trajectory, and that it is affordable. It shows that we need to put in place the right regulatory policies and financial incentives now. And it shows that we will find it impossible to get there in time without a comprehensive, fair and effective global climate agreement in place.

Government energy portfolios around the world have one of the toughest challenges to tackle climate change. What this report does is to demonstrate that this challenge is also a chance to transform public and political expectations of energy policy going forward. Meeting a sustainable scenario to avoid the worst of climate change is shown to be affordable, doable and preferable. It replaces a future expectation of high-cost energy, unstable supply and resource insecurity with one of stable cost, balanced supply and resource security. This not a chance that the world can miss.

Finally, allow me to sincerely thank Mr Tanaka, Mr Birol and their teams for producing such a considered and insightful piece of work at this critical point in time.

Thank you.

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