East Asia Climate Forum 2010
Seoul, 16 June 2010

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

President Lee, Chairman Han, Excellencies, ladies and gentlemen,

Thank you for the opportunity to address you at the launch of the Global Green Growth Institute.

I congratulate the Republic of Korea on this fantastic initiative! It is testimony to your leadership role in green economic restructuring and to your sincere commitment to green economic growth. Indeed, your dedication to this increasingly important area, is exemplary.

I must say; that it is a personal pleasure for me to be here today. Chairman Han has done a wonderful job of bringing green growth to the top of the global agenda. The Global Green Growth Institute is a very good opportunity to bring together theory and practice in this important area.

To my mind, it is beyond the shadow of doubt that the world's economy needs to be transitioned onto a low-emissions, green growth path. And a climate change regime under the UN Framework Convention on Climate Change has a major role to play in this, supplemented by initiatives like Global Green Growth Institute.

While the UN Climate Change Conference in Copenhagen did not ring in the green economic revolution that many people had hoped it would, it was nonetheless an important milestone on the road to green growth.

There are three main reasons for this:

1. As President Lee indicated, it raised climate change policy to where it belongs: the highest political level;

2. It significantly advanced the negotiations on the infrastructure needed for well-functioning, global climate change cooperation, including improvements to the Kyoto Protocol's CDM. Negotiations almost reached agreement on a package on adaptation, a new technology mechanism, a capacity-building framework and a governance structure for finance.

3. Lastly, COP15 produced the Copenhagen Accord, which is a clear letter of political intent to constrain carbon and respond to climate change, both in the short and in the long-term. The Accord includes a 2C temperature limit and a provision to review this

by 2015. It also includes short-term finance of USD 30 billion, with a balanced allocation between adaptation and mitigation planning for developing countries up to 2012. In terms of long-term finance, industrialized countries pledged to mobilise USD 100 billion per year beginning in 2020. To date, 128 countries have associated with the Accord. All developed countries have submitted their 2020 targets with various base years. This group represents 90% of emissions from these countries. And 39 developing countries have communicated information on their mitigation plans, either in economy-wide terms or in specific actions.

The next UN Climate Change Conference is set to take place in Cancun, Mexico, at the end of this year. Cancun can complete what remained incomplete in Copenhagen. In doing so, a fully operational implementation architecture can be put in place, that enables all countries to engage in climate change action.

The recent negotiating session, which ended last week, made progress and it is clear that the climate change process is moving forward towards a result in the near term.

Yet in the mean time, a growing group of countries, including the Republic of Korea, China and India, are recognizing that the current trend in economic growth is not sustainable. This is perhaps best evidenced by the green components in some of the recent economic recovery packages - but also by other developments.

For example, China's economic recovery package directed 1/3 of its stimulus to green measures. The Republic of Korea directed over 80% of its stimulus package towards green measures. In India, 10 states are currently developing climate change plans. Moreover, representatives from India's private sector have stated that they should not grow the way the West has grown. There are plans for energy intensive industries to be accountable for how energy efficient they are as of 2011.

These countries and others are realizing that changes need to be made in their own self-interest. This is all the more important in light of up-coming energy demand.

According to the International Energy Agency, world demand for primary energy will be 40% higher in 2030 than it was in 2007. Fossil fuels will remain the dominant source of energy, accounting for 77% of the increase in demand. Developing countries account for 93% of the increase in global demand to 2030, driven mainly by China and India.

For oil, this would mean adding the equivalent of 4 Saudi Arabias to production, half to meet the decline in existing oil fields and half to meet the increase in demand.

But the world does not have 4 additional Saudi Arabias to add to production. "Easy oil" has largely been extracted. Turning to other sources, such as oil sands, not only significantly increases production costs, but also involves enormous environmental damage.

Additionally, concerns regarding "peak oil" abound. While there is no agreement on exactly when "peak oil" will be reached, projections generally point to anywhere between 2020 and 2030.

A continued over-reliance on oil to power economic activity will lead to a high level of spending on oil imports. While the US is currently best known for its reliance on foreign oil, spending on oil imports is a growing factor in many Asian countries as well. Out of the world's top 10 oil importers, five are in Asia. They are Japan, China, the Republic of Korea, India and Singapore. By 2025, China is likely to be the world's biggest spender on foreign oil.

Needless to say, a reliance on increasingly expensive foreign oil will ultimately impact business operations and the consumer is likely to carry the burden of an overall higher cost of living.

And equally needless to say, a continued reliance on fossil fuels as the main energy source to power economies, will increase CO2 concentrations in the atmosphere and keep the world on a dangerous path.

Addressing the challenges of energy price security and security of physical supply ultimately need to focus on achieving a sustainable energy future.

Last year, the International Energy Agency found that the economic crisis has created a unique window of opportunity to shift the world's energy sector onto a 450 ppm CO2 equivalent scenario, which offers a 50% chance of keeping the global temperature rise below 2 degrees Celsius.

Many investments in the energy sector have been postponed as a result of the crisis. In 2008 and 2009, this also hit investments in renewable energies. But to a larger extent, it has affected investments into unsustainable technologies, which would have locked emission-intensive technologies into energy sectors for the next 20 or 30 years to come. As economic growth picks up again, it is critical to direct new investments into low-emissions infrastructure.

The bigger picture challenge lies in creating a climate change regime that will boost green growth ambitions. The world can either chose to follow a post-economic crisis energy path that pushed emissions up by 50% by 2050. Or it can use a climate change regime to fully seize the post-economic crisis opportunity to get to the 50% reduction in emissions by 2050 that science has said is needed

The Global Green Growth Institute could complement these efforts.

For example, there is convergence in the negotiations that under a climate change regime, developing countries will implement nationally appropriate mitigation actions, called NAMAs – a term born in the Republic of Korea. This Institute could possibly provide advice and analysis on how best to develop NAMAs that leverage sustainable green growth, particularly in energy.

Action to reduce emissions can alleviate concerns over energy security and prices and boost sustainable green growth.

As a result, it is essential that the green growth momentum is sustained and translated into practical action that captures essential win-win-win benefits. In light of climate change and in light of the up-coming global energy challenge, it is critical that countries, especially developing countries, see that green growth both works and pays.

In this sense, I once again congratulate the Republic of Korea on this initiative and I wish the Global Green Growth Institute the best of success in its work.

Thank you

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