



**Africa Carbon Forum
3 September 2008 – Dakar, Sénégal**

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

Ladies and gentlemen,

I am very pleased to speak to you at the first Carbon Forum to be held in Africa.

Just a week ago, the last round of Climate Change Talks were concluded in Accra, Ghana. Good progress was made on the road to a deal on stronger international climate change action. This deal will be clinched in Copenhagen in December 2009.

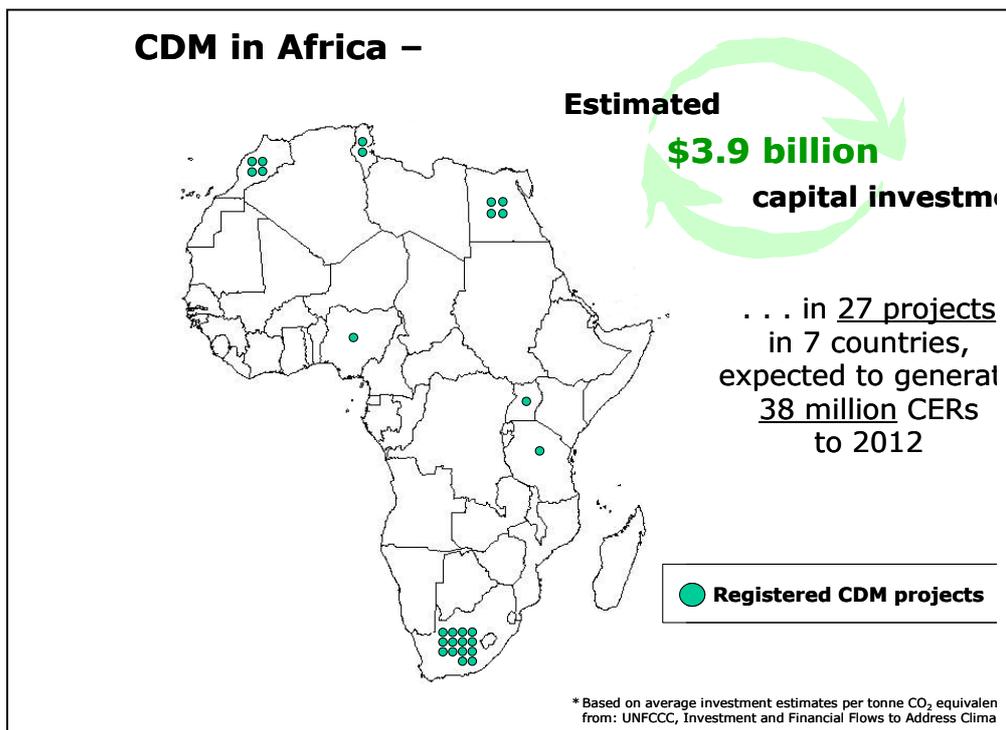
It is good to be back in Africa. Africa is the continent hardest hit by climate change. Its vulnerability stems not only from climate change impacts such as sea-level rise, droughts and floods, but also from the current levels of poverty, which limits Africa's ability to cope with these impacts.

At the same time, it is also the continent that has benefited the least from the current international climate change regime.

Over the years, a variety of funds have been established to help developing countries deal with and act on climate change but a lot of them are still empty bank accounts that have not delivered anything major yet.

Furthermore, the Clean Development Mechanism is not working well for developing countries in general and for Africa in particular.

As this slide shows, so far Africa accounts for only 27 registered CDM projects, in only 7 countries.



It is clear that Africa has not yet benefited from this tool that spurs investments for green, low emissions growth.

I guess it is the disappointment over the past and a lack of belief in the future, that has led to a sense of disillusionment on the part of African negotiators in the current negotiations toward a Copenhagen deal.

This might be understandable, but it is dangerously fatalistic. Why do I say that?

First of all, it is dangerously fatalistic because the current round of negotiations represents a unique opportunity for Africa to set things straight and change things to its advantage. This is the chance to put in place new arrangements that will provide the necessary support to cope with the impact of climate change and that will spur green growth across the continent.

Secondly, it's dangerously fatalistic because things are already changing for the better. Real progress is being made.

Let me give you some figures. Many African countries are experiencing significant economic growth. In 2007, Angola's economy grew by 17%, Ghana's by 6.7%, Nigeria's by roughly 6% and Mozambique's by 7.3% - to name a few examples.

The challenge is to find ways to help this positive trend move forward on a low-emissions path without jeopardising the overriding goal of fighting poverty.

What the world needs is a global, low-emissions economic development plan that makes climate-friendly economic growth globally viable. Such a plan needs to ensure that especially developing countries are tied into it and benefit from its fruits. A quick look at anticipated energy investments clarifies how important this is.

The energy sector is responsible for by far the largest share of global CO₂ emissions. According to the IEA, global energy demand will grow by 55% by 2030. In the period up to 2030, the energy supply infrastructure world-wide will require a total investment of \$22 trillion, with about half of that in developing countries. Meeting Africa's energy needs would require about \$1,5 trillion (1461 billion).

This means that we face the challenge of greening this massive investment sum by creating win-win opportunities for the money to be invested in low-emissions technologies, such as renewable energies. If we fail to achieve this, emissions will go up by 50%, instead of down by 50%, as science says they should.

We need to help Africa leapfrog the emissions-intensive stage of economic development, to ensure that the mistake of the West is not repeated.

The fact that Africa could attract this key carbon market event is a sign that businesses see potential on the continent and that the CDM could help advance this important task.

Outside of Africa, the CDM has been a great success:

- It has provided an important source of investment and financial flows for mitigation action in developing countries;
- It is estimated that the CDM projects that entered the CDM pipeline in 2006 will result in 25 billion USD in capital investment;
- It is also estimated that CDM renewable energy and energy efficiency projects that were registered during 2006, will result in 5.7 billion USD in capital investment. This is about triple the amount of official development assistance for energy policy and renewable energy projects in the same countries.
- It has moved mitigation technology to developing countries
- Through a 2% levy on CDM projects, we are feeding the Adaptation Fund.

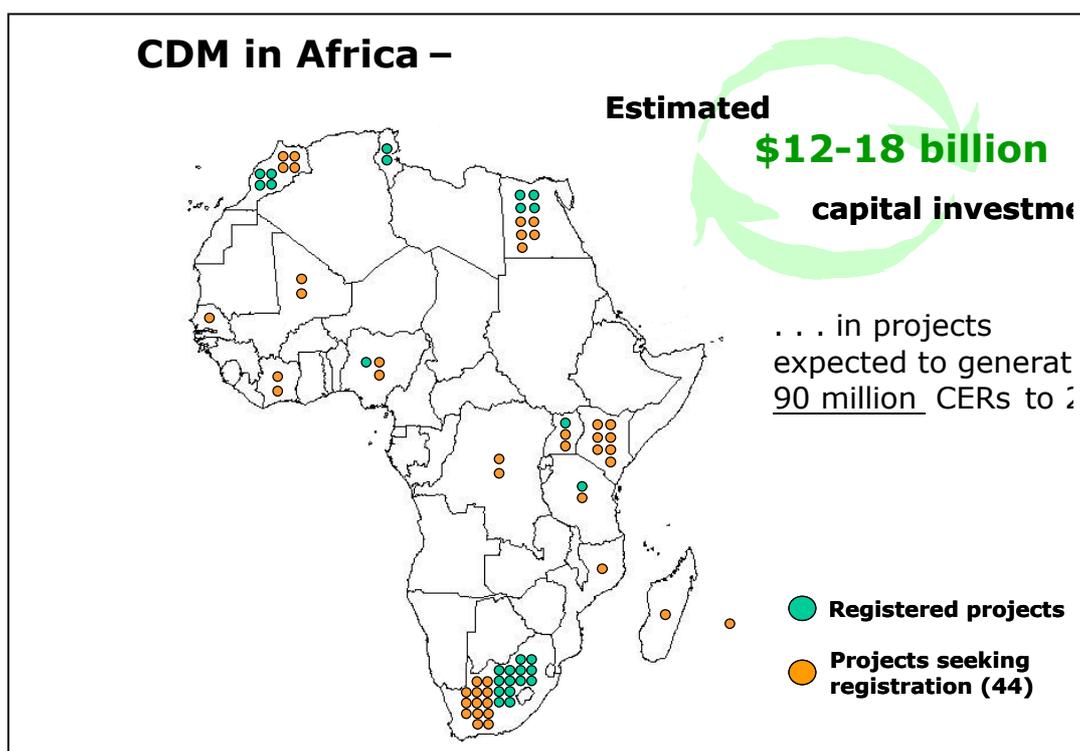
So the question is: how can we make the Clean Development Mechanism work better for Africa? And how do we get to a Copenhagen deal that will benefit Africa more?

There is a lot at stake for Africa. How can a Copenhagen deal for example help African countries to adapt to the impacts of climate change and make your economies climate-resilient? And what needs to be written down in Copenhagen to help them reach their development goals in a low-emissions way?

There are a lot of opportunities. The CDM offers a huge potential. Under a high demand scenario, with ambitious targets for industrialized countries, the Clean Development Mechanism has the potential of spurring 100 billion USD annually.

To seize these opportunities it's important to act now.

In 2006, former Secretary-General Kofi Annan launched the Nairobi Framework that aims to expand the geographical coverage of the CDM, particularly in Africa. It has yielded some success, as you can see on this slide. No doubt, the joint effort by the cooperating agencies has done much to achieve this success.



But more is needed to further increase the number of CDM projects in Africa and realize the full potential of the mechanism on this continent. One problem is that investments via the CDM tend to follow Foreign Direct Investment, which is mostly directed towards large developing countries. Another is that afforestation and reforestation are part of the CDM, but the European Union, as the biggest buyer of carbon credits, is excluding it from the European emissions trading system. Also, the Nairobi Framework is constrained by the lack of institutional capacity.

As part of the current negotiations on a Copenhagen deal, governments agreed in April this year that the Kyoto Protocol's market mechanisms, including the clean development mechanism and emissions trading, will continue beyond 2012.

Governments also agreed that the mechanisms should be enhanced in terms of scope, efficiency, accessibility and their contribution to sustainable development.

This was taken up at the recent Accra Climate Change Talks 2008, where governments developed a clear list of options for improving the mechanisms. This will be further discussed and agreed as part of a Copenhagen outcome.

The current negotiations on the road to Copenhagen present African countries with a golden opportunity to change things for the better and design a Copenhagen deal that works for Africa.

For this to happen, it is crucial that African countries put their concerns on the table and push for solutions that respond to their specific problems.

We need African countries to tell us their views on what needs to be written into a Copenhagen deal to help them adapt to the impacts of climate change, to green the course of their economic development and to increase the number of CDM projects on the continent.

What does a Copenhagen deal need to include to help you protect yourselves from floods, droughts and sea-level rise? How can a Copenhagen deal support you in making your economies climate-resilient? What kind of measurable, reportable and verifiable actions can you undertake to spur green growth and what measurable, reportable and verifiable financial and technical support do you need to go this extra green mile?

How - from an African point-of-view - should a Copenhagen deal secure more CDM projects for Africa? How can African businesses be tied into the solution? What clean technologies do African countries need and how can the carbon market contribute to transferring them to the continent? How then can the CDM be modified to address risk, size of market and return on investment?

If a Copenhagen deal is to deliver for Africa on all fronts, including the CDM, then we need your input.

A Somali proverb says that "he who does not seize the opportunity today, will be unable to seize tomorrow's opportunity".

In many ways, Africa has so far been the forgotten continent of the climate change process. This needs to change and this is the time to do it!

In the mean time, I hope that this conference will contribute to capacity building for the CDM and be successful in this initial round of bringing project developers and the investment community together. My hope is that this will help pave the way for strengthened action on green economic growth in Africa under a Copenhagen agreed outcome.

Thank you.
