



**Green Week 2005
Brussels, Belgium, 31 May 2005**

**Presentation by Joke Waller-Hunter
Executive Secretary,
United Nations Framework Convention on Climate Change**

Thank you for the opportunity to speak at Green Week 2005. I welcome the initiative of a Green Week, especially if this one week inspires action in the other 51 weeks of the year and makes a lasting impact - as this is what we need when we deal with the global problem of climate change.

Global climate change is one of the most challenging issues on the international agenda for the 21st century and tackling it requires a sense of urgency as well as a long breath. There are alarming signs that many of the devastating climate change impacts predicted by the Intergovernmental Panel on Climate Change (IPCC) can already be witnessed today. And much more is expected in the 21st century, if the rise in greenhouse gas concentration is not stopped. Concentrations of greenhouse gases in the atmosphere today are 33 per cent higher than the pre-industrial levels as a result of growing emissions of greenhouse gases around the globe. The annual increases of concentrations have never been as high as in the past few years.

So, how does the international community approach the problem? Given the global nature of the problem, international cooperation in a multilateral context is essential to successfully mitigate global climate change and to adapt to its inevitable impacts. Much of this is done in the context of the UNFCCC which, with its 189 Parties, provides the forum for cooperation at the global level. With the adoption of the Convention, the Parties have defined as a long-term objective stabilizing “greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system” (Article 2). For the short term, the Convention required that developed countries stabilize their 2000 emissions at 1990 levels. This has been achieved: between 1990 and 2000, annual greenhouse gas emissions in developed countries fell by 6.6 per cent bringing them below their 1990 level. However, this was largely due to an almost 40 per cent fall in emissions in countries with economies in transition, which offset a more than 7 per cent rise in emissions in highly industrialized countries.

The Kyoto Protocol entered into force in February this year. It imposes more concrete and legally binding emission reduction targets on more than 30 industrialized countries. The United States and Australia are not bound by such targets, because they decided not to ratify the agreement. Meeting the emission targets of the Kyoto Protocol will be quite a challenge. Although there are some encouraging signs in some countries,

the overall picture shows that trends resulting from action taken at the national level are not going in the right direction.

Parties have to step up their efforts to ensure effective implementation of the Kyoto Protocol. In this regard, international cooperation through the unique market-based mechanisms of the Kyoto Protocol, that allow emission reductions in the most cost-effective manner, will be of crucial importance to supplement action at the national level. With the entry into force of the Kyoto Protocol, international emissions trading has become a reality, creating a new market with a new commodity – carbon. The European Union has taken the lead on implementing these new instruments through the introduction of the first ever regional greenhouse gas emission trading scheme earlier this year.

One of the real innovations of the Kyoto Protocol is the clean development mechanism (CDM), a system to support sustainable development projects in developing countries which generate credits that can be used by industrialized countries to meet their greenhouse gas emission reduction targets. According to independent estimates, the CDM is thought to have an investment potential of some USD 14 billion in the period up to 2012 – if a post-2012 value can be ensured. The extent to which trading systems, such as the EU emissions funding scheme, are open for the CDM is important for realizing the full investment potential of the CDM, but also for the efficient functioning and maturing of the carbon market itself.

The institutions to manage the CDM have been set up at the national and international level. At the national level, 75 designated national authorities are now in place, 60 of them in developing countries. At the international level, the CDM Executive Board and its Panels for Accreditation and Methodologies are at the heart of the system. The Board is supported by a growing network of designated operational entities – private companies that validate projects before they come to the Board and that will also have to certify the emission reductions achieved through the projects.

The CDM is fully operational! Thirteen projects have requested registration of which seven have been registered. Some 100 projects have undergone the validation process by operational entities, and some 250 potential projects more are being considered in the outside world. These numbers will go up, and it is essential that the governance structure that provides the regulatory functions, needed to ensure the environmental integrity and commercial viability of the CDM, is up to the challenge. I am confident that if the necessary resources are available, a well-managed CDM will successfully deliver on the potential of the instrument.

Looking back at the first decade of the Convention and the early months of the Kyoto Protocol, we can conclude that a lot of progress has been made. This is due to the intergovernmental process, as well as bilateral and multilateral initiatives, which we all can be proud of. The entry into force of the Kyoto Protocol has opened up a new phase in the international cooperation to address climate change. But many challenges still remain, so we must build on this momentum, closely monitor what is happening and learn from the experience, that may differ from country to country, and from region to region. But no doubt many challenges remain.

Tackling climate change requires a shift of the global energy path that the world is currently following to take account of climate objectives. This in turn can only happen if the energy investments are realigned to the reality of climate change. Recent forecasts by the International Energy Agency of energy demand show that by 2030 world energy demand will be about 60 per cent higher than it is today. There is therefore an urgent need to push up the market share of existing climate-friendly technologies, to foster development and introduction of new technologies, and to facilitate technology transfer to less developed countries. Investments today in energy infrastructure for the coming decades should not lock economies into climate-unfriendly development trajectories for another 30–50 years. The business and investment community need clear signals. I commend the EU for its recent decisions that provide a long-term perspective: mean temperature should not rise by more than 2° C and much deeper emission cuts must be pursued internationally.

In the process of addressing climate change we have seen an increase in attention to the urgency of adaptation to climate change impacts, such as rises in mean temperature and associated impacts on agriculture, shifts in the seasons, and an increasing frequency of extreme weather events. This is not surprising. The economic losses associated with the catastrophic events have risen rapidly in recent decades, from an average of USD 4 billion per year in the 1950s, to USD 40 billion per year in the 1990s. The adoption of the Buenos Aires programme of work on adaptation and response measures at COP 10 in December last year is another important step in international cooperation on this important issue. Adaptation is a global issue, but it has greater relevance for developing countries, as they are likely to be the hardest hit by the effects of climate change. It is obvious that further international cooperation on adaptation is needed, and therefore adaptation will likely be part of future climate change agreements.

Effectively addressing the climate change challenge is a major global task in which all countries must be engaged. It requires vision and courage. Success is crucial to ensure that climate change impacts do not endanger the achievement of the Millennium Development Goals. The urgency of the challenge and the global nature of its causes and impacts clearly require an aggressive multilateral response. Building on the areas of mutual interest, successful experiences and common understanding, rather than focusing on the existing differences in national circumstances and positions, may lead the way forward. But involvement of governments alone is not enough. Active engagement of business, civil society and the general public in the process and in implementation, is essential. There are challenges, but also many attractive opportunities.

At the United Nations climate change conference in Montreal in November/December this year, Parties will have an opportunity to express their political will to continue and advance action on addressing climate change in the future, reassuring the rest of the world that the UNFCCC process is moving forward, and responding to the urgency of the issue. I look to the European Union for continued leadership in this process.

- - - - -