



Delhi Sustainable Development Summit 2008
"The Bali Roadmap and the way forward"
New Delhi, India, 7 February 2008

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

Excellencies, ladies and gentlemen:

Let me begin by thanking Dr. Pachauri, Director-General, TERI for inviting me to this important and timely summit on Sustainable Development and Climate Change and Mr. Patel, Chair of this session for his kind introduction.

The presence of each one of you in this hall is a clear indication that combating climate change is of concern to you.

We have just heard how climate change can seriously harm economies, societies and eco-systems all around the world. World-wide we can already see that climate change is happening and that its impacts will become more intense in the next decades.

Of concern to India and many of the countries in this region, for example, the glaciers in the Himalayas, which are likely to disappear by 2035, affecting the water supply of three-quarters of a billion people in Asia. Sea levels are rising at a rapid rate, posing a threat to your coastal zones and economic centres such as Mumbai, where millions of people live and work. It is projected that in Asia, the homes of 94 million people could be flooded by the end of the century, leading to large-scale migration.

Luckily, science tells us good news as well. We can come to grips with climate change. We also know that this is possible at a reasonable cost and without cutting off the road for further economic growth that countries like India need to alleviate their people from poverty and raise the standard of living of their citizens.

Having said this, we must also be honest and admit there will not only be winners and that low hanging fruit is not the whole climate diet and that there is a bill to be paid, but we can lower it by working together.

The Climate Change Conference in Bali last December was a real breakthrough and has taken us into a new era of international climate change policy. It clearly showed understanding for the necessity of common efforts, both by developed and developing countries.

There is no doubt that industrialized countries should take the lead in combating climate change. But it is also clear that this fight can only be successful if developing countries act on it as well.

Important decisions on the current work under the Convention will provide essential input for the talks about long-term cooperative action. First, Bali saw the launch of the Adaptation Fund and the establishment of the Adaptation Fund Board. Already this year a first set of adaptation projects might receive funding. Second, Bali generated new momentum for the issue of technology. Countries agreed to work on a new strategic programme to scale up the level of investment for technology transfer. Third, countries launched action on reducing emissions from deforestation and forest degradation in developing countries. And last, but not least, agreement was reached to launch formal negotiations to craft an international agreement on stronger international action on climate change for the period beyond 2012. In that year the first phase of the Kyoto Protocol expires.

Parties agreed on the agenda for these negotiations and also set the very ambitious deadline to bring these talks to a conclusion by the end of 2009.

In addition, Bali kicked off a process with three main goals:

1. To define, in a measurable, reportable and verifiable way and nationally appropriate, emission limitation commitments for developed countries and mitigation actions for developing countries;
2. To determine essential actions to adapt to the inevitable impacts of climate change and to promote climate-resilient development; and
3. To mobilise the necessary finance and technology cooperation to support these action in a measurable, reportable and verifiable way.

The first important meeting of the new body, the Ad Hoc Working Group on Long Term Cooperative Action, will take place from 31 March to 4 April. This meeting will need to set a detailed work plan for the negotiations, which:

- Identifies the areas that need to be further clarified (what e.g. should be understood by words like: "measurable", "verifiable" and "comparable" in the Bali Action Plan);
- Identifies the issues where work needs to be done and in what order that should happen; and
- Identifies what input we could use from other important stakeholders, such as the UN at large, international financial institutions, the business sector and civil society.

There is no time to lose. We have an incredibly busy time ahead of us and the challenge is huge. We have less than two years to craft an agreement on stronger international action on climate change, an agreement that measures up to what science tells us, to stop the increase of global emissions of greenhouse gases in the next 10 to 15 years, and then dramatically cut back these emissions by the middle of the century.

After the first meeting of the Ad Hoc Working Group on Long Term Cooperative Action there will be a little more than a year to build on current work and shape the post-2012 agreement. We need to move fast as the decisions in the upcoming years will determine the level of greenhouse gas emissions for decades to come. Especially in the energy sector.

To meet the world's growing hunger for energy up to 2030, a massive investment of 20 trillion dollar will be made. Over 50 % of this energy investment will have to go to developing countries. If we fail to succeed in steering these investment flows in a low carbon direction, emissions will go up by 50 % in 2050, while Dr. Pachauri tells us that they need to go down by 50% by that year.

The main challenge will be to design a financial mechanism that will unleash huge financial and investment flows that will make the world economy turn the green corner.

A financial architecture that will spur resources and technical support from developed countries for green growth in developing countries. Arrangements that will enable developing countries to adapt to the inevitable impacts of climate change and help them meet their development goals and eradicate poverty.

I am talking about a financial architecture consisting of a variety of tools that can make financial resources flow through different channels: both public and private, both national and international.

A comprehensive financial architecture post-2012 will offer opportunities to move policies into a higher gear and attain goals more quickly. This package would help developing countries speed up their policies to increase the energy efficiency of their economy, become less dependent on the expensive imports of energy sources from abroad and at the same time raise the standards of living for their citizens.

We have already seen this process work through the carbon market over the last couple of years, in particular through the Clean Development Mechanism. The carbon market is a cost effective and flexible way for rich countries and their industries to meet their emissions target. At the same time it creates North-South financial flows for green economic growth in developing countries.

In 2007 the carbon market was already worth US \$ 60 billion. Of this total, the Clean Development Mechanism has a share of US \$ 5 billion. Under a high demand scenario, CDM could stimulate investments of US \$ 100 billion annually in the developing countries. Providing it is not artificially constrained by rich nations.

There is a need for a comprehensive architecture, through a variety of tools, including:

- Mechanisms established within the framework of the Convention, such the CDM, emissions trading and the Adaptation Fund;
- Mechanisms enabled through the rules under the Convention, but outside; such as Clean Energy Investment Framework (World Bank); and
- Financial tools created independent of the Convention, but linked to it.

I believe the initial phase of discussions needs to be used to create a better understanding of the financial and technical arrangements, which can assist in adaptation to vulnerabilities and catalyze for a greener economy in developing countries. This is an area for positive debate and it ties together developed and developing country commitments.

It is important to find out what developed countries can do, what emerging economies are willing to do and how these two issues can be cleverly glued together. Therefore, leadership by industrialized countries must continue to fuel clean growth in the developing countries but it is clear that developing countries, within economic realities, should contribute as well. And the more developing countries engage, the more ambitious commitments can be expected from industrialized countries, the more financial flows and technical support will flow.

We need to pull out all the stops to get to an international climate change deal in Copenhagen within such a tight deadline. This deal, which can spur big financial flows to make the world's economy turn the green corner.

The opportunities are in front of us to make a difference but we must recognize them, get involved and do it now as there is no time to waste.

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