



## **CSD-14**

### **Making a difference: Interactive Discussions with UN organizations**

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This 14<sup>th</sup> session of the CSD is an important opportunity to take stock and to advance the sustainable development agenda by considering inter-linkages and win-win opportunities in several key areas of development policy: energy, industrial development, air pollution and climate change.

The climate change we face today arises from the accumulated results of two centuries of unsustainable development - unsustainable industrial development and energy production, unsustainable land use, unsustainable lifestyles and consumption patterns. Concentrations of greenhouse gases in the atmosphere today are 33 per cent higher than pre-industrial levels, and annual rates of increase have never been higher. Global emissions of greenhouse gases are rising. Per capita greenhouse gas emissions in industrialized countries are growing. In 2003, they were about 20 per cent higher than in the year 1990. Although there is a strong trend towards decoupling of GHG emissions from economic growth, as seen by the decrease in GHG intensity in most industrialized countries, this is not good enough. Especially as it is clear that greenhouse gas emissions in developing countries will have to grow for sometime yet. Clearly more concerted action to reduce emissions is essential.

The impacts of climate change are increasingly being felt, and acknowledged as such. These impacts - whether sea level rise, melting ice caps and glaciers, severe weather events, drought, flooding, warming - will affect every aspect of society and economic life.

Governments are here at CSD not to negotiate action on climate change. That is done elsewhere. But what governments can do here today is to consider and recognize the linkages between climate change and other sustainable development issues; the inter-relation between actions to address climate change and wider efforts to achieve sustainable development. This is key to being able to make a difference both on the climate change front, and in the other areas of development policy.

Global climate change poses the greatest challenge in the 20 year global odyssey towards sustainable development. It has traditionally been characterized as an environmental issue. I feel that this is a fundamental misperception. Climate change is not an environmental problem. It is a complex sustainable development issue.

The United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol lay the foundation for, and are leading to, action at the international and national levels to address climate change in the context of sustainable development. The Climate Change Convention provides a number of vehicles to address sustainable development issues, including among other provisions to facilitate technology transfer and capacity-building, preparation of national action plans on adaptation (NAPAs); and the recently adopted 5-year programme of work on adaptation.

The Kyoto Protocol has put in place a number of additional innovative instruments for promoting and financing sustainable development in developing countries and economies in transition. The Clean Development Mechanism (CDM), one of the market-based mechanisms created by the Kyoto Protocol, offers certified emission credits in return for investment in sustainable development, emissions-reducing projects in developing countries. The CDM has seen exponential growth since the Kyoto Protocol came into effect in 2005. At the end of 2005, only a few dozen projects had been registered. As of 8 May 2006, already 175 CDM projects were registered and over 570 more were in the pipeline. These include a wide range of projects, from small hydropower stations and landfill gas capture, to electricity production from biomass and wind farms. The total expected amount of emission reductions generated by these projects by 2012 stands at over 900 million tonnes, about the size of the annual emissions in 2003 of Canada and Belgium combined. In addition to reducing greenhouse gas emissions, implementation of CDM projects will contribute to improving energy efficiency, transfer new technologies, and deliver other additional ancillary benefits to developing countries. The exponential growth of the CDM demonstrates the remarkable effect of the carbon market, the full potential of which is still to be seen.

The new processes on future action coming out of the Montreal Climate Change Conference held in December of 2005 offer new opportunities to advance multilateral action on climate change. Governments agreed in Montreal to open discussions on two tracks: negotiations of the commitments for industrialized countries that are Party to the Kyoto Protocol beyond 2012; and a global dialogue process in which all countries will participate. The first meeting of the Dialogue will open with a 4-day workshop on Monday, 15 May. It will provide a forum for the international community to discuss the best way to bring global emissions down, and to adapt to climate change. The Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol will launch its first meeting on 17 May. Sustainable development issues are central to the Dialogue, and will also feature in the discussions of the future commitments of industrialized countries.

There are strong interlinkages between Climate Change and the other three themes of the CSD 14 - Energy for Sustainable Development; Industrial Development; and Air pollution/Atmosphere.

The energy sector has to be at the centre of any climate change strategy, and any sustainable development strategy. About 70 per cent of greenhouse gas emissions come from the production and consumption of energy. According to the International Energy Agency, the total energy investment, including energy supply infrastructure, over the period 2001-2030 will be \$16 trillion USD. Two thirds of the increase in global energy demand will occur in developing countries. Therefore, it becomes imperative to avoid locking the world into energy choices with 50-year time

horizons that will inexorably push the world toward climate changes of unprecedented proportions, and demands for adaptation that simply cannot be met.

Industrial development is another important sector, where the potential for emission reductions is very high. In fact, significant gains have been made in many countries over the last two decades. Greenhouse gas emissions from industrial processes decreased by 10 per cent from 1990 to 2003 in industrialized countries. Improvements in greenhouse gas intensity have also been impressive, showing that there are strong signs that emissions start to decouple from economic growth. The introduction of the carbon market provides an additional incentive for efficiency. Major efforts, however, are required to get the technologies into much wider use in all parts of the world.

The final CSD theme, atmosphere and air pollution, is also fundamentally linked to climate change. Progress in dealing with the critical problems of local air pollution that afflict many cities, with the associated health effects, will also lead to progress in reducing greenhouse gas emissions. This is one of the major win-win dynamics that must be exploited, and which is increasingly being advanced in many countries.

More fundamentally, achievement of the key development goal of poverty reduction cannot be considered in isolation from the climate change problem. One might even argue that climate change and its impacts put achieving this goal in jeopardy. Thus, there is no possibility for sustainable development without dealing with climate change. But in addition to being a precondition, dealing with climate change can also be the driving force for making sustainable development a reality. To make a difference by ensuring that action to address climate change is taken, there is a need to mainstream climate change into wider development policy.

The primary responsibility for action to address climate change, and to promote sustainable development, resides at the national level, shared between governments, industry and citizens. However, the scale of the problem is such that success can not be imagined without an effective international cooperation regime.

It is my hope that through the new processes emerging under the UNFCCC, a global consensus will re-emerge on the way forward, like the ones that prevailed before the negotiation of the Framework Convention and before the Kyoto Protocol. I look to governments to exercise their responsibility to make a difference by real action to address climate change and sustainable development. The UNFCCC secretariat stands ready to support you in this challenging but crucial mission.

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