



## Climate Change Conference Transcript

# Climate Change – The Way Forward in a Post-Copenhagen World

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## Introduction

Thank you very much, Bernice (Chair). It is my pleasure to be here today, on what is hallowed ground for students of international affairs.

It is an appropriate venue. Climate change is the definition of a global threat. A failure to act in time will affect us all. This is the pre-eminent challenge in global governance. If we cannot deal collectively with such a threat to our very existence as a species on this planet, we are lost.

Let us first be clear that the science is becoming more certain, not less. This year alone, we have seen extreme weather events across the globe. Mudslides in China. Forest fires in Russia. Floods in Pakistan. And the breaking-off of a massive ice sheet in Greenland.

No one of those events on their own can be attributed with certainty to climate change, but the increase in their frequency can (as the re-insurers will tell you). You are not likely to be run over by a bus if you cross the road, but if you insist on doing so repeatedly the likelihood rises. We are playing Russian roulette with our children's future.

So it is not the science that has failed. It is international politics that has proved the obstacle to a truly global response. We have, as an international political class, failed to respond to the warnings of the science. We have failed to communicate those dangers to our people.

And we have failed to construct a framework in which our efforts can achieve progress. All this has to change, and quickly.

## The Challenge

The failure to secure a binding deal at Copenhagen stemmed from a breakdown in political will. Suspicion and division overcame confidence in our chances of achieving a fair and firm agreement.

In the UK, we did not follow through on our political leadership.

There were warm words and evangelism, but not enough spelling out of the hard-headed consequences if we do not act.

After all, climate change is not just about the environment. It is not just about marginal improvements in the well-being of our children and grand-children.

It is a critical issue of survival for our society, culture and traditions. It is an encompassing threat to our national security.

The UK is responsible for just 2% of the world's emissions.

But that does not mean we will escape the consequences of inaction. Myriad pressures await if we cannot rise to the challenge.

Security analysts see climate change not as a matter of public debate, but as a 'threat multiplier'.

Food security, water shortage, climate-driven migration, energy conflicts: these problems will not respect Britain's borders. These will have a direct impact on our way of life, our security and our taxes.

It is in our direct national interest to secure global action on climate change.

Let me summarise the task ahead. We face a problem of persuasion. To rebuild the case for a global deal, we need to do a much better job of cajoling, urging and persuading.

Consensus for action on climate change rests on three pillars: the science, the politics, and the economics.

On the science, we need a more engaging, more accessible, more genuine dialogue.

We cannot passively assume that public opinion will fall into line. We need to be smarter in our communications. We need to remind people how overwhelming the scientific consensus on this issue has become, and how marginal are the critics. For the media, in organisations like the BBC, to assume that this debate needs to be balanced is like giving equal airtime to the critics of Copernicus and Galileo on the grounds that, well, you never know, they might still be proved wrong.

On the economics, we need to be advocates for the power of the third industrial revolution; the green revolution.

To secure economic recovery, to improve our competitiveness, to foster sustainable growth when we need it most. There are already 900,000 British jobs in low carbon sectors that are growing far more rapidly than world income. Our future prosperity will largely depend on our success in taking a high share of these fast-growing markets.

And on the politics, we need to convince developed countries that action on climate change is essential for security and prosperity. That falls in particular, in the absence of US leadership, to Europe and Japan.

To show developing countries that our commitments on action and climate finance are genuine, reliable and long-term.

And to build momentum ahead of the next round of negotiations in Cancun.

## Hopes for Cancun

The Coalition Government agreement on climate change is clear. We are determined to reach an ambitious international deal to limit emissions.

A legally binding global deal is the best way to secure a stable framework for action, providing confidence for investors and reassurance for the developing world. An agreement that allows some to ignore their responsibilities to our collective future will not work.

We cannot shrink from this ambition. In the face of the economic downturn, our commitment to a global deal is an important signal of intent.

Cancun is an opportunity to get the negotiations back on track.

To re-establish a consensus between the leading players to and restore faith in the UNFCCC. And to start rebuilding momentum and political will.

No-one expects a binding deal to come in December. Instead, we should concentrate on putting the political foundations in place for a more constructive dialogue. We may not be ready to strike a global agreement. But drawing the bow focuses the eye on the target.

Concrete achievements at Cancun are possible. There are steps we can take to strengthen the international climate change regime and pave the way for a global deal.

We can start to bring emissions offers made since Copenhagen into the UNFCCC process.

We can develop the framework for reducing emissions from deforestation and forest degradation. We can strengthen the measurement, reporting and verification arrangements which will ensure progress on emissions is clear, bankable and open.

And we can set out the structures for climate finance beyond 2012, including governance. Building on the commitments in the Copenhagen Accord to establish a Green Fund.

Together, this is a realistic set of decisions which build on the political commitments made last year.

In achieving them, we can affirm our faith in the effectiveness and importance of the UNFCCC process – and its ultimate aim.

A global deal is still our best chance of meeting the 2 degree target. We must give it our best shot.

But success will not start or end at the negotiating table.

There are things we can do now – we are doing now – which represent real progress on climate change, both here and abroad.

## **Climate Finance**

Finance tops the bill. Creating it, securing it, and distributing it in support of our aims.

The way we pay for action on climate change will be crucial. It gets to the heart of questions of responsibility and accountability, and the role of the state.

Getting the mix of public and private cash right – and figuring out how it is spent – is critical.

Low carbon, climate resilient development paths require complementary sources of finance. Public grants, carbon market finance, development bank type loans and international private finance all have a role to play.

Creating the right political conditions will be essential. We must send the right signals to the right people, so that governments, international bodies and private finance groups are all singing from the same balance sheet.

## **Fast Start**

Developing countries need sustainable, predictable sources of finance to give them the confidence to invest in tackling climate change.

We can help ease the flow of capital. We have already committed £1.5 billion of fast-start finance between now and 2013; the next step is to encourage other countries to deliver. So that, come Cancun, we have case studies that show it works. With a strong fast-start commitment married to real results, we can rebuild the trust that must underpin any deal.

The pledge website pioneered by the Dutch government is a great way of encouraging others to step up.

## Long Term Finance

But longer-term climate finance will be more difficult.

I have replaced Gordon Brown on the Secretary-General's Advisory Group on Climate Finance. We will meet again in Addis Ababa in October, and report just before Mexico.

This is a chance to set out practical options for raising long-term climate finance, and showing that although the scale is immense, the task is achievable.

The AGF can help: by setting out a credible path toward the \$100 billion per year the developing world will need by 2020. Some will be from public institutions, which are realistically the principal means of funding adaptation. But private finance can have a key role in unlocking mitigation, if the right regulatory frameworks are put in place.

Two weeks ago I was at the launch of the Capital Markets Climate Initiative, which encourages closer working between governments and businesses. CMCI is about the public sector mobilising the private sector; in pursuit not just of profits, but policy aims.

## Technical Progress

Last year, the global market for low carbon goods and services was already worth £3.2 trillion – a £150 billion increase in 12 months. It is forecast to grow by around 4% a year over the next five years.

This presents real opportunities. Growth in low-carbon tech will be an essential part of the global economic recovery. And it is crucial in cutting emissions.

Over the next decade we will need to see abatement in the power sector ramp up, with big investments in sustainable power infrastructure at home and abroad. The initiatives that came out of the Clean Energy Ministerial at Washington in July underline the need for a global approach.

As we have seen in Pakistan, countries facing the most intense development challenges are particularly vulnerable to extreme weather. This is where the

development and climate change agendas overlap. We can help countries at risk make adaptation a core part of national planning structures.

A fifth of our fast-start finance is already deployed against deforestation. We can explore in more detail the links between deforestation and biodiversity; building on our reputation and membership of the REDD [Reducing Emissions from Deforestation and forest Degradation] Partnership.

## **Existing Commitments**

Building goodwill toward these agreements means making a more compelling case for change. Better analysis of economic assumptions and better reporting can rebuild faith in the fairness of national commitments.

Countries which have made emissions pledges with upper and lower limits should be encouraged to reach high. Those that have not yet pledged should be encouraged to commit.

More ambitious emissions reduction targets can lead to bigger carbon markets, where we can use our influence to good effect.

Getting countries with existing emissions trading schemes to work together better. And bringing developing countries in to a global carbon market.

## **UK Developments**

But to be credible on the world stage, we must be radical on the home front. For too long, the UK could not look the developing world in the eye and ask for change.

Not while renewables targets were missed. Not while energy efficiency was ignored.

The founding document of the coalition makes plain our plans for the UK.

We are determined to cut emissions, decarbonise our economy, and foster the creation of new green jobs and technologies.

Our energy policy is focused on the twin challenges of growing demand and unsustainable supply.

We are committed to revolutionary programme of domestic energy efficiency. Millions of homes and businesses could qualify for efficiency improvements under the Green Deal.

Domestic properties rack up 25% of our total emissions; with each loft lagged, with every cavity insulated, we will free up capacity in the system. Tackling inequalities, improving health and wealth across the nation.

Our other focus is on cleaning and greening the supply of energy within the UK. Using our world-leading science and technology sectors to secure a low-carbon energy mix.

Clean coal and gas. Renewables. With a role for new nuclear, but without public subsidy.

Building new, sustainable energy infrastructure requires long-term vision and extensive capital from the private sector.

But years of mixed signals from government have muddied the waters. And investors have been left hesitant, not confident.

We will create a Green Investment Bank to help us meet the low carbon investment challenge.

With billions of pounds needed for new generation over the next decade, the bank will fund new low carbon energy and kickstart the transformation of our entire economy.

That transformation will result in a new kind of economy. One where green growth creates jobs and spawns businesses. Where the UK's innovation in technology and finance gives us a seat at the global low-carbon table.

On the eve of Copenhagen, the IMF's Fiscal Affairs Director wrote that the science around climate change is often incomprehensible; the politics invariably ugly; but that much of the economics is simple.

Our job is to show through the transformation of our own economy that a low-carbon future works and pays.

That it is not an ideological luxury, but an economic imperative.

## **Within the EU**

Establishing our credentials by 'walking the walk' at home is vital.

But we must also work with our neighbours to secure the transformation of Europe's economy.



Demonstrating through our actions that a low-carbon, clean energy economy is competitive – and brings real benefits to its citizens.

To achieve that transformation, we need a more ambitious emissions target: a 30% reduction by 2020. Our ability to make the case for 30% within Europe will be a mark of our capacity to lead global efforts on climate change. That is why I am working with my French and German counterparts to encourage greater EU ambition.

Greater ambition on carbon means a higher carbon price.

And a higher carbon price will boost some of the fastest growing parts of Europe's economy, sending a clearer signal to investors. It will lock low-carbon technologies into the wave of energy investment needed to replace ageing infrastructure.

Last week, I called on the EU to be more ambitious in its Energy Strategy. Aiming high on interconnection. Focusing its resources on sustainable growth across the economy. Ensuring consistency of vision throughout energy and climate change policy. And being a more active, more confident global citizen. We need the EU to deliver at home and on the world stage.

## **Global Outlook**

That means taking the lead in negotiations, and acting as coherent bloc.

Because Europe is stronger in the world when it works together.

The EU alone boasts 500 million citizens and a fifth of the gross world product.

As a continent, our standing in the world is considerable. Our leadership on climate change should be too.

Remember the key role that the European Union played in the first climate change treaty, the Kyoto Protocol. Without EU effort, often against the work of the then US administration, we would not have secured the necessary number of countries to bring the treaty into force.

Europe should be unafraid and unapologetic in pursuit of an ambitious global deal on climate change. It should demonstrate a common resolve to support our common aim.

## Major Emitters

And that resolve will be sorely needed. There will be tough conversations ahead.

Developed countries must reduce emissions, and major developing countries must commit to mitigation actions.

Between them, China and the US hold some of the keys to climate change. Without action from one, the other is unlikely to move. Yet neither will commit without demonstrable evidence that is in their national interest.

In America, the story of the past decade has been one of security. In China, it is the economy.

Both objectives overlap. Action on climate change will bring security – against weather, against oil shocks, against energy dependency and resource conflicts.

And the transition to a low-carbon economy will bring a more lasting prosperity. Our job is to make that case. In bilateral discussions. At the UNFCCC. In Cancun, in South Africa, and beyond.

## Conclusion

But above all, we must lead by example.

We can show through our actions that in a post-Copenhagen world, the transition to a low-carbon economy will be a prerequisite for success.

In so doing, we can strengthen our economy at home and our voice abroad.

We can protect our nation against the worst effects of climate change.

And we can secure for all the world's citizens a greener, more prosperous future.

Thank you very much.