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Climate Change – International and EU action

Climate Change Conference

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Ladies and Gentlemen,

Climate change has been described by UN Secretary-General Ban Ki-moon as the "defining challenge of our age" and is a challenge that is not going to simply disappear. Our generation will be remembered as the first to be offered solid scientific evidence of climate change. It is now our responsibility to ensure that we are also remembered as the generation which took decisive action to mitigate it – preventing the worst consequences and minimising the impact of consequences we could not avoid.

Some might think that we would do better to focus our attention on the financial crisis. Vigorous action is of course needed there too but we must not repeat the mistakes of the past. The current financial crisis is largely a story of warnings unheeded or dismissed. Being late in responding to climate change would be even more devastating – and far more costly.

The European Union has a clear vision for leadership on international action to address climate change, based on the recommendations of the Intergovernmental Panel on Climate Change. The international community must act now to limit the increase in global temperature to no more than 2 degrees Celsius above pre-industrial levels. Next year's meeting of the UNFCCC in Copenhagen must reach an agreement to put the world on a path to that target.

The future international agreement will need to build upon the Kyoto Protocol. Kyoto was the first step, but we must now change gear: far more ambitious emissions reduction commitments are needed from developed countries, and emerging economies also need to take action.

European Union leaders agree that transforming Europe into a highly energy-efficient, low-emission economy will bring countless benefits. It will spur innovation and give us a head start on the road to a low-carbon future. That is why they committed to reducing EU emissions by at least 20% compared to 1990 levels by 2020, whatever the outcome of the negotiations on a global agreement, and by 30% as a contribution to a broader global effort. Quite simply, we know that this is in our interest: it's a win-win scenario that will make Europe a stronger global player.

Last January, the Commission proposed a major package of legislation to implement these climate and renewable energy targets. I am confident that the hard work of the Parliament and the Council of Ministers, with the support of the Commission, will result in an agreement by the end of this year. Timing is important for the credibility of the EU's negotiating position in the lead up to Copenhagen. Europe must be able to show that it is able and willing to put in place the concrete actions that are needed to achieve ambitious emission reductions.

Let me highlight three aspects of the package that are of particular relevance for the international negotiations.

First of all, our Emissions Trading System. This is the EU's key tool for achieving emission reductions at least cost and we are convinced that the global carbon market must play a central role in a post-2012 climate agreement. In particular, this means reinforcing the role of the Clean Development Mechanism and innovative carbon market mechanisms.

Secondly, our energy policy. By boosting renewable energy, energy efficiency and carbon capture and storage, Europe is paving the way for the technologies the world will need to achieve deep emission cuts. The package will also reduce Europe's imports of oil and gas, increasing energy security while stimulating economic growth and job creation. It therefore strengthens Europe's competitiveness for the future.

Thirdly, the package is based on the principles of solidarity, cost effectiveness and fairness. With concrete suggestions tailored to the particular circumstances of different countries, we are putting into practice the UNFCCC principle of "common but differentiated responsibilities and respective capabilities." In the context of a new international climate agreement, this approach could serve as a model for a fair distribution of the effort among economically diverse countries.

By implementing concrete measures to implement our ambitious targets, the EU will be demonstrating its leadership in tackling climate change and demonstrating that a brake on emissions need not also mean a brake on growth. This leadership will be vital to rally support for an ambitious global agreement, just as it was to start the negotiating process in Bali last December.

This autumn, the international negotiations will move from the analytical phase into full negotiations.

Leadership needs to come first from developed countries, in the form of commitments to ambitious emission reduction targets after 2012. The EU contribution needs to be followed by comparable efforts from our partners. This is a challenge, but I am convinced that they will eventually commit to ambitious domestic climate action. This will also involve the United States. I can report that intense discussions are currently under way in both the Obama and the McCain camps, preparing positions for the new US Administration. I remain confident that the US will fully engage in the negotiating process and play their part in enabling a deal to be reached in Copenhagen.

At the same time, developing countries too need to set up ambitious national mitigation strategies, in line with their sustainable development objectives, and according to their capabilities. Recent scientific research shows that developing countries as a group would have to reduce their emissions by 15 to 30% below business as usual if we want to stay within the two degrees threshold. We will only succeed in the battle against climate change if we can persuade emerging economies to be part of a global effort that recognises their different responsibilities and roles. Major players such as China and India are gradually putting in place climate and energy policies. We need to encourage them further and support such moves, both bilaterally and multilaterally.

International finance must also respond to the climate challenge. That is one reason why the current debate about the use of auctioning revenues from the ETS is highly relevant for the international architecture of the coming agreement.

Ladies and gentlemen,

No one said the road to Copenhagen would be easy. But the agreement we all hope to reach in Copenhagen next year represents the last chance to bring climate change under control before it is too late. There is progress, but we need to step up the pace. With resolve, cooperation and imagination, we can conclude an agreement at the end of next year, delivering the ambitious global action that is needed.

I will finish by wishing you a successful and inspiring conference. I am looking forward to listening to the views of the coming speakers and I am sure that the conference will provide us with a strengthened sense of urgency to act on climate change, and help us seize the opportunities offered by this momentous challenge.

Thank you.