

Statement to the 13th Conference of the Parties to the UNFCCC

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Mr. President, Excellencies:

Thank you for the opportunity to address the Conference of the Parties on behalf of the International Energy Agency.

The sense of urgency on the issue of climate change has never been so strong. The IPCC Fourth Assessment Report delivered the scientific message: the need for action is clear. Yet in 2005, CO₂ emissions from the energy sector were some 30 percent above 1990 levels. They grew by 3% in that year alone – in spite of higher energy prices. The IEA re-assessed its projections: unless strong action is taken, we may be facing a 57% growth in CO₂ emissions by 2030. This energy scenario would commit the world to an increase in temperature of up to 6 degrees. We cannot let this happen.

Fortunately, governments have on their desks policy proposals which could make a real difference to the climate footprint of energy. Under our Alternative Policy Scenario, which is based on policies considered but not yet implemented, global emissions stabilise around 2025, and start declining thereafter.

The IEA, through our *450 Stabilisation Case*, has analysed ambitious goals which would protect us from extreme climate risks. The long-lived nature of energy infrastructure leaves us with this simple equation: the more ambitious the goal, the more immediate and aggressive our policies must be. The longer we wait, the higher the cost, and the higher the impact of climate change. If we don't take unprecedented action across the energy sector, our most ambitious goals will be unattainable.

Mr. Chairman, let me be clear: it is largely incumbent on the energy sector to deliver the solution but it needs strong political direction from Parties gathered here in Bali. Fortunately, whilst we wait for the architecture, the foundations of a sustainable energy path are already known.

First, we must improve the efficiency of our energy use. There is no reason why capital should go into new power plants when the generated electricity could be saved, at no net cost to society. Since the Gleneagles G8 Summit, my Agency delivered 16 recommendations on energy efficiency to the G8 leaders – and we have more underway.

Implemented globally, these measures could save almost 6 Gigatonnes of CO₂ by 2030 – that is 20% of today's emissions.

Higher economic performance, energy security and less climate change: this is the triple-win of energy efficiency. Accordingly, the IEA has three recommendations on energy efficiency policy: *implement, implement, implement*. This message goes to developed and developing countries alike: all stand to gain. We are ready to advise all governments on how to move energy efficiency forward.

Second, we need a much broader deployment of the fully demonstrated low-carbon technologies, namely renewables and, subject to national policies, nuclear power. And finally, we need to accelerate research, development and demonstration of climate-friendly technologies such as carbon capture and storage. If this is not the miracle solution, it could be a critical technology, particularly in countries with heavy reliance on coal.

The IEA's analysis shows that the challenge of climate change calls for more than a marginal change in our economies. A complete and rapid transformation of our energy system will be required. We will need to draw upon the full range of mechanisms including sectoral approaches, emissions trading, performance-based regulation, fees or taxes, consumer labelling and technology co-operation and development.

Energy and climate change are two sides of the same coin and must be addressed together. We have the energy foundations for the solution. We know the steps to take, but we have no time to lose. Mr Chairman, our plea does not just go out to delegations here in Bali. All parts of governments with responsibilities in the energy portfolio must step up to the task, and immediately implement the energy transformation needed to avoid serious climate disruptions.

Thank you.