

## WEO Climate Change Excerpt Launch

### Opening Remarks

Maria van der Hoeven

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Ladies and Gentlemen, it is a great pleasure to have you here today for the launch of this Special Report in the World Energy Outlook, or WEO, series.

Such Special Reports have become an increasingly important part of the WEO schedule. They have helped to put a spotlight on particular issues, from energy access to the golden age of gas, to the Iraq energy outlook last year.

Today we launch a report that focuses on one of the defining challenges of our time, climate change. It is timely because, despite efforts to mitigate climate change, we recently passed a grim milestone with the concentration of carbon dioxide in the atmosphere topping 400 parts per million at the Mauna Loa Observatory in Hawaii. This is uncharted territory in the history of humans.

While it does not represent a tipping point per se, that milestone is symbolic of our failure to respond adequately, and to fulfil our own national and international pledges to limit average global temperature increase to 2 degrees Celsius over the long term.

If we continue with business as usual, that rise could be 5.3 degrees Celsius, with potentially disastrous implications in terms of extreme weather events, rising sea levels, and the huge economic and social costs that these can bring.

In short, we are drifting off-track, and global negotiations are not expected to yield agreement before 2015, and to be enforced after 2020.

Amid concerns over global economic pressures, climate change has quite frankly slipped to the back burner of policy priorities.

But the problem is not going away. Quite the opposite.

This *WEO* Special Report is a timely reminder that climate change must remain a permanent and prominent item on the policy agenda. It seeks to outline the intensive action which we need to start implementing today, without waiting to 2020 or later for a global agreement to take effect. And those actions are in the energy sector, which accounts for about two-thirds of greenhouse gas emissions.

Why do I talk about implementation that starts today? Because by 2020, global energy-related greenhouse-gas emissions are projected to be nearly 4 gigatonnes higher than a level consistent with attaining the 2 degrees Celsius target. This level of excess emissions in 2020, just seven years from now, is more than the emissions of Europe today.

And while developed countries contributed the most to energy-related emissions historically, developing countries account for 60% of these emissions today.

China, the world largest emitter, contributed most to the growth in global emissions in 2012, but the increase was one of the lowest it has seen in a decade as a result of efforts in renewables deployment and efficiency gains.

Europe has seen falling emissions due to economic contraction and increasing renewables use, while emissions in the US fell thanks to coal-to-gas switching. But Japan's emissions have risen due to a reduction in nuclear power.

So this is a problem that we must tackle together. And this report lays out four energy policies that can do that – that can keep the door open to the 2 degree target without harming economic growth, and implemented nationally with existing technologies. They are proven, and feasible.

Not only will acting on these policies save long-term costs to society as a whole, but the energy sector itself will see benefits in terms of reduced risks to infrastructure and projects.

Delaying stronger climate action to 2020 would come at a cost to the energy sector: 1.5 trillion US dollars in low-carbon investments would be avoided before 2020, but 5 trillion US dollars in additional investments would be required thereafter to get the world back on track.

The question is not whether we can afford the necessary investments given the current economic climate. The fact is we simply cannot afford to delay.

I will now turn to the IEA Chief Economist, Fatih Birol, to explain the report in further detail.