

Speech by MR MEACHER to WILTON PARK Conference, 13 MAY 2002

ADDRESSING CLIMATE CHANGE

THE BRITISH GOVERNMENT PERSPECTIVE

Good afternoon and thank you for inviting me to speak at such an important conference on climate change. I am delighted to be able to join you - it is wonderful to see so many faces gathered here, from all corners of the globe. I'm sure it will be an extremely valuable, heartfelt and animated debate.

Why tackling climate change is important

The title of this conference is 'What can be done?' and it is important that we look at the problem of climate change in such a pragmatic light. However, the weight of scientific evidence is such that we must also ask 'What needs to be done?' It is difficult to think of an environmental issue to equal climate change in terms of global significance. The evidence is powerful:

- ❖ The IPCC is clear that there is no longer any reasonable doubt that climate change is a reality and human activities are largely responsible for increasing concentrations of greenhouse gases in the earth's atmosphere – this was confirmed in the IPCC Third Assessment Report published last year.
- ❖ This Report warns of an increase in climate variability and some extreme weather events. There is also a great risk that greenhouse gas induced warming this century could set in motion large-scale, high impact, non-linear and potentially abrupt changes in physical and biological systems, such as changes to ocean circulation and de-stabilisation of the polar ice sheets.
- ❖ These climate change impacts will fall disproportionately upon developing countries and thus exacerbate problems in these regions such as disease, poverty and water shortage. My Department supports a programme of work on global climate impacts. Although there is uncertainty in all climate predictions, this work suggests that by the 2080s the annual number of people flooded could increase from 13million to 94 million with much of this in the poorest parts of southern Asia. One particularly devastating prediction is that 10% of the land area of Bangladesh could be lost with a half meter rise in sea level.
- ❖ Even in the UK big changes are possible. The new UK Climate Change Scenarios published on 26 April paint a picture of a future UK climate that is very different from today, with hotter drier summers, milder wetter winters with less snow throughout the country, and more frequent extreme events such as heavy rainfall, heat-waves, and storm surges at sea. The impacts of climate change will be wide-ranging, and it is difficult to think of any sector of society or region of the UK that will not be affected by climate change in some way.

This is compelling information. I would like to stress how important it is that Governments and other decision-makers have access to the best available scientific advice such as that provided by the IPCC, and make the best possible use of it. It is essential that our policies be built on sound scientific foundations and we must use this scientific evidence to guide us in showing us what can and what needs to be done. And it is clear from the facts I have just outlined, that there is much which must be done.

UK Action

This is an opportunity to scrutinise what some of the key issues are determining our course of action in addressing climate change:

- ❖ First, what can individual countries do domestically and how these domestic programmes can feed into wider global action to tackle climate change;
- ❖ Second, how we weigh up the economic costs of action against the long-term environmental benefits of taking action, not just for ourselves at home, but for everybody;

So, how in the UK are we addressing the two issues outlined above?

The UK continues to believe that the Kyoto Protocol remains the best option for co-ordinated international action and we, along with the rest of the EU, plan to ratify the Protocol by 31 May. To meet our international commitments, the UK Government has put in place an ambitious domestic programme of policies and measures which will reduce our emissions of greenhouse gases by up to 23% (well beyond our target) and is stimulating development of and investment in renewable forms of energy, low carbon technologies and of innovative mechanisms such as the climate change levy and the UK Emissions Trading Scheme which is the world's first economy-wide greenhouse gas emissions trading scheme and we are extremely proud of the way it is working. Of course, this is only one approach, but we believe that working closely with business, to come up with a plan that we can all live with, is a profitable way forward.

We believe that the benefits of taking early action are considerable – with expertise gained from developing new technologies and gradually increasing the amount of energy we get from renewable sources we have an international first-mover advantage. The great majority of UK businesses see moving to a more efficient, low-carbon economy as only beneficial in the long-term for both the environment and business – a win-win situation. By way of example, let me summarise the UK's experience. The UK was one of the few countries to achieve the UNFCCC objective of stabilising its emissions at 1990 levels by the year 2000, and between 1990 and 1999:

- ❖ the UK's GHG emissions fell by over 13%;
- ❖ the UK economy grew by 49%;
- ❖ employment increased by 4.8%; and
- ❖ our GHG emissions intensity fell by 42.6%.

It is often alleged that UK reductions are all due to dash for gas but, whilst this was a contributing factor, only about a third of the reductions were due to that restructuring, which was not of course without its own economic and social cost.

But, as climate change is a global problem, it requires a global action. Following their withdrawal from Kyoto in March 2001, of particular interest in this respect is the US's new policy.

US Policy

The Administration announced its new policy ('Clear Skies') on 14 February. We welcome the US's acceptance that climate change is a serious problem and their increased support for climate science and for climate-friendly innovation.

The US's commitment to help developing countries move towards more climate-friendly patterns of economic growth is also commendable. But it would be wrong for me to pretend that we found all the aspects of the new policy as encouraging. We are disappointed by the level of ambition of the US's intensity target. By our calculations, the target does not appear to be beyond current US trends, as US emissions per unit of economic activity have been falling faster than rate adopted since the mid 1990s.

The US is the biggest global emitter of greenhouse gases, responsible for nearly 20% of world emissions. Whilst Kyoto was meant to provide the framework for the deeper cuts after the first commitment period (2008-2012), the US's withdrawal and the outcome of its policy review will inevitably have a bearing on what other countries will be willing to do in future. Many developed countries remain concerned about the impact of the US's withdrawal on their competitiveness, and developing countries may be unwilling to take on serious commitments until all developed world including the world's biggest emitter, demonstrate their commitment to taking serious action.

Looking to the future, we need to focus on the common ground we share and build on that. We all agree that, despite uncertainties, climate change is a serious problem and is a need to stabilise greenhouse gas concentrations at a safe level. The UK wants to work constructively with the US and all other countries to this end. In his speech of 14 February, President Bush recognised that the growth in emissions needed to 'slow, stop and reverse' – the key question we need to address is when and how will we achieve this?

Future Commitments

The UK's approach to negotiations has been guided by following principles:

- ❖ First, a recognition that developed countries are responsible for the vast majority of historical emissions and that they need to act first to cut their emissions;
- ❖ Second, acknowledgement of the fact that developing countries have the right to develop and will need to increase their emissions from current levels; and
- ❖ Third, an appreciation that developing country emissions are projected to increase rapidly over the next century and achievement of the UNFCCC objective of stabilising greenhouse gas concentrations at a safe will require all countries to take action at some point;

These principles will continue to guide us as the debate about next steps begins. Climate change is profoundly different from most other environmental problems with which humanity has grappled. A combination of attributes make the climate problem unique:

- ❖ First, the public good issues that arise from the concentration of GHG in the atmosphere (and require collective global action);
- ❖ Second, the multiplicity of decision makers (ranging from global decision-making frameworks down to the micro-level of firms and individuals);
- ❖ Third, the heterogeneity of emissions; and
- ❖ Fourth, the different types and severity of projected impacts of emissions around the world.

Moreover, climate change is a longterm issue because it is the concentration of GHGs that is important, rather than annual emissions; this in turn raises the thorny issues of intergenerational transfers of wealth and environmental good and bad outcomes. In addition, large uncertainties in some areas characterise many aspects of the problem and require a risk management approach to be adopted in all decision-making frameworks that deal with climate change.

Considerations in developing mitigation frameworks will include 4 main considerations:

- ❖ First, environmental effectiveness –what magnitude of GHG reductions do we want to achieve and by when. As the IPCC points out, a delay in near-term action can drastically reduce the future range of options for relatively tight climate change targets.
- ❖ Second, cost effectiveness – The more countries that participate in efforts to reduce emissions, the lower the aggregate cost of the stabilising the concentration of greenhouse gases in the atmosphere. But national costs will influence how much a country is willing to do.
- ❖ Third, equity – The UNFCCC provides for action by parties to protect the climate system ‘...on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities’. But there is no common interpretation of what this should mean in practical terms and different approaches to equity can generate very different outcomes.
- ❖ Fourth, sustainable economic growth and development – This is a critical concern to all countries. For developing countries, it is closely linked to the issue of equity – they do not want their growth constrained by commitments to limit emissions to tackle a problem that was caused by industrialised countries.

This is clearly a complex issue that goes to the heart of sustainable development. We have many challenges ahead but I firmly believe that, together, we can tackle them successfully. I think we need to focus on how all countries can work together post-2012 to achieve stabilisation, and on how Governments can provide leadership and vision in tackling this global problem. I think this requires countries to take an open and constructive approach to the discussion to understand better the differing perspectives and possible approaches.

Conclusion

In conclusion, the clock is ticking for climate change - this is not a problem that we can postpone. We must act now. Kyoto is a vital first step, but we must also begin to focus on the future. We are all here because we recognise this and believe in the worth of working with mutual understanding and determination. Let's use this assembly of expertise to make significant progress and see what can be done, now and in the future.

I am happy to take some questions.