

Statement by Dr. Per Stig Møller, Minister for Foreign Affairs, Denmark in Club de Energia, Madrid, Spain, Monday 11 may 2009.

Ladies and gentlemen, I am delighted to be here and I would like to thank Club de Energia for inviting me to speak here today.

Climate change is a fact. Human activity and the burning of fossil fuels carry a major responsibility for this as the fourth assessment report from the Intergovernmental Panel on Climate Change (IPCC) has stressed. We have to act now to mitigate global warming and seek global solutions for reductions in emissions and for adaptation to the adverse effects of climate change. This is the ambitious and overarching challenge for the UN Climate Conference in Copenhagen in December.

On the road to Copenhagen, we face a number of important tasks.

Firstly, we must agree on a common goal for reducing global CO₂ emissions significantly and set clear targets for both medium and long term. The industrialized countries must show the way and commit to ambitious cuts. However, this is not enough. We must create the right incentives for all countries to pursue a low-carbon development path.

Secondly, climate change is already a matter of urgency in many parts of the world, not least in developing countries. A climate agreement must provide a solid framework for adaptation to climate change.

Thirdly, in support of mitigation and adaptation efforts in developing countries a climate agreement must entail facilitation of technology transfer and supply financial resources to those countries that do not have the necessary means to deal with climate change by themselves.

The provision of new and additional private and public financial resources for particularly adaptation efforts in the poorest countries remains a key and unsolved challenge. We need to look into how we can make the most efficient, effective and equitable use of the financial resources for combating climate change.

It is important to underline that a **new climate agreement at COP15 in Copenhagen must have everybody onboard**. Climate change is a global challenge that requires a global solution. COP15 is our deadline, because **the cost of inaction demands action**. Global action is in everyone's interest. As science has shown, the developed countries cannot solve the problems by themselves. However, the developed countries **must** take the lead.

Therefore, we were happy to note that the visit to Copenhagen last June by Prime Minister Zapatero had new technology for climate change and energy efficiency as its key focus.

The Danish Government has established a website on COP 15 and invited contributions from all over the world to underscore the importance of an ambitious result in December 2009. We have had very important contributions from PM Zapatero, President Antonio Brufau from Repsol and members of the Spanish civil society of which we are very grateful.

Spain has been a valuable partner in the adoption of the **European Union's** ambitious climate and energy package in December of last year. The European Union made the commitment to cut emissions by 30 per cent by 2020, if we get a global and comprehensive agreement on climate change and with comparable efforts by the other developed countries. Otherwise, it will be 20 per cent. This is an important first step. We now need to follow through and provide more solid answers on how to provide sustainable financial support for climate efforts. The EU has been and must remain a progressive force in the climate negotiations by supplementing the ambitious reduction targets by being more concrete on the issue of financing. It will as always be difficult, but we have to do it.

I am also very pleased by the positive signals from President Barack Obama on climate change. The **United States** is a key player in the run-up to Copenhagen. The US has already shown its willingness to invest in green technology through the latest stimulus package. And I am hopeful that the US led Major Economies Forum can contribute to further momentum in the negotiations on climate change. Being the host of COP15, Denmark is actively taking part in the MEF. It is important that MEF feeds into the UN process. It is not an alternative to that process.

The major emerging economies like **China and India** have key roles to play if we are to reach a viable and long-term international agreement in Copenhagen. I have been very pleased to note that energy efficiency and environmental issues are increasingly becoming a priority for developed and developing countries alike. We need to build on this towards Copenhagen. The negotiations take place in a global setting with global consequences. It would be a **serious mistake only to focus our attention to the major economies**.

We must acknowledge that climate change is a **particular challenge to developing countries**. We need to find answers to enable sustained economic growth for the developing countries while aiming at stabilising and subsequently reducing greenhouse gas emissions and adapting to the inevitable effects of climate change.

For **Africa**, the urgency of the matter is even more striking. The poorest countries are often the most vulnerable to the negative impacts of climate change. Some have called this an unjust paradox, since those who have contributed the least to climate change will face the hardest consequences. We neither can nor should we reach agreement on a climate deal that does not provide the necessary solutions for Africa.

Other regions also need to be included in a new agreement. Here in Madrid there is no need to stress the importance of Latin America in this context. And I am glad to see Brazil and the region as very constructive players.

The challenge of climate change has many faces. The global economic crisis has added yet another. There are two very different approaches to the balance between the economy and the climate.

The first approach, which I think is wrong, would be to only give priority to the economy and postpone energy and climate to a later stage. The second approach, which I consider the only right one, is to look at climate and energy measures as part of the answer to the current financial crisis. By investing in energy saving technology and renewable energy, we will save the money, which we use to import oil and gas, and avoid becoming politically dependant on the exporting countries. Therefore, the global economic crisis should not be seen as an obstacle towards Copenhagen.

A **new green deal** is an incentive for the economy and a good deal for the climate. There is no contradiction between economic growth and effective climate policies. On the contrary, the policies needed to address climate change are the very policies that can help to revitalize our economies. Investing in green technologies and sustainable, affordable and stable energy supplies will benefit both the economy and the climate, and help create jobs.

We must be clear. There will be no efficient solutions to climate change without new energy policies. We need to turn our economies from high carbon to low carbon.

A key message is that green technology is not only good for the environment and the state – it is good for business, too. Firstly, energy savings adds to the profits of companies. Money saved on energy can be used for other productive purposes. Secondly, renewable energy and higher energy efficiency will lessen our dependence on fossil fuels, making production less vulnerable to volatile energy prices. And thirdly, green technology is in its own right a rapidly increasing and highly profitable industry.

The experience from Denmark proves my point. In the mid 1970'ies we were facing the consequences of the first oil crisis in 1973. Oil prices were sky rocketing, and our economy was highly dependent on imported oil and other fossil fuels. We realized that we had to lower our energy consumption and improve our energy efficiency.

Through an active energy policy we have managed to change the composition of our energy consumption, develop renewable energy sources, lessen dependence on fossil fuels and increase our energy supply security. 28 % of our electricity supply comes from renewable sources. At the same time, our society has become much more energy efficient and Denmark has today the lowest energy intensity within the European Union. Since 1980 our economy has grown by 78 per cent. In the same period, our energy consumption has remained more or less constant.

While tackling our own energy and environmental challenges at home we have developed green solutions, technologies and know-how which subsequently have become important export items. Today, energy equipment and technologies make up a significant part of Danish exports, around 10 per cent, and it is increasing.

The transition to a low carbon development path will also help ensure **stable and reliable supplies of energy** – supplies from many different sources can make energy prices less volatile and improve energy security.

Diversity in the energy supply is in our clear interest. We need to look for other energy sources and largely expand on renewable energy.

Both Spain and Denmark have realized this need to diversify energy sources. I am most happy to note that Spain as well as Denmark are on the forefront when it comes to actually implementing renewable energy technologies.

In January, our joint commitment and Spanish-Danish cooperation in renewable energy was underscored with the establishment of the International Renewable Energy Agency (IRENA). Together with our German partners, Denmark and Spain were the main drivers in the creation of this new global agency for renewable energy. We have great expectations for IRENA and look forward to continuing the work with Spain to ensure the fulfillment of IRENA's important global mission.

Our joint commitment to developing renewable energy is reflected in technological development and deployment of renewable energy sources. Within wind energy, Spain and Denmark have pioneered the development in Europe. As Denmark and Spain remain strongly committed to further developing wind energy, I am confident that cooperation between our two countries and our companies will further develop. And I believe there is vast potential for cooperation within other areas of renewable energy as well. Let me mention but a few.

Firstly, when it comes to **solar energy**, Spain is definitely much more in the forefront than Denmark. You have more sun, and we have more rain. Nevertheless, we do have some expertise within thermal solar energy. We have a whole island on which all the energy comes from solar cells. Solar heat is also used in fuel swift solutions in combination with biomass and fossil fuels. Together they make Danish district heating even more climate friendly. District heating in combination with decentralized combined heat and power generation has been one of the main drivers behind the increased energy efficiency in Denmark. Consequently, Danish providers of district heating and cooling solutions have leading expertise on CO2 reductions and energy efficiency.

Secondly, **bioethanol** is another stronghold of Denmark. Danish companies are supplying 75 % of all enzymes for global production of bioethanols. Not only are they leading suppliers to enzymes to 1st generation bioethanol. I am happy to note that they are deeply involved in refining the technologies needed to make second generation bio fuels a viable alternative where economic benefits walk hand in hand with environmental sustainability.

In the same vein, I would thirdly like to mention **biomass and biogas** as important contributions to reducing CO2 emissions. They make use of existing local resources and address energy and environmental concerns at the same time. Denmark has strong expertise in these areas that we are happy to share with others.

The fourth and last renewable energy source I would like to refer to is **wave power**. Wave power is an example of a new and not yet fully developed energy source where I see common interests and great potential for cooperation between Spain and Denmark, both having vast coastlines.

Now, I actually believe that the cheapest and most environmental friendly energy is the energy that we save. And when it comes to **energy savings**, the good news is that a number of solutions already exist that can greatly improve energy efficiency in industry as well as in households, if widely applied. In industry, introducing smart and energy saving engines and pumps is a first obvious step. In houses, introducing modern insulation, windows and doors can save vast amounts of energy and money – and create jobs. And this goes for cold as well as warm climates.

Apart from savings, synergies are important to focus on when it comes to new and green energy solutions. Let me take transportation as an example as the transport sector is of the greatest importance when it comes to reducing CO2. With the development of high speed rail transportation, Spain is making an important contribution. However, transportation by car and truck is the most common and must contribute considerably. This can be done through increased use of new technologies such as second generation bio fuel and electric cars. Electric cars furthermore have the advantage that they can help to make better use of the wind energy; A perfect example of positive synergies between different technologies within electricity production, electricity distribution and

the transport sector. And also a perfect example showing that we need to have visions and dare to rethink our energy systems.

In order to exploit renewable energy as well as energy efficiency measures, we need to provide the right **framework conditions**: From strong research and development to supporting commercialization efforts as well as providing the legal and technical framework that allows and encourages new renewable energy sources and energy saving devices to be integrated into existing energy systems. Setting ambitious targets as well as combining new and stricter standards with incentives for utilizing climate friendly solutions are important elements in the recipe for a climate friendly energy policy. A key issue in supporting developments of new solutions is to ensure close coordination among companies, research institutes and public authorities – both at national and international levels.

On this note, let me summarize: Drastic measures are indeed needed to take us forward, but the good news is, as I am speaking here today, results are seen and felt on the ground. From the US, the EU, China and others we have seen the incorporation of green technologies in the stimulus packages. The realization is now spreading that the economic crisis provides us with an opportunity to prepare ourselves for the future by securing the foundation for low carbon societies. And likewise the realization that our low carbon future rests upon effective and ambitious energy policies that focus on sustainable and renewable energy sources.

Let me, once again, ensure you that I have been delighted with the opportunity to speak to all of you today, because the interrelation between the biggest challenges of our time is evident. I hope I have been able to set an agenda today that allows us to reflect upon how we can use the opportunity of the COP15 in December this year in Copenhagen to address the biggest challenges of climate change, the economic crisis, and energy. To me these three biggest challenges of our time must be linked and must be dealt with as a global challenge. We cannot solve one problem without solving the others.

This is an ambitious agenda, which must be matched by global decisions, when the world meets in Copenhagen. The cost of inaction demands action! We must not be the generation, which slept while on duty.
Thank you very much!