



**International Transport Forum: Energy and Transport: the challenge of climate change
Leipzig, Germany, 29 May 2008**

**Address by Yvo de Boer, Executive Secretary
United Nations Framework Convention on Climate Change**

Honourable Chancellor Merkel,
Honourable Ministers,
Excellencies,
Ladies and Gentlemen

General Motors Chairman and Chief Executive Wagoner recently said that the transformation of the car industry is “The biggest challenge since the start of the industry, but it is a challenge that must and can be met.” Indeed, this international transport forum comes at a crucial time vis-à-vis the UN climate change process.

The UN Climate Change Conference in Bali in December last year saw a political breakthrough - the launch of a negotiating process that will conclude in Copenhagen at the end of next year. The Bali Action Plan asks us to explore ways and means on how we can catalyse and enhance cooperative and effective action on climate change among various groups and stakeholders. The real work is now only beginning.

The Bali meeting highlighted not only the difficulties in ascertaining how the burden will be shared between developed and developing nations, but also between the different sectors within the national economies, and transport is one of the most challenging sectors in both developed and developing countries.

In Bangkok at the beginning of April this year, negotiators agreed on a **work programme for 2008** and began mapping out work for 2009. During all of the UNFCCC meetings leading up to Copenhagen, Parties will discuss: a shared vision (including a long-term global goal for emission reductions) and enhanced action in the areas of mitigation of greenhouse gas emissions, adaptation to a changing climate, climate-friendly technology and financial needs and support to developing countries.

The International Transport Forum is one of the **key nodal points** of the international network on transport and climate change. You as **key stakeholders** in the field of transport and climate change therefore have a vital role to play in designing the climate change deal.

Progress in the transport sector to combat climate change to date is inadequate

The **signal** you have all heard from **scientific community** is **crystal clear**: global greenhouse gas emissions need to peak over next 10 to 15 years and dramatically drop by at least 50% against 2000 levels by the middle of the century in order to stabilize global mean temperature increases around 2- 2.4 °C. For industrialized countries this means that reductions by 2020 between 25 and 40 % based on the 1990 levels that are the point of reference according to the IPCC.

All of the current trends in transport fly in the face of what science tells us is required. Data submitted to the UNFCCC shows that, in industrialized countries, greenhouse gas emissions from transport increased by 17.5% between 1990 and 2005 and this growth is expected to continue, with a 30.5% increase from 1990 to 2010. This is the highest of all increases in sectoral emissions.

And even worse: GHG emissions from international aviation continue to grow unabated, increasing by **84.2%** between 1990 and **2006**. Data for transport in developing countries submitted to the UNFCCC is too poor to provide a sound analysis, but IEA projections show even higher emission growth in Asia and Latin America than for developed countries.

The International Energy Agency expects global emissions from transport **to increase by 80%** by 2030.

Present political action in the transport sector is woefully inadequate. Only a few of Parties to the UNFCCC, including Germany have made significant progress in reducing emissions of the transport sector below base year levels (1990-2006: -1.5%). In Japan, emissions from transport have been declining since the beginning of this decade (from 2001-2006 by minus 6.1%), but are still well above base year levels (16.0% in the years 1990-2006).

It is crucial that you as key stakeholders on transport and climate change provide input to the political process under the UN as to what sound policies need to be in place so emissions from transport stop rising at their present rate and actually begin to fall in the way the IPCC clearly indicates they need to.

How can the transport sector contribute in the design of the Copenhagen deal?

At Bali, developed countries reaffirmed their leadership role in terms of reducing greenhouse gas emissions. Developed countries now need to start thinking hard about what short and medium-term, sectoral emission reductions they want to commit to in the transport sector, along with what **interim targets** they want to build in on the way.

All developed countries should for example now be considering

- what ambitious standards for CO₂ emissions from newly sold passenger cars they want to set, for example by 2020.
- the installation of a monitoring, reporting, verification and compliance regime which ensures the achievement of these CO₂ standards in 2020, along with milestones - for example every two years up to 2020.
- setting international benchmarks for certain groups of countries, taking into account differences in national circumstances.

Furthermore, all countries need to work towards integrated transport strategies that address all driving factors for increases in emissions, all transport modes and all major stakeholders.

This can and should take into account national circumstances, as spelt out in the Bali action plan. The latest EEA report on transport indicators (TERM 2007), for example, clearly

points out that, in order to achieve the needed emission reductions, policies and measures must also address demand for transport in a serious way.

There is an urgent need for better reporting so that action can be taken

The data quality on transport needs to be improved. A common set of indicators for measuring, reporting and verifying national and international action on mitigation of climate change in the transport sector needs to be developed and put in place.

Developing such a table of indicators for transport and climate change, as input to the UNFCCC process, would be the task of the community of international transport experts.

A recent IEA workshop on transport indicators found that the quality of data on transport is limited in developing countries, and poor in developed countries. Therefore, there is an obvious need to improve the data quality, as we cannot master what we cannot measure. Industrialized countries should therefore support developing countries in their efforts to improve their data basis.

Parties to the Convention could use these new and higher quality data to improve their reporting on their national circumstances, based on existing UNFCCC reporting guidelines, and include transport-related indicators.

If Parties included time-series indicators such as vehicle-kilometres per capita, tonne-kilometres per unit of GDP or average vehicle fleet GHG emissions per kilometre in their reports under the UNFCCC, we would gain a lot more transparency and have a better understanding of where we are in terms of transport and climate change.

What questions should the transport sector answer in the run-up to Copenhagen?

We all need to think hard about the extent to which international transport could be included in an emissions trading system established as part of the Copenhagen agreement. Linking the transport sector to an existing emissions trading scheme would allow for cost-effective reductions of GHG emissions across sectoral borders.

There are several options to do so, and if vehicle producers are hesitant in joining the carbon market, then fuel suppliers could be invited to form the linking element. Whether the sector in general would become a net buyer or seller of carbon certificates is yet to be seen, as there might be many undiscovered low-cost mitigation potentials in transport.

Emissions from international transport to date do not fall under the Kyoto Protocol. The transport sector needs to think about whether or not national objectives formulated as part of the Copenhagen agreement can be reached without transport assuming a cap-and-trade approach. At least within the EU, policy makers and aviation industry seem to be close to an agreement on a pragmatic way forward.

Two more general questions that will need to be addressed beyond the short-term perspective in the transport sector are:

1. How can we find the right balance between facilitating access and exchanges on the one hand, and reducing emissions and oil dependence of the transport sector on the other?

2. Which lessons in transport policy did industrialized countries learn in the past? And could developing countries and economies in transition benefit from these lessons and avoid repeating the same mistakes again?

Addressing these fundamental questions in the light of the stark contrast between projected emissions growth of 80% by 2030 and needed reductions of 60-80% by 2050 would ask for nothing less than a paradigm shift in transport.

The transport sector has a choice to make

Whilst there has been little political pressure to reduce emissions from transport up to now, that situation will soon change as industrialised countries assume the leadership role they promised to take at Bali. You have a choice: The question is whether you as transport stakeholders are willing to proactively shape the future climate change deal at Copenhagen or have your policies shaped by it.

New technologies will certainly be part of the answer. But we simply cannot afford to wait for them and hope for “silver bullet” global solutions, which may only be commercially available at some stage in the future. It is high time to take action **now** by adopting more immediate national or regional approaches for all transport modes which make real contributions and could set examples for others.

Likewise, incrementalism should not frustrate fundamental change. While working on short and medium-term solutions, we should ensure that action on conventional fuels and engines does not frustrate change towards a long-term emissions-free future. A future that recognises an economy-wide change in how we fuel transport and growth.

Climate change action that measures up to what science tells us is needed means entering into a low-emissions world. To keep climate change manageable, I personally believe that this vision must be shared by all countries, all sectors and all stakeholders in the very near future.

Thank you

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