

-- CHECK AGAINST DELIVERY --

**STATEMENT BY ROBERT PRIDDLE, EXECUTIVE DIRECTOR  
INTERNATIONAL ENERGY AGENCY, PARIS**

**TO THE THIRD SESSION OF THE CONFERENCE OF THE PARTIES  
TO THE U.N. FRAMEWORK CONVENTION ON CLIMATE CHANGE (COP-3)**

**on behalf of**

**THE ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT (OECD)**

**and**

**THE INTERNATIONAL ENERGY AGENCY (IEA)**

**Introduction**

No one has come to Kyoto to sacrifice national economic interests. The aim is to tackle climate change as part of our wider commitment to sustainable development. This includes two components. The first is to maintain global economic development. The second is to do so on an environmentally sustainable basis. We will succeed only if we achieve both purposes, for developed and developing economies alike.

The Organisation for Economic Co-operation and Development and the International Energy Agency are devoted to helping our Member countries, and the rest of the world, to achieve these goals. Man-made damage to the climate *can* be reduced without stunting economic growth. But to do so will require another sustained quality - clear and determined commitment. This Conference must deliver that commitment.

**Targets and Actions**

Targets for reducing greenhouse gas emissions must be ambitious, realistic, cost-effective and achievable. This means targets which challenge us to go beyond our present expectations; but which can be achieved at acceptable cost to society.

Governments have to set the framework which delivers these results. To do so, they have to harness market forces to reduce emissions at least cost. Existing distortions to the market should be phased out; economic instruments should be developed. Voluntary actions can contribute. So can new efficiency standards and fuel switching. Many potential technical solutions require increased incentives. Some, of course, may be politically painful.

## **The Role of Energy**

Energy is essential to economic development; it is also by far the largest source of man-made CO<sub>2</sub> emissions. So, energy will play a critical part in the solution to climate change. We cannot have a secure energy future so long as the greenhouse gas problem is left un-managed.

Our economic and social infrastructure cannot be prematurely transformed or dismantled without considerable expense – even if, on a longer view, the ecological advantages outweigh short-term costs. But each new capital investment offers an opportunity to contribute to a sustainable future. Too many energy decisions have been made since Rio without regard for this fact.

Together, we have to achieve a new, cleaner energy economy. All other sectors must contribute as well: agriculture, forestry, industry, transport and construction. We must also transform our own behaviour as individual consumers of goods and services.

## **Developing Countries**

The developed world has contributed most to the increase in greenhouse gas concentrations. Responsibility for attacking the problem rests with us.

Ultimately, the problem will not be resolved by the industrialised world alone. We have to create incentives, both ways, which will mobilise a flow of finance and technology into the rapidly growing areas of the world.

## **Beyond Kyoto**

The OECD and IEA have unique experience in guiding and assessing policy choices and in measuring their progress. We have done pioneering work on methods to account for emissions. We have developed guidelines for the communications of Annex I parties. We have analysed policy instruments neutrally and objectively. We have various programmes on climate-friendly technologies, including the Climate Technology Initiative.

Our statistical information is authoritative. It can serve as an indispensable tool in monitoring progress. Our reviews of economic, energy, and environmental policies complement those of the Climate Change Secretariat. We hope that the Convention will continue to rely on our work.

We stand ready to support the Parties and the Secretariat in their efforts to achieve a positive outcome at Kyoto and to implement it vigorously and effectively.