

**Remarks by Robert Priddle  
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to the Sixth Conference of the Parties  
of the United Nations Framework Convention on Climate Change  
The Hague, 20 November 2000**

Three years have passed. Ten remain. The midpoint of the Kyoto compliance period looms. How has the critical energy sector performed so far in the battle against climate destabilisation? There has been some progress -- not nearly enough. But we know how to do much more.

Tomorrow, we will publish our *World Energy Outlook 2000*, which measures both the achievements and the challenges. The old "business-as-usual" approach is now behind us. Trends are starting, slowly, to bend. Since 1997, governments have concentrated on limiting and reducing CO<sub>2</sub> emissions from the energy sector. A new IEA publication contains a 75-page catalogue of such actions taken in 1999 alone.

These steps are important, but they do not suffice. If compliance with the Kyoto targets is measured solely in terms of energy-sector CO<sub>2</sub>, the three OECD regions will fall short by some 25%, 30% and 40% respectively.

Simply cutting the energy supply, or pricing it out of reach, is no answer. Sustainable economic development requires sufficient, reliable and affordable energy. For two billion people, such basic energy services as heat and lighting are still a distant dream.

Fortunately, a range of additional options remains open:

- Much can be achieved in power generation by using renewables, extending the life of nuclear plants and further fuel switching from coal to gas.
- The transport sector will be tougher to crack. Opportunities to curb emissions growth from now till 2010 are limited, but it is only by tackling transport issues *now* that we can reap the benefit in the *following* decade.
- Emissions trading between Annex B countries offers the most cost-effective way to meet their Kyoto commitments. But no trading can be done until a legal framework is set. In exploring the prospects for trading, we have "priced" a ton of carbon. That price is not cheap, but it is bearable. We also need a working framework for the Clean Development Mechanism, and we need it now.

We must bear in mind, always, that incremental fuel use and carbon emissions in Annex B countries will be as nothing compared to those in the developing world in the years to come. It is indispensable that we engage the developing world in the battle against climate change. That means the terms must be equitable.

Energy is only part of the story. Other sectors, and gases other than carbon dioxide, cause unwanted climate change, and sinks contribute to its mitigation.

Time is of the essence in all these areas. Action taken now will cut the cost of carbon mitigation in the long run. Action taken now will ensure results within the Kyoto time frame. Action taken now is essential to accomplishing the task we have set ourselves.