

**Statement to the 10<sup>th</sup> Conference of the Parties to the UNFCCC**

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Mr. President, Excellencies:

Thank you for the opportunity to address this 10<sup>th</sup> meeting of the Conference of the Parties on behalf of the International Energy Agency. Because the preponderant share of emissions originates in the energy sector, measures will be required in the future that will significantly alter the way in which the world produces and consumes energy.

Recent trends have not been encouraging. Our recently released update of annual CO<sub>2</sub> emissions estimates for the energy sector indicates that emissions are still growing robustly. World energy related CO<sub>2</sub> emissions are 16.4 per cent above their 1990 levels as of 2002, an increase of 2 per cent from 2001 alone.

The IEA World Energy Outlook 2004 demonstrates just how difficult the task of reducing emissions will be. In its reference case – which supposes no change in energy policies in place as of July 2004 – global energy-related emissions are forecast to grow by 62 per cent through 2030. This trend is not sustainable. Moreover, developing country emissions will more than double surpassing OECD emissions around 2020.

However, the World Alternative Policy Scenario of the 2004 Outlook shows that with the new policies under discussion in IEA countries and major developing countries, such as increased energy efficiency and a greater use for renewables, the growth rate can be significantly slowed and – in the OECD region – turned into declining emissions by 2030. The main contributory factor and by far the most immediately available and cost-effective policy is increased energy efficiency.

But even the alternative policy scenario alone will not achieve long term stabilization of concentrations as required by the Convention. To do that, more will be needed and costs will be higher in the absence of technology breakthroughs, which will have to move into the global marketplace. We must manage this rapid technology development and deployment in a manner that meets all our energy goals, that is security of supply, economic growth and universal access to modern energy services as well as environment protection. These need not be conflicting objectives, if we want to maintain public support for effective climate policy.

Can Governments choose the best technology? The IEA calls for caution. We are convinced that there is no silver bullet technology. IEA Member countries and others are investing and cooperating in a full suite of technologies. A variety of technologies need to be developed and implemented because national circumstances differ – therefore the appropriate technology will differ – and because we can not know now which technologies will develop most rapidly.

To ensure broad participation, we need to develop innovative mechanisms taking into account cost uncertainty and the necessity for developing countries to achieve significant economic development. We have some ideas in the IEA on how progress could be made. That will not happen without broad and confident cooperation.

Finally, let me express our willingness to work as partners with the UNFCCC process to assist the community of nations in providing reduction opportunities that preserve economic growth and offer secure and stable energy services.