



**World Future Energy Summit
Abu Dhabi, 17-20 January 2011**

**Keynote speech by Christiana Figueres, Executive Secretary
United Nations Framework Convention on Climate Change**

His Excellency Dr. Sultan Ahmed Al Jaber, Host of the Summit and CEO of Masdar,
Distinguished Ministers,
Mr. Adnan Amin, Interim Director General of IRENA,
Mr. Caio Koch-Weser, Vice-Chairman, Deutsche Bank, UK,
Dr. Susan Hockfield, President MIT,
Dr. Richard Newell, Administrator, US Energy Information Administration,

Ladies and gentlemen,

I thank you for inviting me to address this esteemed audience at a moment in which the energy sector is poised to push forward with tremendous progress.

At any given point in time, progress is made somewhere by someone. Progress comes in many shapes and sizes, and often it doesn't affect us directly. But when progress propels the world into a new era, everybody takes note because ultimately, we are all affected by it.

When Ahmed bin Majid made progress on the art of navigation and assisted Vasco da Gama in the late 1400s to find his way from Africa to India, he helped to propel the world into a new era of cartography, which would help human kind to explore the vastness of this planet.

When his Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, came up with his vision of a renewable energy city - Masdar city - he propelled the world into a new era of trust in renewables as reliable energy sources and established a vision of the future that the world could aspire to.

And when governments in Cancun made progress by signing off on the Cancun Agreements, they propelled the world into a new era in which long-term emission trends can be modified downwards through international cooperation. This era opens the doors to a future of economic growth powered by low-carbon choices.

We are all aware of how critical low-carbon growth is. While current energy generation contributes up to 80 percent of total CO₂ emissions, global demand for energy is set to increase by up to 30 percent by 2030, especially in developing countries, which need reliable energy to grow their economies. In order to avoid a technological lock-in that could be disastrous for the next generation, decisions on both energy sources and energy use need to be made now.

So what exactly was decided in Cancun that has the potential to propel the world into a low-carbon era? And more specifically, what did Cancun achieve for renewable energy sources and future energy use?

I do not exaggerate when I say that the Cancun Agreements include the most comprehensive package ever agreed by governments to help developing nations deal with climate change by facilitating a transformation of energy systems.

The agreements form the basis of the largest collective effort the world has ever seen to reduce carbon emissions over time and to build a system which makes all countries mutually accountable to each other for what they promise to do.

Cancun put in place a solid framework for action. Many of the mitigation actions decided there are directly relevant to the green energy sector.

Firstly, governments recognized a 2 degree Celsius temperature limit and will consider a 1.5 degree Celsius limit going forward, thereby setting a clear direction towards low carbon societies.

Secondly, they decided that industrialized countries will develop low-carbon development plans or strategies and encouraged developing countries to do the same.

Thirdly, the emission reduction targets put forward by industrialized countries in 2010 were officially recognized and recorded in Cancun, holding those countries accountable for the achievement of those targets.

Fourthly, nationally appropriate mitigation actions by developing countries, seeking a deviation from business-as-usual emissions by 2020, were officially recognized. A registry has been agreed to, within which these actions will be recorded and where they can be matched with financial and technological support.

These goals can only be achieved via a significant and rapid scaling up of energy efficiency, and the commercial, widespread use of renewable energy.

The Cancun Agreements also indicate a second commitment period under the Kyoto Protocol and it will be a prime task of the negotiations this year to decide how the transparency, certainty and compliance which are integral to the Kyoto Protocol are taken forward.

The protocol's market-based mechanisms were strengthened in Cancun, and governments have agreed that carbon capture and storage projects are eligible under the clean development mechanism. Modalities and procedures will start to be developed this year.

Finally, Cancun created a technology mechanism, which will be operational in 2012 and assumes strong involvement of the private sector.

The mechanism will support innovation and development of new technologies, giving governments the opportunity to stimulate technological advances in a cooperative manner.

Importantly, the mechanism will give priority to the diffusion, deployment and transfer of technologies, enabled through increased public and private investments.

This means that the mechanism could play a catalytic role in ramping up production of proven technologies to take them to the level of commercialization that makes them competitive with coal and oil.

Some of the details of the Cancun decisions still need to be negotiated by governments in 2011. Notwithstanding, they already form the beginnings of a new era.

Cancun was a breakthrough at the international level . But international policy cannot deliver in isolation. To be effective and actually bring about the change that is needed, international policy needs counterpart national policies.

International agreements without national implementation are toothless, and national efforts without international cooperation limit the stage for innovation, business and vision.

After Cancun, the spotlight now turns to national governments to transform the Cancun Agreements into action, for national policies to provide the muscle that implements international will. International and national policy need to work in tandem and be mutually reinforcing, while having distinct roles.

Fortunately, the process of crafting low-carbon national policies that can work in consonance with international policy has already begun.

In 2010, all G20 economies and also others have initiated or completed the development of economic growth plans that are strongly based on green growth and that go far beyond the short-term economic recovery packages of 2008/2009.

It is essential that these encouraging efforts are now built upon nationally, in light of the Cancun Agreements.

In the pre-Cancun world, the only incentive that existed for clean energy at the national level was provided by the Kyoto Protocol's clean development mechanism. With a focus on tons of emissions to be reduced, the CDM offers incentives for projects and programmes that reduce emissions. But these represent isolated opportunities and do not easily change emission trends, nor do they incentivize national policy shifts towards low-carbon growth.

Cancun has fundamentally changed this. There is now an international climate change regime that can incentivize action far beyond individual projects and programmes.

As Ministers, you now have the opportunity to use the international incentives to strengthen low-carbon policies at the national level.

The alignment of international and national policy has the potential to significantly alter emission trends well into the future, instead of solely and narrowly focussing on tons of emissions that can be reduced by single projects.

The alignment of international and national policies affords you the opportunity to shift your focus from tons to trends, and that is the platform from which the world will be propelled into the era of low-carbon economic growth.

The key to success lies in ensuring that national policy not only takes aggressive advantage of the incentives provided by the Cancun climate change regime, but fills in the incentive, regulatory and legislative gaps at home to provide sustainable energy solutions with a level playing field at the national level.

Implementing Cancun fully will, in many ways, turbo-charge national low-carbon objectives, but only if national policy nurtures innovation, incentivizes commercial solutions, and provides a level economic and political playing field for new energy solutions.

Formidable challenges remain.

Appropriate financial structures need to overcome the split incentive dilemma of efficiency.

Renewables need not only to be made cost-competitive with other energy sources, but accessible to the 2 billion people who still remain with no access to electricity, an inadmissible fact for this century.

Additionally, the investment needed to provide the new renewables grid capacity is large: close to USD 6 trillion through to 2035. The IEA estimates that in 2009, worldwide government support for electricity from renewables totalled some USD 57 billion. By 2035, this would have to increase to USD 205 billion.

The private sector has already picked up on the need and is ready to move. In economic and investor circles, energy efficiency and renewable energy are already seen as “the next big thing”.

The energy efficiency solutions market is growing and is projected to be one of the biggest business growth areas through 2020.

Meanwhile, 2010 proved a record year for green energy investment with venture capitalists, corporations and governments worldwide pouring USD 243 billion into wind farms, solar power and other clean technologies. Many project that the market is poised to grow and HSBC estimates that by 2020, the renewable energy technologies and electricity will be worth USD 544 billion.

This market trend is encouraging, because it begins to pre-adapt these economies to a new era. Going forward, clear policies, incentives and support are needed on the national level to further boost the clean energy trend.

Ladies and gentlemen,

When Ahmed bin Majid made advances in cartography, he did so at a unique moment in history, a moment that offered both the opportunity and the space for him to make progress.

This, too, is a unique moment in history, offering both the space and ample opportunity to make progress across the globe. This moment needs to be capitalized by all of you.

Now is the time to make the type of progress on the national level for which governments paved the way on the international level in Cancun.

Now is the opportunity to use the incentives provided by the international level to address national low-carbon policies.

And now is the time to provide the clarity, incentives and support on the national level that are needed to usher in the new era by enabling investments and private sector action to flow.

Let us make the type of progress that the world will remember: progress towards the era so clearly visualized by Masdar city: low-emissions growth and economic development powered by sustainable energy.

Thank you.
