



**CEO Sustainability Forum
London, 26 September 2011**

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

Honourable Vice President Gore,
Distinguished guests,
Ladies and Gentlemen,

Good evening. Thank you for your kind invitation to join you in St. Paul's Cathedral, a monument as magnificent as it is meaningful. We gather in the midst of many memorials to victorious captains of war, reminding us that we are all in a battle for the future, and can be inspired by the past.

We are close to the memorial to Lord Nelson ... Britain's most famous Admiral ... who steadfastly refused to contemplate defeat. In one battle, rather than obey a field signal to stand down in front of the enemy, he put his telescope to his blind eye and claimed he couldn't see the order to retreat.

In equal fashion, in our battle toward sustainability, we too must be principled leaders, trusting our own judgement to move forward, even if the signs point to retreat, simply because we cannot afford defeat. For us not to accept failure means both securing the frontline of the progress achieved, and assuming responsibility to push further into the unconquered territory.

And don't worry: I do not propose to entrust the battle for a low carbon future to the military - for that it is too important a battle! (Of course, coming from a country which has abolished its army I might be mildly biased on this issue and certainly lack military credentials.)

So let me first address the progress being achieved, and then the challenges ahead.

In Cancun, governments decided to begin to build an infrastructure that will support a broader, more ambitious climate change regime. The infrastructure includes the Green Climate Fund, the Technology Mechanism and the Adaptation Committee, all of which have the goal of supporting enhanced action on both mitigation and adaptation in developing countries.

These institutions have been in a design phase during this year and are well on track to be approved in Durban. A little further behind are the guidelines for transparency and accountability, but we are going to focus on those next week during the negotiations in Panama.

In Cancun, governments also agreed to work to keep the average global temperature from rising above two degrees, and recognized the concerns of many vulnerable countries that it might be necessary in the future to limit warming even further.

This will require, above all, inexorable progress on a set of firm, transparent and increasingly ambitious national emission reductions from all. Herein lies the critical challenge of Durban. Developing countries are calling for a second commitment period of the Kyoto Protocol, under which industrialized countries would take on deeper legally binding reduction commitments with strict accounting and compliance rules.

Japan, Russia and Canada have publicly stated they will not join a second commitment period. As you know, despite VP Gore's valiant stand in Kyoto in December of 1997, the US did not participate in the first commitment period and has no intention of entering the KP.

The EU has stated they may be willing to consider a second commitment period if other major emitters make comparable efforts.

Throughout the past nine months, governments have been exploring middle ground solutions that would uphold the rules-based system of the Kyoto Protocol, provide a robust alternative to the industrialized countries that will not continue in the KP, and formalize the current mitigation pledges of the US and key developing countries under the Convention.

The task is not an easy one and requires determined political leadership to obtain both environmental integrity and fairness. I am comforted by seeing that governments are not shying away from the challenge, but the solution is still very much in the making.

Over time, governments will also have to chart a path toward increased mitigation levels, since the total of current pledges represent only 60 percent of what is needed by 2020. The review of adequacy that starts in 2013 should provide the impetus for this.

We can discuss more details of the negotiations in the Q&A if you wish, but in short, under the UNFCCC, national governments are taking important forward steps to build the institutional infrastructure that will support a global response to climate change.

I am, however, quick to add that the pace of the intergovernmental negotiations is slow, and it is slow for three main reasons:

- 1) The deep North-South divide over historical responsibility still has more weight than the forward looking approach of respective capabilities.
- 2) All big players are still under severe financial constraints and face complicated domestic political constraints, including upcoming election processes, prior to which their political manoeuvrability is severely limited.
- 3) Perhaps most importantly, the economic/social transformation needed for a 2 degrees Celsius ceiling is nothing short of an industrial/energy revolution. It depends on a wide range of changeovers, from societal behavioural changes, to overriding national policies and investment redirections at levels never experienced before, going way beyond the current Kyoto Protocol.

The compounded result is that the scale of the task at hand exceeds the capacity of the political and economic mechanisms currently available to meet the task.

Furthermore, the willingness of governments to move forward ambitiously is severely handicapped unless business provides the impetus. And that is where you come in.

Business, most importantly, has the power to change consumer and supplier behaviour and turn it into a powerful vocal support that gives policy makers a clearer space in which to act. I am encouraged that many enlightened companies have embarked on this.

I fully understand that you could be more aggressive in your capital allocations if you had a stronger market signal from the policy providers. But today I stand before you with a clear request: help us break that vicious circle. Help us convert it into a virtuous circle that can power new growth, create jobs in new sectors, help alleviate poverty and stabilize the climate.

Admittedly, in the absence of a clear solid international framework, this represents a risk for business, but I pose that it is a manageable risk. It is manageable based on simple math, which I learned from a good friend who is confidently investing in cutting edge technologies: Today, a 7 billion global population produces a global GDP of approximately USD 60 trillion and an annual emission rate of 30 billion tons CO₂e. Current projections suggest a population of 7-10 billion and a GGDP of USD 120-200 trillion by 2030.

Climate science (yes, I confess that I believe in science) tells us that we need to reduce our annual global carbon emission level to 20 billion tons by 2030. That means that each ton of CO₂ emitted by 2030 will have to produce up to 5 times as much economic value added as it does today.

Let us not be so naïve as to think that we will live in a world free of hydrocarbons, but in a low carbon future their relative importance will dramatically shrink. The business success of tomorrow is born of the low carbon opportunities of today.

A lower carbon economy necessitates a multifaceted paradigm shift across a broad spectrum, from individual behaviour to national policies. But the fulcrum that tips the balance from high to low carbon growth is infrastructure and energy, the two topics you will discuss tomorrow.

We are currently spending USD 7 trillion a year on infrastructure (buildings, houses, power plants, roads and cars) and USD 5 trillion a year on energy (oil, electricity and natural gas). That is 20 percent of current GGDP, but more fundamentally, it sets the pattern for the future. As you know, today's investment in power generation and the built environment will determine energy patterns for decades to come.

By virtue of your corporate relationship with Generation Investment Management, you are already a pre-selected group of companies, here because of what you are doing to change those energy patterns. My question to you is: are you doing your best?

The transformation we are talking about requires three components:

- **Capital availability** (I trust Generation is doing its maximum on that front);
- **Execution capability** (Al Gore assures me I am speaking to the undisputed leaders of execution);
- But it also requires **policy support**. Yes, you could do more if you had the *pull* of ambitious policy.

However, given the slow pace of international (and in some cases national) policy, are you exploring to the utmost those opportunities that allow you to increase low carbon market share, thereby converting your activity in the market into a *push* for governments to take more ambitious decisions?

Are you in active conversations with the governments of countries in which you operate, encouraging them toward increasing sustainability? I am sure you are to a certain extent. But are you doing your maximum? Do you lie awake at night thinking how you can push that envelope to its maximum? Are you bending the curve of policy decisions? Are you collectively vocal enough to at least balance, if not drown out, the corporate voices of those who see no benefit in rapid action?

The challenge may sound difficult or even impossible, but I trust I am speaking to a group of leaders for whom, in the context of the future of this planet, impossible is not a fact, it is an attitude.

Ladies and gentlemen,

The battle for the future will not be won with the weapons of war, the blood of youth and the bravery of admirals ... but with the advance of technology, the genius of humanity and the combined courage of political and business leaders to aim high enough!

Your leadership is essential:

- To push the envelope within your own business;
- To bring around others in your business field to be ambitious; and
- To create a virtuous cycle of push and pull between public and private sectors to pave the road toward sustainability and a low carbon future.

In that context, I would like to issue you an invitation. On the occasion of the next climate change conference in Durban, the climate change secretariat is planning to showcase a limited number of visionary public-private partnerships that have been formed to attain concrete action on reducing emissions or increasing resilience to climate change in developing countries.

We are starting with PPPs that are either located in Africa, or have direct beneficial impact on the urban poor worldwide. On the basis of this we will launch a fully fledged programme for the next COP and beyond. If you are involved in any such partnership, I invite you to let me know.

To conclude, I note that tonight we are close to another maker of history who is remembered in St Paul's - not a man of war, but a woman who healed the wounds of war.

Florence Nightingale laid the foundation of professional nursing during the Crimean War by refusing to accept that the wounded could not be saved.

Single-minded and determined, refusing to contemplate failure, one woman changed a culture of despair into a future of hope and life. In her footsteps, let us rekindle our faith that together we can build the future that our children deserve to live in.

Thank you, Mr. Gore, for everything you are doing to move this agenda forward. Thank you, ladies and gentlemen, for the good work that you are doing. And thank you for considering doing even more.
