

# BARBARA WARD LECTURE

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## Outstanding women in development

### GUEST SPEAKER

Connie Hedegaard, European Commissioner for Climate Action

### DATE

11 May 2010

### LOCATION

The Commonwealth Club, London

Distinguished guests,  
Ladies and Gentlemen,

It is a great honour to be invited to give this lecture in memory of a remarkable lady.

Economist, environmentalist, historian, journalist, author and adviser to governments, Barbara Ward was clearly a true polymath and one of the very first people to identify the need for sustainable development long before it was given that name.

Directly and indirectly, Barbara Ward's influence has clearly been immense, and today it lives on not only through her many books but also through the work of the International Institute for Environment and Development. The European Commission is pleased to be co-funding a number of IIED's activities.

I hope I will not offend anyone if I acknowledge that, until I received the invitation to speak today, I had not actually heard of Barbara Ward.

How come? Well, probably because I belong to the first generation that has been able to take environmental protection for granted – because of pioneers like Barbara Ward.

In 1971, Denmark was the first country - or certainly one of the first - to set up a ministry for environment. It was actually called "The Ministry for the fight against pollution" back in those days, and for good reasons.

In my childhood in Europe we saw black, grey and yellow smoke billowing from factory chimneys, open waste dumps in the countryside, filthy untreated waste water running into rivers and ponds.

That this is no longer the case in most of Europe today shows how much can be achieved in little more than a generation. And that gives me hope when I look at the Yangtze River in China today or Ganges in India.

We can do it. We must do it. And we have the technology and the know-how we need. But we need to hurry. When my grandmother was born in 1901 the global population was not even 2 billion, whereas my grandchildren will share Planet Earth with 9 billion.



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Climate change is already a fact of life for many people around the world. I have seen it with my own eyes in places as far apart as Greenland, Bangladesh and Mali.

To women I have met in Bangladesh, the impacts of climate change can make the difference between whether they and their families get two meals a day or just one.

That is because with the changing climate the timing of the seasons is changing. Farmers in Bangladesh can no longer sow their seeds at the time they learned to do so from their fathers and grandfathers.

And when they have sown their seeds - hoping they have got the timing right - it can happen that a sudden storm surge washes the crop away, and with it their food and income for the next months.

Two years ago in Mali, I drove with the environment minister through an area in the north that had been forest and pasture when he was a boy. Today it is desert with just the odd dwarf tree poking out of the sand.

The herders can no longer graze their cattle so they have moved to the more fertile south, but this is creating conflict because their animals often end up eating crops grown for other purposes. And in turn many of the herders end up migrating to the capital, Bamako, where half of the young men are unemployed.

And in Greenland, the catchers can no longer follow the advice of their fathers and grandfathers because the ice begins to melt earlier in the spring, which makes hunting more difficult and dangerous.

Everywhere the story is the same. As the climate changes, things become more and more unpredictable.

The changes are going to affect us all. But the developing world will bear the brunt – and particularly the poorest and least developed countries which have the least resources to cope.

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Having seen these impacts and talked to the people affected myself, I find it worrying that climate scepticism, even denial, seems to be on the rise. This is potentially a serious brake on political action.

Of course I can understand how the the cold winter in Europe, the 'Climategate' affair and the mistake over how fast Himalayan glaciers may melt have sown doubt in some people's minds.

But the fact is that neither individually nor collectively do these events affect the main conclusions reached by the Intergovernmental Panel on Climate Change, the IPCC, in its Fourth Assessment Report three years ago.

Among those conclusions are that global warming is unequivocal, and that most of the warming recorded since the mid-20th century is very likely – that is to say, with more than 90% probability – to be due to the increase in greenhouse gas concentrations from human activities.

For those who demand 100% certainty before we take action, it is true this certainty does not exist – and probably won't until it is much too late. But if the world's leading experts told you that the plane you were about to board was more than 90% likely to crash, would you ignore them? I wouldn't.

And even if climate change didn't exist, the world in any case needs to become far more efficient in the ways it uses energy and other resources if there is to be enough for nine billion people.

Yes, it has been a long, cold winter in the northern hemisphere. But a hot summer in the southern hemisphere meant that globally the average sea and land temperature in January was actually the

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fourth hottest on record, according to preliminary data from the US National Oceanic and Atmospheric Administration.

The first quarter was also the fourth warmest on record worldwide. And globally, this March was the hottest March ever.

The scientific reality is unfortunately that global warming is alive and well.

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And this is just the beginning.

The impacts in Bangladesh and Mali I have mentioned reflect the social and environmental reality of climate change.

Some further warming is already inevitable as the greenhouse gas emitted over recent decades feed through into the climate system.

And the IPCC projects that, if we do not reduce global emissions, the average temperature will increase further by between 1.1 and as much as 6.4 degrees Celsius by the end of this century.

The Copenhagen Accord's endorsement of the goal of keeping global warming below 2°C compared with the temperature in pre-industrial times is a major step forward.

This is the ceiling that much of the scientific community warns we must stay within if we are to have a 50/50 chance of stopping climate change from reaching dangerous levels – levels that could see irreversible and potentially catastrophic changes in the global environment, such as the uncontrolled melting of the polar ice sheets or of the Arctic tundra.

We know that 2°C is already very ambitious and that the pledges currently on the table will not even get us there. But we need to keep our level of ambition under review and be prepared to strengthen it, not least in the interest of the most vulnerable countries and communities.

And the frightening reality is that on current trends we could be at 2 degrees as early as 2035 - just 25 years from now.

Much of the scientific evidence that has emerged over the past three years suggests that the projections in the Fourth Assessment Report are on the cautious side and that it is actually the worst-case scenarios we are headed for.

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Do we want to be looking back in our old age, like the last inhabitant of a devastated planet in the film *The Age of Stupid*, and asking ourselves 'why didn't we stop climate change when we had the chance?'

Definitely not. That means our generation has a moral obligation to do all we can to prevent this disaster foretold.

We cannot plead ignorance. We know the facts. And we need to act.

It is the industrialised world that must lead this action because it is we who have very largely caused the problem. This duty is reflected in the principle of common but differentiated responsibilities enshrined in the UN climate convention. One can see it as a form of climate justice.

It is a duty Europe fully accepts, which is also why we recognise that we and other developed countries are going to have to cut our emissions by between 80 and 95% of their 1990 levels by 2050.

In 2011, I will be proposing a concrete pathway to get us there, including an intermediate target for 2030.

But simple mathematics shows that we cannot contain climate change without action by developing countries too - above all the major emerging economies whose emissions are increasing rapidly.

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Developing countries have already overtaken the industrialised world in terms of their combined emissions, and they will be the source of the vast bulk of future growth in global emissions.

Fortunately, the major developing countries acknowledge this. By associating themselves with the Copenhagen Accord, China, India, South Africa and Brazil, among others, have endorsed the 2°C target, which at some point also will demand concrete mitigation efforts from them.

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The case for acting against climate change is not only scientific and moral – there are also overwhelming economic reasons. The bottom line is we cannot afford not to.

You may remember the key figures from Lord Stern's review of the economics of climate change four years ago.

Sitting on our hands and letting climate change reach dangerous levels will cost the world economy at least 5% of annual GDP in terms of damage, and in the worst case perhaps as much as 20% or more. That would mean economic and social disruption on a scale similar to the two world wars or the Great Depression.

On the other hand, the cost of taking action to prevent global warming from reaching dangerous levels is around 1% of global GDP.

In other words, the benefits of strong and early action far outweigh the economic costs. As Lord Stern puts it, tackling climate change is the pro-growth strategy for the longer term.

In these straightened economic times 'cost' is not a word people want to hear. But it is important to bear in mind that the cost of acting now is not money lost but an investment that will pay dividends.

An investment in a world that is less likely to be in the grip of dangerous climate change,

And an investment in the innovative low-carbon technologies that are becoming increasingly important as new sources of more sustainable growth and new jobs.

This low-carbon revolution is well under way.

In the European Union we gave ourselves a head start in 2007 when our leaders agreed an integrated energy and climate strategy and set our ambitious 20-20-20 targets for the year 2020:

A 20% cut in emissions, a 20% share for renewables and a 20% reduction of energy use.

These targets are now being implemented through the climate and energy package that was agreed in 2008, and through our energy efficiency action plan.

And reaching these goals are not going to harm the economy. On the contrary. Achieving the renewables target alone is forecast to create over 400,000 new jobs in net terms by 2020.

Today the other major economies have also recognised the need to shift towards the low-carbon economy - and in particular the huge opportunities it creates for producers of low-carbon equipment and infrastructure such as renewable energy technologies, energy efficiency, carbon capture and storage and smart grids.

So the global race to the top is on. This is an excellent development in terms of fighting climate change. But it also means the EU will have to work harder to stay in the lead.

The national stimulus packages aimed at countering the economic and financial crisis show this clearly. China is undertaking the largest green investment programme of all, totalling around 230 billion US dollars. The US will invest over 80 billion dollars in clean energy.

The EU and the bigger Member States, by contrast, are investing only about 25 billion euros.

Europe needs to do more to drive our innovation and leadership forward if we are to avoid being left behind.

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That is why, in the *Europe 2020* strategy we proposed in February, the European Commission has put the achievement of greener, more resource efficient, low-carbon growth at the heart of our vision for the EU's development over the coming decade and beyond.

In other words, sustainable development.

Our goal is to decouple economic growth from resource and energy use and reduce our greenhouse gas emissions - while at the same time enhancing Europe's competitiveness, creating new jobs and strengthening our energy security. My ambition as Commissioner is to see Europe become the most climate friendly region in the world. It is squarely in our interest.

This will require a battery of initiatives over the coming months and years to decarbonise the European economy. We have started. Two weeks ago we set out a strategy to promote clean and efficient vehicles.

The next step is an analysis of the options for scaling up our emissions reduction in 2020 from 20% to 30%. And I hope we will be able to present that analysis by the end of this month.

The point of departure of this analysis is that in 2008 the cost of reducing emissions by 20% was estimated to 70 billion Euros.

However, the crisis appears to have made it around one-third cheaper to achieve this goal, as emissions have been reduced due to the economic slow-down. So now, the cost of a 30% reduction would be only modestly higher than what we were prepared to pay for a 20% cut.

And here, it is of course important to stress that money spent on achieving an emissions reduction are not money down the drain. On the contrary: they would be money invested in cleaner and greener technologies.

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So if the shift to the low-carbon economy is already under way, do we still need a global climate agreement for the post-2012 era?

The answer is yes. A clear policy framework will help businesses by providing incentives and long-term signals for investors.

So: Governments must give this process a harder push through action and incentives, and in particular by putting a price on carbon as we have done in Europe.

An international framework can and must allow us collectively to be more ambitious than each of us can be individually. It will enable us to strengthen the overall ambition level by reducing concerns over competitive distortions. It will reduce the costs of our collective reduction efforts and it will enable us to act faster.

What, then, is the EU's vision for a global deal, and what are the prospects for reaching it?

The Copenhagen conference was not the great success we had all hoped for, but nonetheless the negotiation of the Copenhagen Accord ensured progress on some key issues:

Firstly, industrialised and developing countries accepted for the first time in history that they share a joint responsibility for keeping global warming below 2°C.

Secondly, the industrialized countries put money on the table – 30 billion dollars in upstart finance over the next three years. And long-term in the range of 100 billion by 2020.

Thirdly, the Copenhagen Accord contains important political guidance for the UN negotiations on MRV – how to ensure transparent accounting of emission reductions – on deforestation and a number of other issues.

More than 120 countries have associated themselves with The Copenhagen Accord. But perhaps most importantly of all, Copenhagen brought an unprecedented momentum and made sure that climate stayed on top of the political agenda – even in a time of economic crisis.

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However, we still need a binding agreement. And the European Union would be ready to reach a legally binding global agreement in Mexico at the end of this year.

However, the absence of movement on domestic legislation in the US is without doubt a key obstacle to progress in the international negotiations. The delay of the Senate bill has been a real disappointment.

Without US action it is hard to imagine that China will be willing to bring its domestic actions into an international framework.

However, the good news is that many countries are working together and launching new initiatives.

France and Norway have set up the Paris-Oslo process to prepare the ground for establishing a mechanism for reducing emissions from deforestation and forest degradation in developing countries.

And the Petersberg climate dialogue I attended last week saw announcements of further initiatives on other issues, including adaptation and planning and verifying green growth. So on the ground things look more promising.

However, there is a broad international recognition that, rather than going for a 'big bang' as we did in Copenhagen, we now need to move in steps towards a global deal.

This means that the Cancun conference needs to produce an action-oriented set of decisions that will provide a solid basis for reaching an international agreement at the conference a year later in South Africa.

We need to see the constructive atmosphere that prevailed at the Petersberg dialogue last week permeating the Bonn negotiations at the end of this month. They need to start integrating the Copenhagen Accord into detailed UN negotiating texts.

The Accord should be kept intact and not cherry-picked, but it also needs to be supplemented. At Cancun we want to see a package of decisions taken that cover a broad range of issues reflecting the priorities of all parties.

It is too early to be very specific about the composition of such a package. But it could for example include decisions on emission targets and actions; financing; carbon markets; adaptation; deforestation; technology; and a regime for measuring, reporting and verifying emission targets and actions.

Let me touch briefly on five of these areas.

1. With regard to emissions reductions, the industrialised country emission targets and the developing country emission actions pledged in the context of the Copenhagen Accord need to be anchored in the UN texts. So does the below-2° target and the review planned for 2015.

We need to clarify and capture what is already on the table, but it needs to be done in a way that the pledges can be made more ambitious over time.

Because the fact is that the ambition level of the current pledges falls well short of what is needed to keep warming below the 2° danger threshold.

We estimate that the top end of the pledges by industrialised countries would at best cut their collective emissions by 18% below 1990 levels by 2020, while the bottom end would deliver just a 12% cut.

These reductions are considerably below the 25-40% reduction by industrialised countries that the IPCC has said is needed to have a fair chance of getting global emissions onto a trajectory that can hold us below 2°C.

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2. The second area I want to touch on is finance.

Transparency in the delivery of financial commitments is essential to rebuilding trust. The EU has committed to give a first progress report on our preparations to deliver fast start funding at the Bonn negotiations at the end of this month. We intend to produce annual status reports. We believe the other industrialised countries should do likewise.

Beyond the urgency of getting fast start money flowing, the long-term finance commitment of 100 billion dollars a year needs to be translated into an operational decision and the new institutions related to it set up, such as the Copenhagen Green Climate Fund.

The Copenhagen Accord stipulates that the long-term financing will come from a wide variety of sources – public and private, bilateral and multilateral, and alternative sources of financing.

The European Union firmly believes that one of the alternative sources that should be considered is some kind of market-based instrument to address emissions from international aviation and shipping, building on the existing commitment under the EU ETS for all aviation auction revenues to be used for climate change measures.

Emissions from these sectors are growing fast and aviation is already parts of the EU's reduction commitments. They should be subject to international reduction targets under a global agreement. A levy on these emissions, or an emissions trading system in which allowances were auctioned, could raise substantial amounts of revenue at global level that could be channelled to developing countries.

3. And that brings me to the third area where progress is badly needed in Cancun: the carbon market.

This is closely related to the question of long-term financing. We estimate that an ambitious and well designed carbon market could deliver up to 38 billion euros, or around 50 billion dollars, of climate financing a year – in other words about half of the total long-term financing pledged in the Copenhagen Accord.

The carbon market is essential for driving investment in low-carbon solutions and for achieving emission reductions at least cost. Putting a price on carbon gives everyone a financial incentive to emit less.

In many respects the CDM has been a success and achieved just that, with more than 2,000 projects registered and many more in the pipeline. But its operation needs to be made more efficient, its environmental integrity needs to be improved and its scope must be refocused on the poorer developing countries instead of the big emerging economies which currently dominate it.

Following on from that, the second major change needed is the establishment of new sectoral carbon market mechanisms. For the big emerging economies, these mechanisms should replace the CDM.

As their name indicates, sectoral mechanisms would cover whole sectors, not just projects, and so would yield revenues for these countries on a much greater scale. This would make it easier for them to take on more ambitious actions to mitigate their emissions.

4. Fourth, a decision can and should be reached in Cancun on a framework for adaptation to climate change. This is an area where good progress was made in Copenhagen, both on the negotiating text itself and the provision of fast start and long-term financing to support adaptation.

The draft framework should now be taken forward and finalised. It needs to define Parties' roles and responsibilities. We want it to ensure that action on adaptation will be country-driven and builds on existing institutions.

5. Finally, we also need progress on REDD+ in Cancun. Reducing emissions from deforestation is crucial because they are a huge source of greenhouse gases, contributing somewhere between 12 and 20% of global CO<sub>2</sub> emissions.

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As part of a global climate deal we want to see the target set of at least halving gross tropical deforestation by 2020 and halting global forest cover loss altogether by 2030 at the latest. This will also make an enormous contribution to slowing the loss of global biodiversity.

The Copenhagen Accord mandates the immediate establishment of a REDD+ mechanism to mobilise financial help from industrialised countries, and also specifically mentions REDD+ as a target of both fast start and long-term financing.

The Paris-Oslo process to follow up on this has got off to a promising start. It should become clear over the coming months whether progress will be sufficient to launch the REDD+ mechanism this year.

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Ladies and gentlemen,

There is a lot of work to be done in the coming months if Cancun is to deliver on substance along the lines I have set out.

Yes, things are slow – and yes, it will no doubt be difficult to get an international agreement.

Yet, we must keep in mind that we will worse off without an agreement.

In Europe, we can't apply the Chinese approach where leaders dictate the development five years ahead.

We need politicians, businesses and citizens to pull together.

Politicians must provide the framework; businesses must provide the solutions so that each of us can adopt a lifestyle – that makes it possible for the planet to carry nine billion of us.

This link – between environment and human development – is in essence what Barbara Ward drew to the world's attention.

And it is what the climate challenge is all about.

It is up to us to overcome the challenge.

We must. And we can. Now we just have to do it...

Thank you.