

Chairs' Conclusions from 1 November Ministerial meeting on the Dialogue on Climate Change, Clean Energy and Sustainable Development:

Margaret Beckett, Secretary of State for Department of Environment, Food and Rural Affairs, UK; and

Alan Johnson, Secretary of State for Department of Trade and Industry, UK.

Our meeting today marked the first Ministerial meeting of the Dialogue on Climate Change, Clean Energy and Sustainable Development launched at the G8 Summit at Gleneagles on 6-8 July.

It was attended by Ministers and senior officials with responsibility for energy and environmental issues from the G8 and from Australia, Brazil, China, India, Indonesia, Mexico, Nigeria, Poland, South Africa, South Korea, and Spain, and by senior officials from organisations including the World Bank, UN Framework Convention on Climate Change, Intergovernmental Panel on Climate Change, International Energy Agency, and the United Nations Environment Programme.

Our discussions were complementary to the UN Framework Convention on Climate Change, including its ultimate objective to stabilise greenhouse gases in the atmosphere at a level that prevents dangerous anthropogenic climate change, and to the Kyoto Protocol.

Our discussions focused on the serious and linked challenges of tackling climate change, promoting clean energy and achieving sustainable development globally.

The Gleneagles Plan of Action on Climate Change Clean Energy and Sustainable Development

We took note of the Plan of Action agreed by the G8 countries at Gleneagles, including the considerable progress since July in taking forward implementation. In particular, we took note of:

- the successful launch by the World Bank of work to develop a comprehensive framework for investment in clean energy and sustainable development;
- the analysis of the International Energy Agency on alternative energy strategies and the work programme it has agreed to promote action on energy efficiency and cleaner coal;
- the range of national and international activities undertaken by G8 countries to implement individual commitments in the Plan of Action, and their willingness to explore opportunities to build on this progress.

Strategic challenges of climate change, clean energy and sustainable development

Roadmaps for the transition to a low-carbon economy

We explored the timescales on which technologies need to be developed and deployed to meet our goals for a secure and sustainable energy future and to avoid the worst impacts of climate change.

We noted that greenhouse gas emissions must slow, peak and decline and will need to be reduced to well below the levels we see today. We heard that to stabilise greenhouse gas concentrations at, for example, twice their pre-industrial level, global emissions would have to peak in 2030.

We recognised the value of setting out clear pathways to achieve our shared goals for climate change, clean energy and sustainable development, including:

- the role of national strategies and action plans which set out the timescales to develop and deploy low carbon technologies;
- the need for roadmaps to help accelerate the development of lower-carbon technologies in particular sectors;
- the need to balance long-term goals with clear priorities for short term action;
- the need to motivate action by individuals and businesses, including through raising public awareness.

In addition, the use of fiscal instruments to exploit the huge potential of energy efficiency can bring about greater economic benefits for countries.

We identified a number of short-term priorities including interventions to stimulate the up-take of existing energy efficient products by consumers, and to avoid costly mistakes in the next generation of energy infrastructure investment.

The success of this transition to a low-carbon economy will require that the three policy communities of environment, energy, and economic policy work together in an integrate manner.

New approaches to technology cooperation

We noted the importance of strengthening both research into new technologies and the deployment of existing technologies, which depend both on national policies and on international cooperation.

We explored the concept of new paradigms for international cooperation on climate change, put forward at Gleneagles by China, India, Brazil, South Africa and Mexico, to promote wider access to cleaner energy technologies and accelerate their deployment.

We heard about regional initiatives, such as the EU-China partnership (including action to develop and demonstrate near zero emission coal technologies), the EU-India Initiative, the Asia Pacific Partnership and work to scale up financing of low

carbon infrastructure stimulated by the Economic Commission of Latin America and the Caribbean.

We agreed that it would be valuable to develop our work in this area, focusing on the ideas put forward today:

- identifying priority areas for cooperation between developed and developing countries and considering goals for short-, mid- and long-term cooperation on key areas;
- assisting developing countries to improve the enabling environment for the transfer of technology, including through the policy, financing and regulatory frameworks and through examining the role of intellectual property rights;
- exploring new approaches to finance technology acquisition and transfer.

Scaling up investment in clean energy technologies

Major investment is needed in energy infrastructure to meet energy needs and tackle climate change. The majority of this investment will come from the private sector. Clear policy signals are needed to channel it towards lower carbon technologies.

We heard that there is no shortage of appropriate technologies that can be deployed in the short term to reduce our carbon emissions. The challenge is to create the incentives for private sector investment, including through market-based instruments and carbon finance. "Long, loud and legal" frameworks can accelerate the commercialisation of cleaner technologies.

We noted that emissions trading in Europe is going well and providing a powerful incentive for investment in reducing emissions in the near term.

Parties to the Kyoto Protocol highlighted the importance of the Clean Development Mechanism and discussed proposals to reinforce it and improve its operation.

We welcomed work by the World Bank, regional development banks and Economic Commission of Latin America and the Caribbean to increase investment in lower carbon technologies in developing countries and emerging economies and to pilot new and innovative approaches.

We also noted the need for appropriate frameworks to provide incentives in R&D for the next generation of clean energy technologies, and to overcome the "valley of death" in which promising new technologies fail to achieve their commercial potential.

Next steps

We acknowledged that the UNFCCC remains the appropriate forum for negotiating future action on climate change, and looked forward to working together to advance the global discussion on long-term cooperative action to address climate change at the UN Climate Change Conference in Montreal later this month.

The parties to the Kyoto Protocol also looked forward to their first meeting in Montreal and to ensuring that the Protocol is working effectively to deliver its contribution to the ultimate objective of the UNFCCC.

We welcomed the Russian decision to focus on energy as a key theme of its G8 Presidency in 2006, and the offer from Japan to receive a report on the Dialogue at its G8 Summit in 2008.

We noted that the World Bank will bring forward proposals to its Spring Meeting on a comprehensive framework for investment in climate change, clean energy and sustainable development, and that the IEA will deepen its work on alternative energy strategies and strengthen its outreach to developing countries. We welcomed the continued commitment of both organisations to work with interested countries to help ensure that cleaner technologies are deployed as quickly as possible.

We agreed that we should take forward and deepen our discussions on climate change, clean energy and sustainable development. We noted that Ministers and officials with other responsibilities, including for development and finance, might wish to become involved in taking forward discussion of relevant topics, including adaptation.

We welcomed the offer from Mexico to host a Ministerial meeting of this Dialogue in 2006.