

**Speech**  
**by**  
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**Check against delivery**

Ladies and Gentlemen, thank you for inviting me to speak here today at the World Leaders Forum at Columbia University. It is a privilege to be here.

I congratulate you on your work. I am impressed by the contribution of The Earth Institute to both the development agenda and the Millennium Development Goals. Issues I had the opportunity to discuss yesterday with other world leaders. Today, I will be speaking about another major topic for The Earth Institute and for many world leaders including myself: Climate Change.

I will focus on three key elements:

The **challenge**, the **vision** and the **deal**.

The challenge – is the rapid, significant changes to our climate.

Our vision – is a low carbon economy.

And the deal – is a *new, global*, climate agreement in Copenhagen in 2009.

## THE CHALLENGE

At present we are facing major economic and environmental challenges. I know it, you know it. Major decisions are called for. No-one disputes the inevitability of climate change. The challenge is coping successfully with dwindling energy supplies and global warming.

Do we keep struggling to adjust to our changing environment? Or, do we provide political leadership and direction, steer our energy consumption and combat climate change?

What are the facts as we know them? The last century has seen an unprecedented increase in greenhouse gas emissions. Emissions for which we all must share the blame. Emissions which have caused an increase of 0.7 degrees Celsius in average global temperature.

0.7, you may say. Is that all? But this warming is occurring at a far greater rate than any previous climate change caused by nature alone. And, for all we know, it will continue or even accelerate. This fall has seen American towns razed by hurricanes. India, China, Africa – all have suffered from extreme weather conditions. And, with increasing temperatures, storms will increase in both strength and number.

Four hundred years ago Hudson sought the North-West passage. Well, we have a saying: “Be careful what you wish for, it may come true”. And this year, ladies and gentlemen, his dream *did* come true. The ice around the Arctic melted at alarming speed. It became possible to sail northwards from the Atlantic to the Pacific Ocean. Fine for some, maybe. But also a sign that the time for action is *now*. Global warming is a fact – here and now. Rising sea level and storms are affecting the lives of millions of people in coastal areas across the globe.

The advice from the Intergovernmental Panel on Climate Change is clear: If we are to keep temperature increase below the two degree threshold we must take immediate steps to curb greenhouse gas emissions. Such action should limit both negative climactic consequences and the ultimate cost of corrective actions.

There are other incentives. We all want stable and reliable supplies of energy – at predictable prices. Our need for energy security gives us an added sense of urgency. The recent conflict in the Caucasus serves only to highlight the free world’s dependency on oil and gas sourced from states with little respect for international law.

Continued dependence on fossil fuels could see the law of supply and demand turned on its head. The suppliers will be making demands on the consumers. I am sure that this is not the scenario we are looking for.

So we must look for another one. The answer must lie in diversity in our energy supplies. Not just the source but the energy itself.

By 2050, the global population is predicted to be 9 billion. Demand for energy will continue to grow. Prices and temperatures may soar and the fight over resources may have serious political and human consequences.

When Himalayan glaciers melt, how do we ensure a water supply for millions of Indians and Pakistanis? And what if we can't!

The world economy is slowing down, and we face the spectre of a global recession. Rising energy and commodity prices are partly, though not solely, to blame. And the US banking sector is facing its greatest challenge since the depression .

We are at a global crossroad. Choose the wrong direction and we face disaster. Choose the right one and we will attain our goal, safe and sound.

But make no mistake. It may be a long and winding road. No short cuts. We need comprehensive, long-term strategies. Climate change, rising energy prices, energy security, the threat of world recession – a problem package requiring a thought-out package solution.

The sooner we make our move, the lower the cost and the greater the opportunities. Change *is* possible and *can* be conducive to economic growth. So let's make a start. The long-term cost of inaction will outweigh the cost of *action now*.

The case for being proactive and turning the threat of climate change into a driver for sustainable economic development is a compelling one.

## THE VISION: A LOW-CARBON ECONOMY

My vision for a solution is of a new, low-carbon economy.

A global economy which prospers in the pursuit of significant reductions of green house gas emissions. A low-carbon economy where both input and output are less carbon intensive but with increased energy efficiency. In short, an economy where we combine economic growth with combating climate change.

We will, of course, have to establish new building standards, new standards for our modes of transport and improved efficiency standards for our power plants. We must diversify our energy mix. For example, we don't have to choose wind energy over solar power. We need both.

This is not just a small readjustment. I am talking about a complete transformation of our economies. In particular, in the three most “energy greedy” sectors: Power production, housing and transportation.

A low carbon economy is a creative environment where cars use various fuels, including electricity. It is an economy where the electric grid is intelligent. It can draw from a variety of sources, including renewables, and ensure that no energy output is wasted. Efficiency will be the driving force.

These things don’t just happen by themselves. Scientists will have to develop smarter technologies. Entrepreneurs will have to bring the technologies to the market at scale. Governments will have to create economic incentives.

Reducing consumption and minimizing emissions is not an easy task. But if we join forces we *can* do it – we *must* do it.

To my mind, there is no doubt that the basis for future growth in jobs and wealth lies within the growing global market for green technology. Cutting production energy costs and developing better, cleaner, and more efficient solutions will be the industrial revolution of the 21st century.

Europe and Asia are experiencing rapid expansion in the field of innovative energy solutions. And American businesses have a genius for solving problems and inventing new and better ways to reach their goals. So we need the United States to be part of a market-oriented, cost-efficient system to reduce emissions and spur the development of new technologies.

Recently the CEO of Vestas — Denmark's and the world's biggest wind turbine company — said that his company had 35 new competitors coming out of China in the last 18 months, but not one out of the United States.

I sincerely hope that this will change and that the dynamo of the United States will spring into action and impress the world by doing what it does best – showing the way in drive, innovation and production.

I am convinced that those who invest today will be the winners of tomorrow. For forward-looking businesses, a green global economy will be an opportunity - not a threat. In future, low carbon energy sources and technology will fuel our production. Consumers will demand it.

Those businesses who lead the way will be the industrial icons of the 21<sup>st</sup> century.

I know that the rapidly slowing economy hits more headlines these days than the grinding catastrophe of global warming. But turning the economy from high carbon to low carbon does not slow down growth.

In Denmark our economic growth has sustained a steady 75% increase during the last 25 years. In the same period our energy consumption has stayed level. No increase.

The same is true for California. Over the last three decades the Californian economy has thrived, on a par with the rest of the United States, or even better. However, while America as a whole increased its electricity use by 60 percent, in California it stayed flat.

By increasing energy efficiency the rest of America can do the same. Saving energy is not an extra expense. It is a cost you do not need to pay.

This is an important message for many other countries – not least in the developing world. For them it is pivotal that the fight against climate change goes hand in hand with economic growth.

In my country, Denmark, energy technology has become an important part of the economy and, today, represents 8 percent of exports. Tripling within the last 10 years.

## THE DEAL

As you know, in December 2009 Denmark will be hosting the United Nations Climate Summit in Copenhagen, where the world will convene to forge a new global climate accord. Denmark will work hard to achieve an ambitious and comprehensive deal. A deal which must include four key elements:

Firstly: A long term vision for reducing global greenhouse gas emissions by 50 percent from a 1990 baseline by 2050. This will set out the objectives for the deal and will create a target for businesses in planning their investments. I am pleased to note that both senator McCain and senator Obama have stated similar ambitions.

Secondly: All industrialised countries should commit to an ambitious medium term goal. Our ambition is that they should all commit to comparable levels. Europe has taken the lead by committing itself to a 30 pct. reduction by 2020 as part of a global agreement. A tall order, I know. But it meets the challenge and creates opportunities.

The major emerging economies will have to join our endeavours by taking their own actions. They should stabilise and, subsequently, reduce their emissions. These efforts must, naturally, reflect the level of development of the individual countries. Preservation of forests will play an important role.

I am not fanatical about setting targets. But to my mind, without clear 10 to 15-year reduction commitments from the industrialized countries, it will be difficult to succeed in cost effective measures.

Thirdly: Technology. We need to develop and disseminate low carbon technology. We must encourage and support innovation. We must engage in a global collaborative effort. This effort should promote programs and policies that will sustain economic development while ensuring reductions in emissions. In this context we must promote the use of low-carbon technologies and encourage investment and financing of such technologies.

Fourthly, the new climate accord must address the very special needs of the most vulnerable developing countries. They have contributed least to global warming and, sadly, suffer the consequences the hardest. A new climate accord will have to provide a safety net which includes financial support to the poorest countries in their efforts to adapt.

Our task is to balance these four elements in any global deal agreed at the Copenhagen summit. We urgently need to discuss what underlying policies and measures will enable it to happen. How to develop cost-effective, market-based instruments. How to develop energy efficiency standards. How to promote national, regional and global carbon markets.

In Europe we have already made the political commitment. By 2020 European Union emissions will be cut by 30 per cent as our contribution to a global and comprehensive agreement on climate change. As I speak, we are in the process of agreeing on an ambitious energy strategy setting quantitative targets for energy efficiency, use of sustainable energy sources and bio fuels.

China and other emerging economies have already pledged to take part in the global effort. Measures to combat climate change and increasing energy consumption have become a major force for reform in the Chinese economy and production.

I believe the Chinese business sector and government have understood the prospects for low carbon technology. They can see a double benefit. Firstly their own economy and, secondly, their participation in the global economy. They are already out there seeking to be part of the next generation of smart, low-carbon technologies.

Many countries in Asia saw the writing on the wall. Following the last oil crisis Toyota started to build smaller and more fuel-efficient cars. General Motors did not.

Today, Toyota is the most sold car in America. In China, cars are produced according to strict fuel efficiency standards. At the same time,

US manufacturers are struggling with old fashioned fuel intensive models.

Do I need to say more?

Having said that, I know that many American states have already shown the way forward. I am greatly encouraged by their actions. They include emission targets, regional carbon markets, and energy efficiency standards.

That is the way America should lead. By ambition. By entrepreneurship. And by example. The United States has always been at the forefront of technological revolution. Politically as well as economically.

I know that many people fear competition from China, especially in energy intensive sectors. And yes, no deal can address climate change without both China and the United States being part of it.

But do not deceive yourself: with emissions at 24 tons per capita the USA has a long way to go and cannot afford to wait for others. There are huge gains to be won by moving rapidly and with determination.

The most advanced countries should take the lead and show the way. We need American drive and leadership. I also believe it is just to expect

action from great emerging economies like China. In fact, we need to ensure concerted efforts from all major economies.

## THE CONCLUSION

Let me end by stressing that the choices we make next year will shape the future for our planet for the next century.

I won't pretend that the goals I have presented to day are not ambitious. I know they are. Attaining them will come at a price, but so will inaction. They should force everybody on our planet to take action, just as the changing climate has forced action upon us.

But my goals are not unattainable; they are not impossible and they are not unaffordable. And most importantly: reaching these goals is absolutely vital for our survival. It is vital if our world is to prosper in the 21<sup>st</sup> century. It is vital for our economic recovery and growth.

We could continue to wring our hands, watching helplessly as the oil price rises and falls. Watch weather systems spreading havoc. Continue to transfer huge amounts of wealth to autocratic regimes and rely on unstable supplies of oil and gas. Watch our planet grow more unlivable every day. But that is not an option. We are not going to do that.

Our will to act on these problems is at the very heart of who we are. Climate change will occur whether we decide to act or not. But we have the opportunity to control the process and take advantage of the transition.

We need leadership and direction. We need firm commitment to policies, strategies and actions. We must help those poor countries who suffer the worst consequences of climate change.

Ladies and gentlemen.

I ask you to join me in making the right choices and sending the right messages.

It starts today with the choices you make.

It ends in Copenhagen with the decisions we take.

I thank you for your attention.