

President Toomas Hendrik Ilves spoke on behalf of the European Union at the plenary session III "Innovating a climate-friendly world - the role of technology and its dissemination" of the high-level conference on climate "The Future in our Hands: Addressing the Leadership Challenge of Climate Change" organized by the UN.

Dear Colleagues,
Ladies and Gentlemen,

First, I have the honour and privilege of speaking on behalf of the European Union.

The European Union attaches great importance to the Fourth Assessment report of the Intergovernmental Panel on Climate Change (IPCC), which shows how known technologies, such as renewable energies, can reduce greenhouse gas emissions, provided of course that appropriate incentives are created, and that investments into research and development are increased. The report also provides cost estimates for implementing greenhouse gas mitigation that are overall lower than in the previous IPCC assessment.

The EU believes that the post-2012 global and comprehensive climate agreement should extensively promote technology innovation, employing an optimal mix of "push" and "pull" policies. Technology is at the heart of our response to climate change. It will be essential to create a global low-carbon economy, and energy efficiency plays an important role in shifting to such an ecologically oriented lifestyle. An enlarged carbon market will provide much of the "pull" for utilising existing technology, but there is an equally urgent need for public policy to address the further promotion, as well as the harnessing of advanced technologies. This calls for: public support programmes for research and development, the establishment of strict regulatory approaches, setting standards governing the energy efficiency of products and processes, as well as the implementation of a number of other appropriate measures.

Even the lowest greenhouse gas stabilisation levels assessed by the IPCC to date can be achieved by the deployment of a range of technologies that are already commercially available, as well as those that are expected to be commercialised in the coming decades.

To complement the UN climate framework, the EU is fully committed to expanding its strategic partnerships and bilateral activities with third countries. We pay special attention to joint activities related to energy efficiency and renewable energy, as well as to emerging technologies, such as carbon capture and environmentally safe sequestration. And EU structures are developing ever closer cooperation with international financial institutions and the private sector.

The EU stresses that market based approaches, namely private sector investment through

carbon markets, can and should be complemented by national and international policies and measures. These should help to overcome market barriers, for instance, by standard setting, risk reduction, etc. These should also enhance strong and effective partnerships and cooperation projects in the field of global investment into energy research, development, deployment and diffusion. And this must all be accompanied by an expanded and innovative approach to mobilizing the large flow of investments to promote, inter alia, the technology transfer to developing countries.

Allow me now to continue in my national capacity, and briefly say a few words about Estonia's experiences in this realm.

In recent years, Estonia has demonstrated a rather unique sustainable development trend; despite an annual economic growth of more than 10%, primary energy consumption has, on the average, decreased by 2.5% a year. Our experience has shown that it is possible to successfully decouple economic development from environmental pollution if relevant economic and fiscal measures are applied. Especially noteworthy has been the application of new and innovative technologies, like the extensive renovation of Estonia's oil shale power plants, which has allowed us to reduce fuel consumption significantly, which in turn means substantially lower carbon dioxide emissions. At the moment we are elaborating a new technology, which would use oil shale ash for carbon capture in order to further mitigate the emissions.

But we still must further reduce the emissions. The promotion of renewable energy sources, the increasing energy efficiency, together with the application of demand side measures are important and promising developments. For example, the potential of Estonia's renewable energy lies primarily in wind power, as well as combined heat and power production (CHP) based on bio-fuels.

The deployment of cleaner technologies that already exist should be in our focus as well. We support the transfer of technology that develops environment-friendly energy production and consumption. The best way might be to tie development assistance to investment in clean technologies.

But to achieve anything significant, we need governments, businesses and individuals to pull together in the same direction. It is the private sector that makes the investment decisions and develops the technology; most of the eco-innovative solutions arise in the private sector. Just as it is the private sector that is often the main vehicle for technology transfer. Technology markets and institutional conditions are complex and variable. Therefore, measures and activities of technology transfer should be customized to suit the needs and constraints of each individual country. We support public-private partnerships, especially if they concern eco-innovative technologies. And of course, we all can improve our behaviour as energy consumers.

In addition to the reduction of greenhouse gases, it is vitally important to establish restrictions and limits on cutting down of forests. This must be accompanied by: extensive reforestation programmes, including the reforesting of unutilised arable land, practising environment-friendly forestry, and the protection and preservation of traditional wetlands.

Regarding post-2012 arrangements, we hope that the negotiations concerning a new global climate deal will already reach a comprehensive political agreement by December 2009. Only then can we give a concrete signal to industries to make necessary decisions on time.

This is the first time that mankind tries to turn back the wheel of climate change, much hard work will be required from all of us. Estonia, for one, is ready to commit itself to the development and preservation of an environmentally friendly world.

Thank you.