



Asia-Pacific
Economic Cooperation

2007/ASCC/2.2

Session: Energy and Climate Change in APEC

2.2.2

Regional Initiatives

Purpose: Information

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**Annual Conference of APEC Centres
Melbourne, Australia
18-20 April 2007**

Introduction and overview

I welcome the opportunity to talk today about some of the regional initiatives that the Australian Government is pursuing to address climate change.

Before moving to the specific features of those initiatives, I want to briefly address the issue of how these initiatives fit with our work at the global level on climate change.

None of these initiatives is designed as a substitute for a global solution to climate change. We do not regard our work on the AP6, in APEC, in the East Asia Summit process, and in our recently announced Global Initiative on Forests and Climate as an effort to replace the global process through the UN Framework Convention on Climate Change.

We continue to participate actively in those discussions, the next phase of which will take place in Bonn in mid May.

In fact we remain as convinced as ever that a genuinely global effort, involving all the world's major emitters, is the only solution to climate change.

But we do believe that regional initiatives can add real value to the global effort. Let me briefly outline how each of these initiatives is aimed at the reduction of global greenhouse gas emissions.

AP6

The Asia-Pacific Partnership on Clean Development and Climate (AP6) is a very significant development in the effort to address climate change.

It has a number of unique and critical features.

The first of these is coverage.

With members including the USA, China, Japan, India, Korea and Australia, the AP6 accounts for half the world's GDP, population, energy output and greenhouse emissions.

In other words, it includes the countries that will be central to any global effort to address, including the US, China and India.

The broad sectoral coverage of the AP6 is also critical to its effort in meaningfully tackling climate change. The 8 AP6 taskforces cover the full gamut of sectors and technologies including aluminium, buildings and appliances, cement, cleaner fossil energy, coal mining, renewable energy, power generation and transmission, and steel.

The second key feature of the AP6 is its focus on practical solutions.

The AP6 is all about real world co-operation on low-carbon technologies while promoting economic growth and sustainable development.

The third key (and unique) element is the participation of the private sector. This is essential, given that the obvious point that private businesses, rather than governments are responsible for the overwhelming proportion of emissions.

So what has the AP6 achieved in its first year or so?

On any objective assessment it is already starting to produce results.

There are now nearly 100 AP6 projects either underway or approved. These include projects designed to produce cleaner fossil energy, support the deployment of renewable energy in the region, promote greater energy efficiency, and support Australian technological breakthroughs on carbon capture and storage, and solar energy.

For its part, Australia has committed funding of almost \$60 million to 42 of these projects.

All AP6 members are contributing substantially to the initiative. The US administration expects to commit more than \$A125 million to a range of AP6 projects this year and next.

Some examples might help illustrate the work that is underway.

In the renewables sector, AP6 members are working with BP Solar to install large scale solar photovoltaic (PV) units at a number of locations across Korea. The project will generate 120GWh/year of clean electricity, supply power to 20,000 Korean homes, and reduce CO₂ emissions by 120,000 tonnes a year.

In the clean fossil energy sector, a US AP6 grant has facilitated a joint venture between Caterpillar and a Chinese mining company to install the world's largest coal mine methane power plant. Once the facility is in place, 40 million tonnes of CO₂ equivalent will be avoided over 20 years.

In recognition that clean coal technology must play in the future, another project is examining the geological storage potential of AP6 economies. This is an essential step in developing CO₂ carbon capture and storage strategies.

Still another initiative is the *Pursuing Clean Energy Business in India Project*, which will identify opportunities to accelerate clean technologies between Australia and India, and foster bilateral partnerships on research, development and deployment of low emissions technologies.

Global Initiative on Forests and Climate

The second initiative is not strictly a regional one, but it is nevertheless a significant and important new contribution to the global climate change effort.

On 29 March the Australian Government launched a *Global Initiative on Forests and Climate*.

It is a major advance in the global effort to tackle climate change and protect the world's forests.

The initiative will commit \$200 million in new funding to support practical and immediate action to reduce deforestation, support reforestation and to implement sustainable forest management.

It recognises the fact that deforestation is estimated to account for 20 to 25 per cent of man-made greenhouse gas emissions.

To put this into context, one estimate suggests that deforestation at current rates in Brazil and Indonesia will neutralise four fifths of the annual reduction targets in Annex I countries in the Kyoto Protocol.

Other estimates suggest that if current trends continue, tropical deforestation will release about 50 per cent as much as much carbon to the atmosphere as has been emitted from worldwide combustion of fossil fuels since the start of the Industrial Revolution.

The goal of the initiative is to add fresh new momentum to existing international cooperation on this issue, and Australia will be working closely with bilateral donors, the World Bank and other relevant international organisations.

We see the initiative as helping to leverage an expanded effort by a wide range of nations, particularly in their own regions. For example, a significant portion of Australia's contribution will be directed to Indonesia, where some existing programs piloted by other donors appear to be showing early promise.

APEC

The third, and perhaps most critical regional initiative this year will coincide with Australia's hosting of the APEC Leaders Meeting in Sydney in September.

As most of you will be aware, the Prime Minister, John Howard recently wrote to his counterparts proposing a discussion on climate change at the Leaders' retreat. This initiative will help ensure that broader Asia-Pacific perspectives on climate change are given full voice in shaping the relevant international frameworks into the future. Naturally the nature and the outcomes of the Leaders' discussion will be a subject for detailed consultations with our regional partners over coming months. But APEC is already working on a range of practical projects related to clean development and climate change.

This includes a range of work on energy efficiency as well as aviation emissions. Similar work is also underway as part of the East Asia Summit process.

Concluding remarks

It is no secret that the international discussions on a post Kyoto global framework on greenhouse gas reductions will be very difficult.

It is also true that the scale of the climate change challenge demands that we work as hard as we can, on all possible fronts, to reduce greenhouse gas emissions.

Both of these realities reinforce both the rationale and the importance of the regional initiatives we are advancing.

On the one hand, the work we have underway in the AP6, APEC and the Global Forests and Climate Initiative does not need to wait for global agreement on a post Kyoto framework.

And on the other, the common theme of these regional initiatives is practicality, with many projects offering near term reductions in greenhouse gas emissions.

Thank you for your attention.

Climate Change and Clean Development

Regional Initiatives

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Climate Change : the case for regional action

- A complement, not a substitute for global action.
- A genuinely comprehensive effort remains the key to tackling climate change.
- Regional initiatives can add real value.

Regional initiatives

- Asia Pacific Partnership on Clean Development and Climate Change or AP6
- Global Initiative on Forests and Climate
- APEC and East Asia Summit

AP6

- Coverage includes United States, China, Japan, India, Korea and Australia
- Half the world's GDP, population, energy output and greenhouse emissions
- Eight sectoral taskforces
- Practical projects
- Private sector participation

AP6 : Progress to date

- Nearly 100 projects underway or approved on cleaner fossil energy, renewables, and greater energy efficiency
- Australia has committed \$60 million to 42 projects
- US contribution of \$125 million over 2 years

Projects

- BP Solar power stations in Korea
- Coal mine methane co-operation US/China
- Carbon capture and storage – AP6 wide
- Energy efficiency – AP6
- Clean Energy Business in India

Global Initiative on Forests and Climate

- \$200 million to 'repair and prevent' deforestation
- Deforestation accounts for 20 to 25 per cent of greenhouse gas emissions
- Global in reach – a cross-regional effort
- Link with World Bank and other projects.

APEC

- APEC economies account for 60 per cent of global energy demand, and include the world's four largest energy consumers.
- Energy demand across APEC is projected to double by 2030
- Opportunity to shape global debate
- Practical work on energy efficiency and reduction of aviation emissions.

Summary

- Discussions on post Kyoto framework will be difficult...and lengthy
- Early action essential to respond to climate change challenge
- Regional initiatives offer practical, and early action, with all key players.