

Opening speech of Melchior Wathelet, Federal State Secretary for State Secretary for Environment, Energy and Mobility

Climate Finance Workshop – Brussels – 15 May 2013

Dear international participants, dear colleagues, dear civil society representatives, ladies gentlemen,

It is with great pleasure that I welcome you here today in Brussels to exchange ideas on the important issue of international climate finance.

[Background information]

Over the last couple of years, financing has gained an increasing importance in the international negotiations, establishing itself as a key element in the future 2015 climate agreement. Already in 2006, the Stern report estimated the cost of the emission reductions necessary to avoid dangerous climate change from happening at around 1% of global GDP per year, hereby emphasizing that failure to act could increase this cost to somewhere between 5% and 20% of global GDP. This knowledge led to the inclusion in the Bali Action Plan in 2007 of a call for “Enhanced action on the provision of financial resources” in the context of a new agreement on climate change. Two years later, in Copenhagen, developed countries (and among them Belgium) engaged themselves to provide developing countries with new and additional resources that approach 30 billion dollars for the period 2010-2012, and 100 billion dollars per year through a large variety in sources from 2020 onwards.

[Why is financing important?]

At the moment, we are finding ourselves at a historical turning point regarding international climate financing. The 2010-2012 Fast Start Finance period is now a part of the past, so 2013 forms the starting point of a new international financing period. This new phase possesses a particular importance as it precedes the signing of a new climate change agreement, which should take place at the COP in Paris, in 2015. A constructive attitude regarding climate financing is thus of primordial importance in order to facilitate the already complex negotiations, and to reinforce the confidence the developing countries have in the developed countries.

Furthermore, and even more important, apart from being an abstract argument in the international negotiations, international financing is crucial in responding to the urgent needs that exist regarding climate action.

The World Bank has recently published a report that warns us for the devastating effects of a global average temperature rise of 4 degrees Celsius by the end of the century. If no urgent political actions is taken, the international community will have to cope with these consequences. The upcoming Fifth Assessment Report by the IPCC, of which the Working Group I report is expected for September this year, will probably draw the same conclusions. Urgent and profound action is thus of vital importance, to protect ourselves against the impacts of climate change, as well as to reduce the significant costs that these will inevitably entail.

International climate financing is a key factor in light of this necessity to act. In fact, mobilizing significant financial resources is not only necessary to help developing countries in adapting to the negative consequences of climate change, but it is also essential in supporting them to put their societies on a low carbon development pathway, and thus to reach the objective that the international community set itself: to keep the average temperature rise below 2°C.

[Background Belgium]

Since 2009, Belgium has understood the close links that exist between climate financing, greenhouse gas emissions reductions and adaptation to climate change impacts. During the COP in Copenhagen, our delegation engaged itself officially – as part of the efforts of the developed countries – to provide 150 million dollars during the 2010-2012 period, and to contribute to the effort of the developed countries to mobilise 100 billion dollars per year from 2020 onwards. In this manner, our country took a strong position on the international stage, proving that it was concerned about the needs of the most vulnerable countries, and that it was ready to help them in their efforts to combat the adverse effects of climate change.

Ever since, the different competent authorities regarding this issue, haven't been able to find common ground on which path to take in order to respect our international engagements. This has given rise to a situation where our country is one of eight EU Member States that haven't been able to meet their obligations under the Fast Start Financing period (2010-2012). Today, I'd like to make a call to all parties concerned to show their goodwill to meet and sit around the table, in an effort to solve this regrettable state of things.

[Why is it important to discuss this issue within Belgium ?]

For many years, the expertise and the ambitious positions of Belgium have been recognized and respected at the international stage, and have given our country a considerable credibility. Consequently, our country's voice is being heard clearly in the international negotiations, and it can also effectively defend the various principles that it thinks are fundamental:

- Equity between the different parties to the Convention and between current and future generations
- A level of ambition that is sufficient to stay below a temperature rise of 2°C
- The environmental integrity of the climate regime

In November 2012, for example, our country set up a partnership with Sweden to organize a major workshop on the matter of equity in the context of the international climate change negotiations. This event was attended by high-level representatives from more than 30 countries and has served not only as a catalyst to discuss this problem in-depth, but has also permitted Belgium to position itself as a recognized actor on the international scene.

It is essential that a country like ours understands the multiple facets of international climate financing and that it acts accordingly. In this regard, I am committed to make sure that the revenues of EU-ETS are used for international climate finance. Adopting a positive attitude towards climate finance would allow us to maintain our constructive role on the international stage, and to continue to push strongly for an ambitious and equitable agreement in 2015.

Closing of speech

I sincerely hope that this workshop will present the occasion to reflect collectively on the Belgian contribution to international climate financing, and I wish you all a very productive morning.