

International climate policy cooperation after Montreal

- Danish Industry perspectives

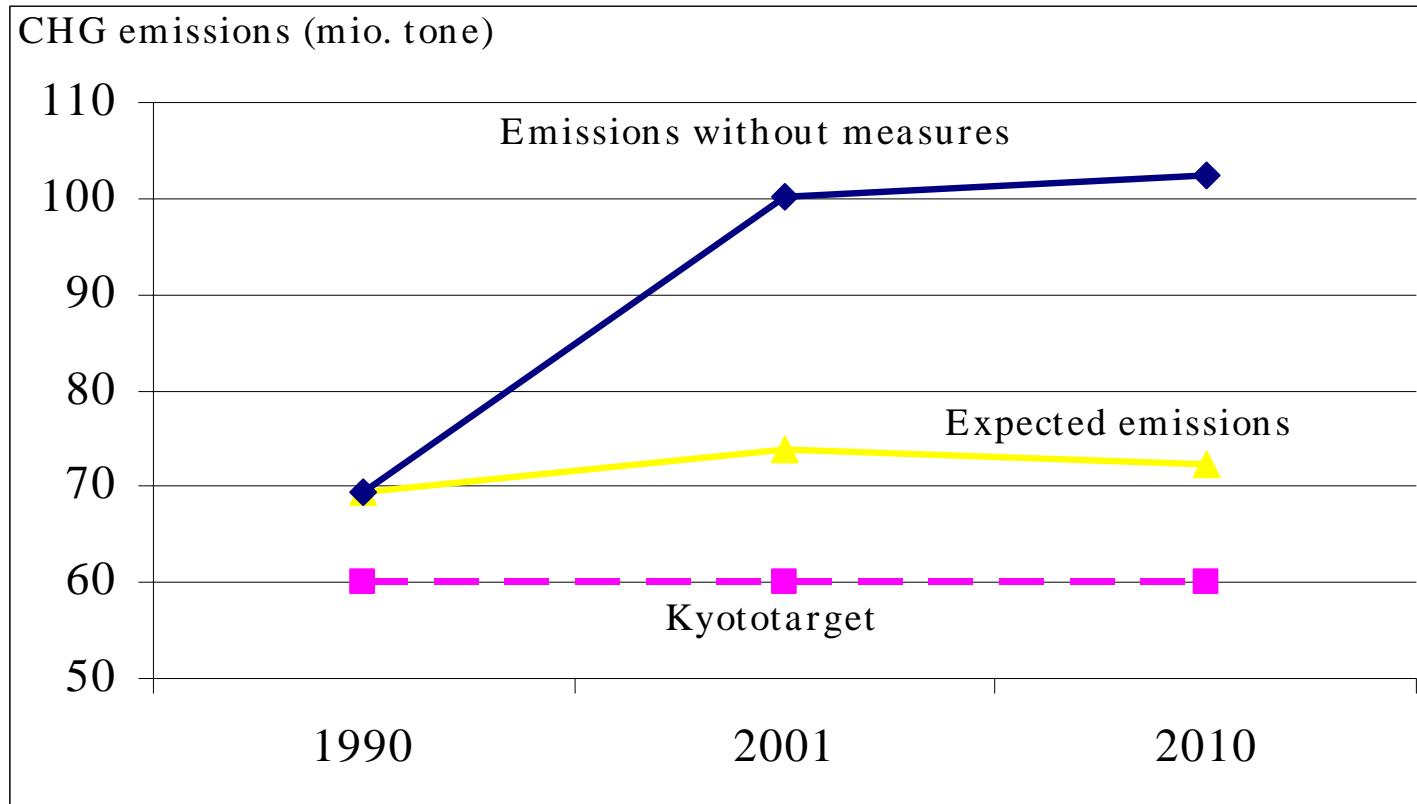
Lars Hansen

Chief Advisor, Confederation of Danish Industries

Why do we need a global agreement ?

- Climate Change is a global problem
- Increasing global trade and competition
- Big market to push Research and Development
- Huge difference in reduction costs

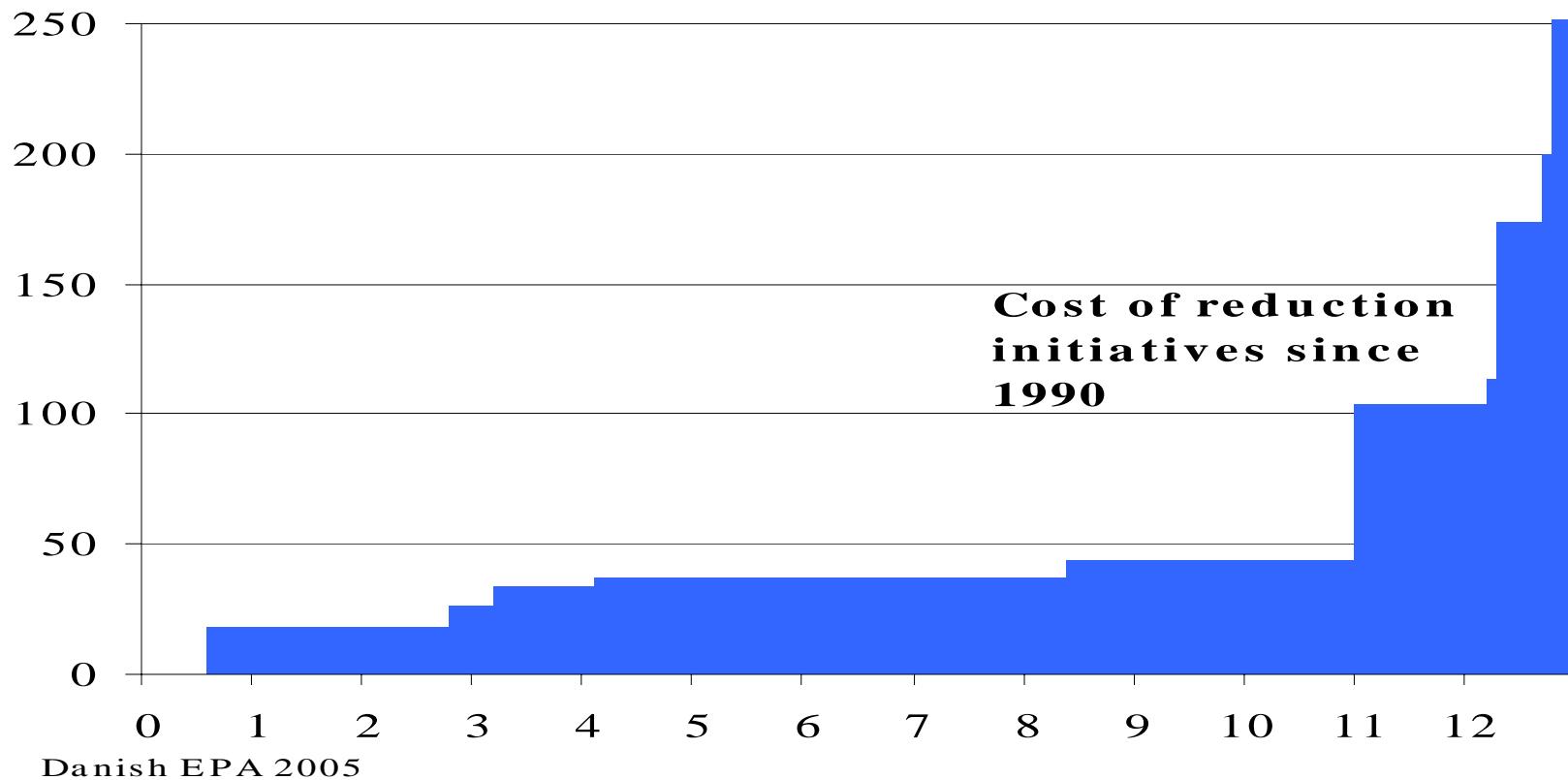
The situation in Denmark



Danish EPA and DI, 2005

CO2 Reduction costs in Denmark

Costs (EUR/ton of CO2)



The project mechanisms

Before Montreal

- CDM (EB) work underfunded (20 - 25% of the need)
- CDM (EB) bottleneck - few projects and methods approved
- No administrative set up for JI

After Montreal

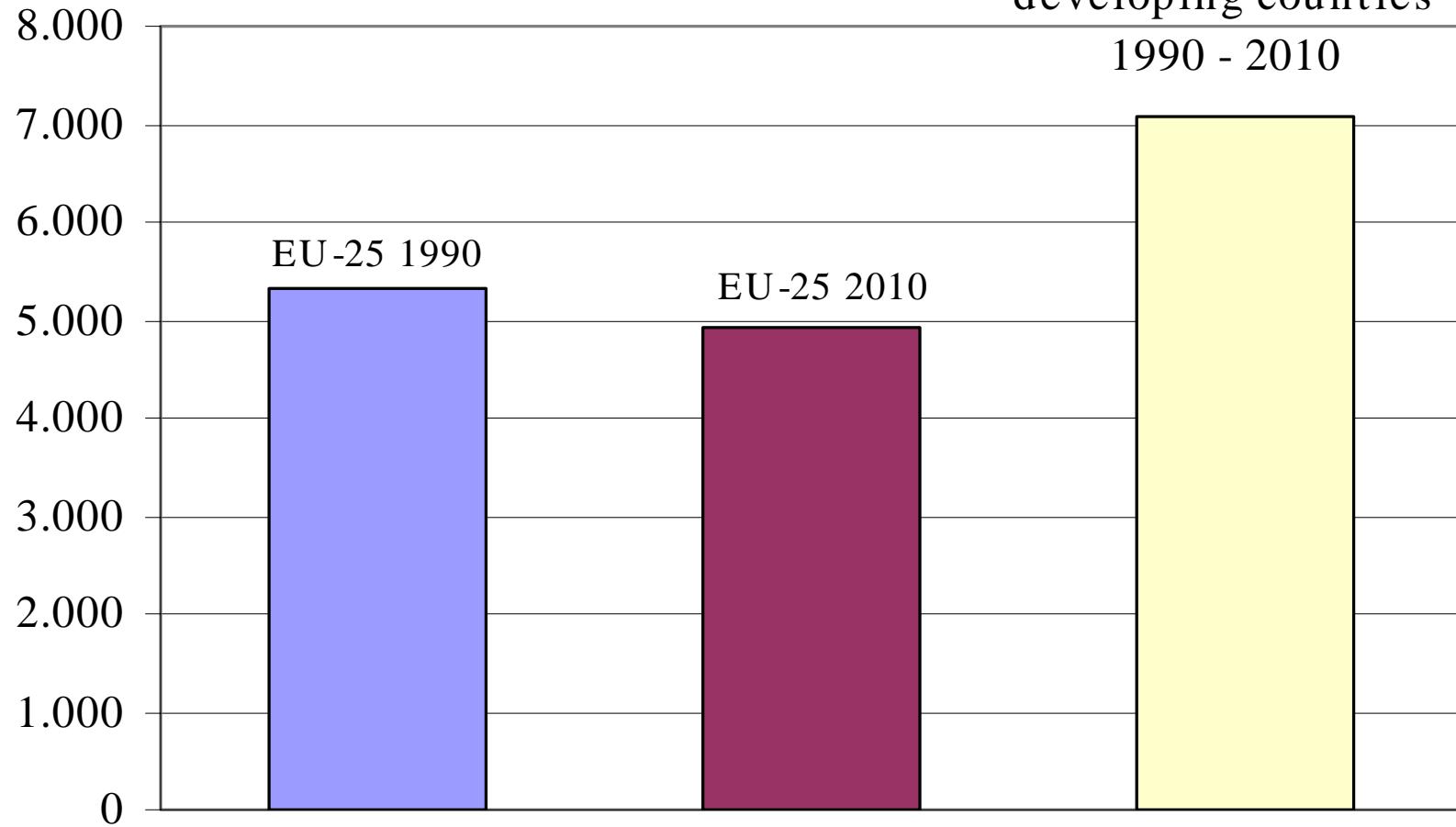
- 8 mio. US\$ extra funding pledged for the CDM (EB)
- Procedures for JI under

Climate Gas Emissions

Mio. tons CO₂

Increase in US and
developing counties

1990 - 2010



EIA 2004 and UN

Climate Gas Emissions

Climate Gas Emissions in 2000 and 2050 (pct.)

Region	2000	2050
Canada and USA	23	12
EU (25)	14	8
Russia and CIS	8	5
Oceania and Latin America	12	10
Africa and Mittleeast	12	23
Asia	31	42
Total	100	100

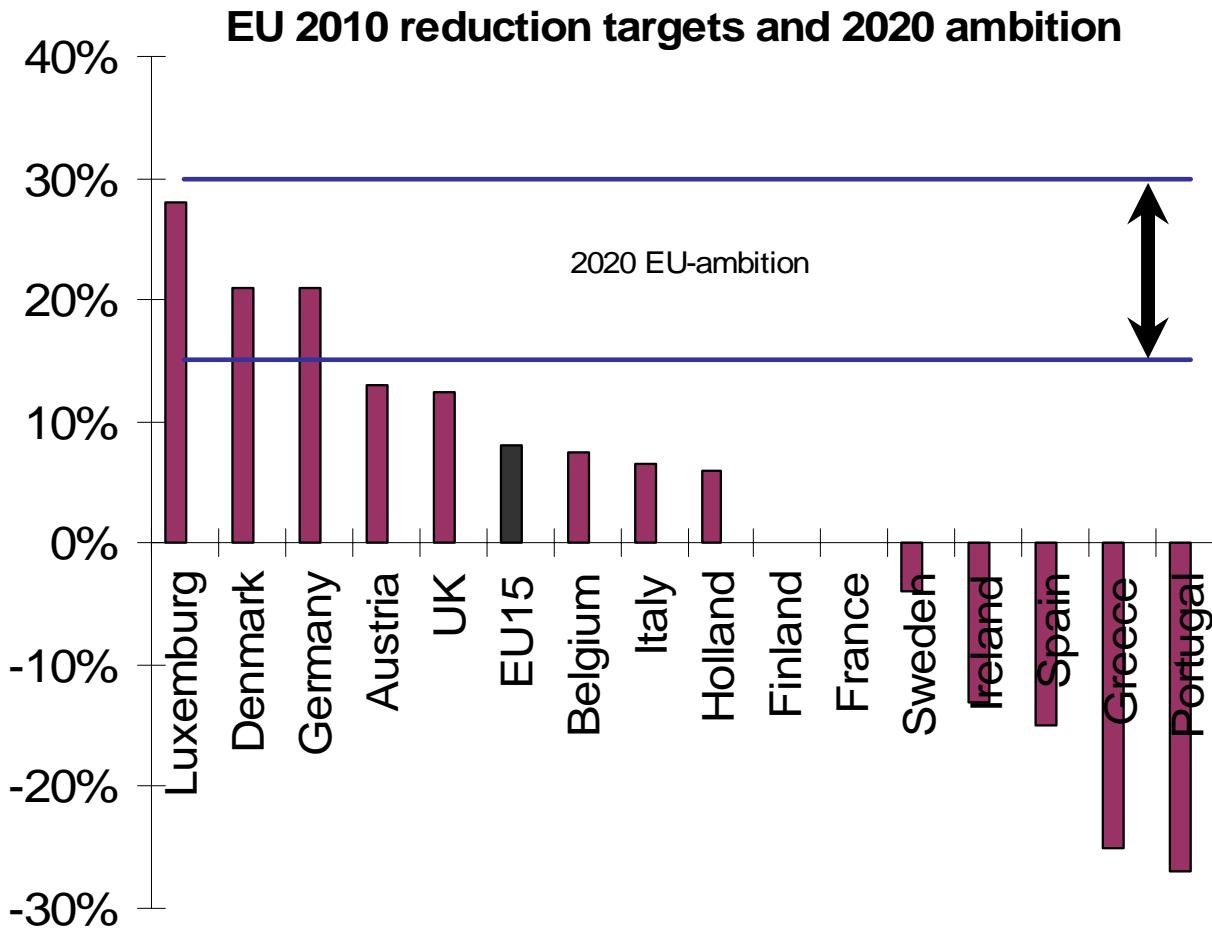
Kommissionen, feb. 2005, Winning the Battle Against Global Climate Change

A Global climate agreement after 2012

Conclusions from Montreal

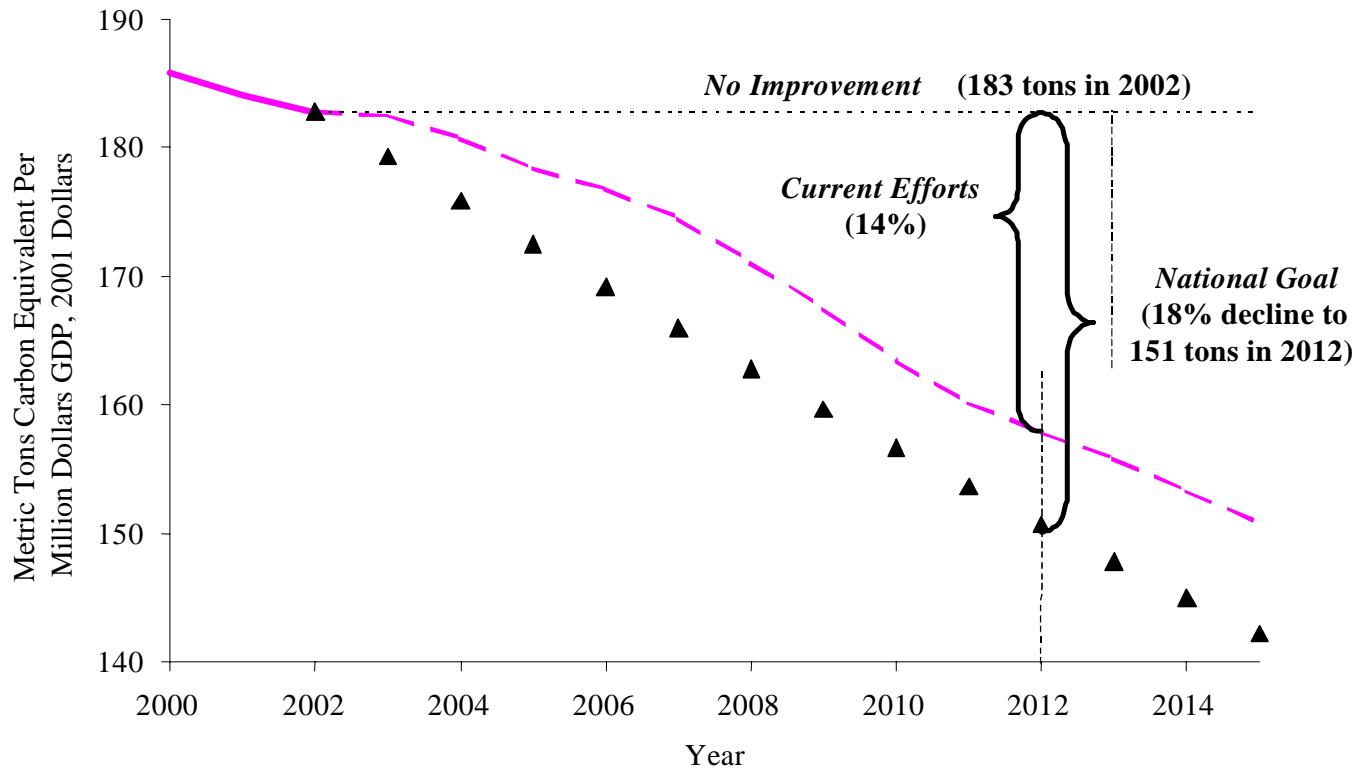
- The Convention
 - "to engage in a dialogue, without prejudice to any future negotiations, commitments, process, framework or mandate under the Convention, to exchange experiences and analyse strategic approaches for long-term cooperative action to address climate change...".
- The Kyoto agreement
 - "to initiate a process to consider further commitments for parties included....".

EU position - reduction targets



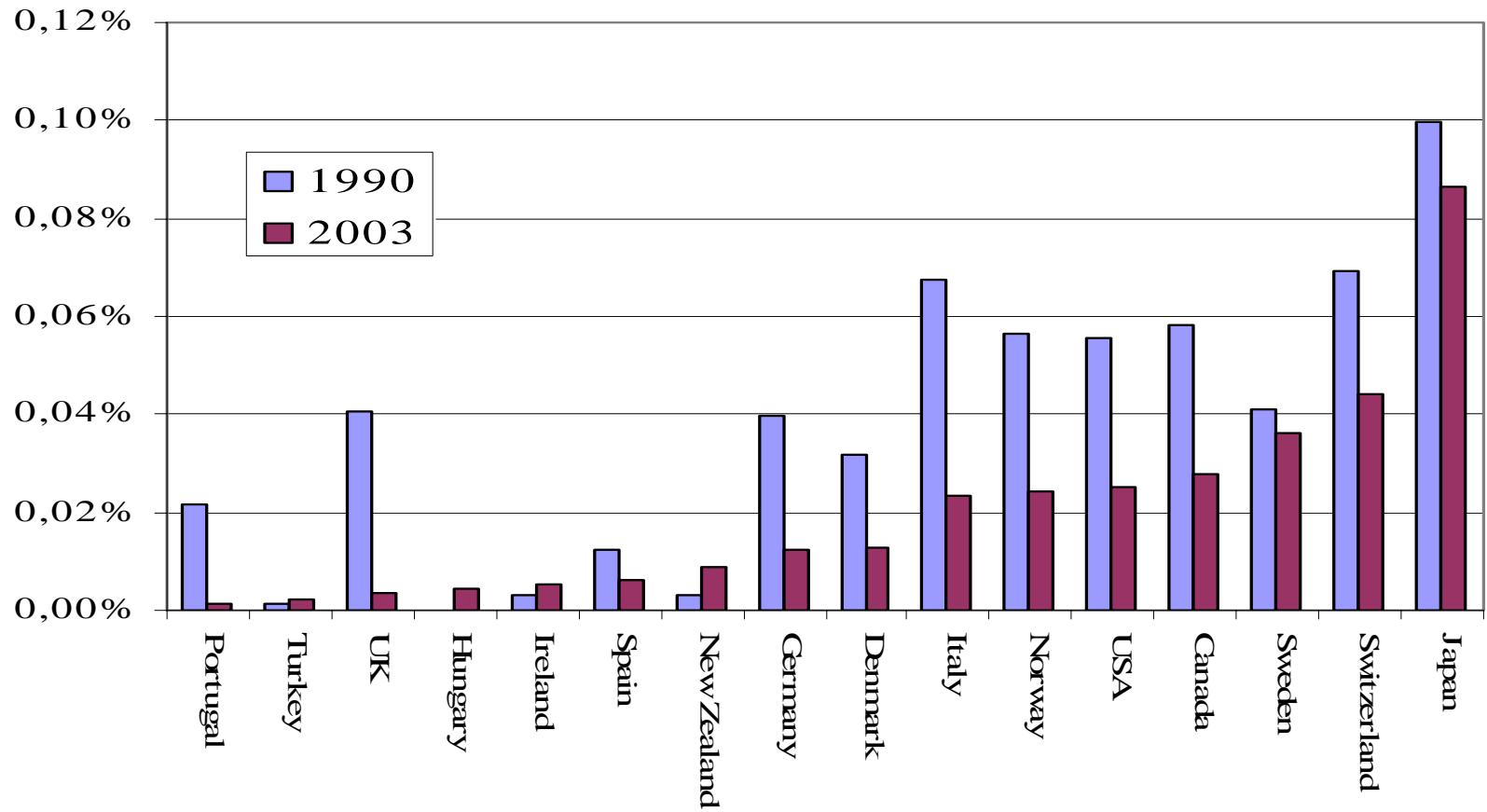
US position - efficiency improvement

Reduce GHG Emission Intensity 18% Between 2002-2012



www.whitehouse.gov

Public funding and Research and Development in energy (% of BNP)



Need for a Global Dialog

- **Platform for A Global Agreement**

- Constructive dialog
- R&D
- Technology transfer
- Emissions trading