



Embargo: 31.08.2008, 15.00h
The spoken word is final!

Emissions, emotions and enlightenment

Adress by Federal Councillor Moritz Leuenberger to mark the 20th anniversary of the Intergovernmental Panel on Climate Change (IPCC), Geneva, 31. August 2008

Secretary-General,

Ladies and Gentlemen,

We have come here today to celebrate the twentieth anniversary of the IPCC in the *Bâtiment des Forces Motrices*. *Literally, that means “house of driving forces”*. The location could not be more appropriate: the IPCC is the driving force of climate policy. Thanks to the work of their experts the UN Convention on Climate Change and the Kyoto Protocol were born. The reports of the IPCC are in this sense the motor for the fight against global warming.

Today, motors still mostly run on oil and emit carbon. The motor of the IPCC, on the other hand, is driven by reason, emitting figures and diagrams instead.

We need this sobriety.

- We need it, because we live in a society in which the interests of a few – defended by powerful lobbies – often come before the interests of the community,
- We need sobriety, because we live in a society in which some think tanks cast doubt on man’s responsibility for global warming. This strategy is not new. Think of the permanent questioning of the link between smoking and lung cancer. Such strategies are financed to a large degree by the economic sectors with a particular interest. And they are run by professional marketing specialists. All of these glossy magazines and slick words make me think of Carmen, Bizet’s seductive gypsy girl: she is beautiful, she is bewitching, but her promises are often false.
- Lastly, we need the sobriety of the IPCC’s work because we live in a market in which emotions are used to sell – especially to sell polluting vehicles. Car advertisements often show beautiful landscapes where the driver has the road all to himself, free, his hair virtually blowing in the wind. In reality, he is stuck in traffic, breathing in the exhaust fumes of the car in front. I know it well because I am (also) transport minister.

That’s why we truly need, now more than ever, a motor that runs on reason rather than on selfish and primitive instincts in each one of us. We have to start taking account of the figures which measure climate change. It is against all good sense to continue heating



the planet and to suffer the consequences of doing so. The cost to future generations, both in human and financial terms, is much too high.

General interest

We teach children one step at a time that their natural selfishness and their desire for freedom must have limits: these limits are set by their parents, their friends, and their neighbourhood. In the same way, we must show people that there are consequences to their actions; consequences that it takes more than sentimentality and infantile behaviour to overcome. Recently, a father wrote me a letter saying: *"I'm doing something to fight climate change. I took my children to see Knut the polar bear at the zoo in Berlin."* If only it were that simple.

Independence

To find the right answers to a reality like global warming, states need reliable information and serious and objective data from the most independent sources possible. In order to provide this data, an institution such as the IPCC needs important financial support. And if we want the results to be reliable, the IPCC also needs time to examine the scientific data because its analysis is so complex. Time and independence are necessary to counter the studies financed by those companies that pursue their own interests.

Pascal's Bet

- Since we all are faced with intentional disorientation strategies regarding man's responsibility for climate change;
- Since we all encounter the professionally cultivated uncertainty which serves those who still wish to make a short-term profit.
- And for all those who don't know who to believe or what to think,

I would like to remind you of a philosophical demonstration you certainly know.

It comes in fact from a scientist: a mathematician, physicist and philosopher who would undoubtedly work for the IPCC if he were alive today, Blaise Pascal.

The subject was not the climate, but the existence of God.

Pascal said in essence: If I believe that God exists and I live according to his command, I don't cheat, I don't steal; what do I lose if God doesn't exist ? Nothing !

But if I believe that he doesn't exist and I don't live according to his command, I cheat and steal, but in fact God does exist: then I lose everything and go to hell.

We can apply Pascal's bet to the environment. If, contrary to what is stated by the vast majority of researchers, manmade CO2 emissions were not the cause of global warming, would it be so bad to reduce CO2 emissions anyway?



- Reducing emissions is not damaging to our health or to the environment, quite the opposite;
- It's not damaging to the economy either, quite the opposite. New technologies thrive, they are sold and exported,
- Dependence on fossil fuels is diminishing, companies are reducing their energy costs and that's not harmful to the economy either, quite the opposite. I know it well because I'm also the energy minister.

In short, we have nothing to lose by reducing our CO2 emissions. And if global warming is after all manmade – as I am convinced it is – we have everything to gain. We are limiting the damage. Let us reduce our emissions as much as possible in order to preserve the paradise we have here on earth!

I therefore have hope: All the more so because we have many descendants of the Age of Enlightenment among us, for instance many scientists who have worked on the IPCC reports over many years.

Switzerland would be very honoured if one of these scientists, Professor Thomas Stocker, Head of the Climate and Environmental Physics Department at the University of Bern, were to contribute even more to the work of the IPCC. We therefore support his candidature for the co-presidency of the IPCC working group dedicated to the scientific aspects of the climate system. Among their many research projects, Mr. Stocker and the University of Bern drill the ices of Greenland, analyse the ice cores they obtain and reconstruct the climate of the last millennium.

Enlightenment rather than emotions

However, scientific findings alone are not enough. The IPCC knows this and is acting accordingly. That's why I would like to thank the IPCC for its civic commitment. In the same way as responsible citizens who work in their country for the public interest, the IPCC is active around the world. It is not enough to obtain results; they need to be made public everywhere. The message has to get across to all the decision-makers. That means explaining, enlightening, communicating. I know it very well, because I'm also communications minister and I live in a direct democracy in which all citizens have to be convinced of the reasons behind an action.

The considerable task of enlightenment and the explanatory work of the IPCC give us hope, hope that we can fight against global warming. We all want to do everything we can to spread this hope. In doing so, we are guided by the motor of the IPCC that has for twenty years been offsetting emissions and emotions with its own enlightened reason and commitment.

This is why Switzerland is very proud to be able to celebrate the anniversary of an enlightened citizen of the world: the IPCC.



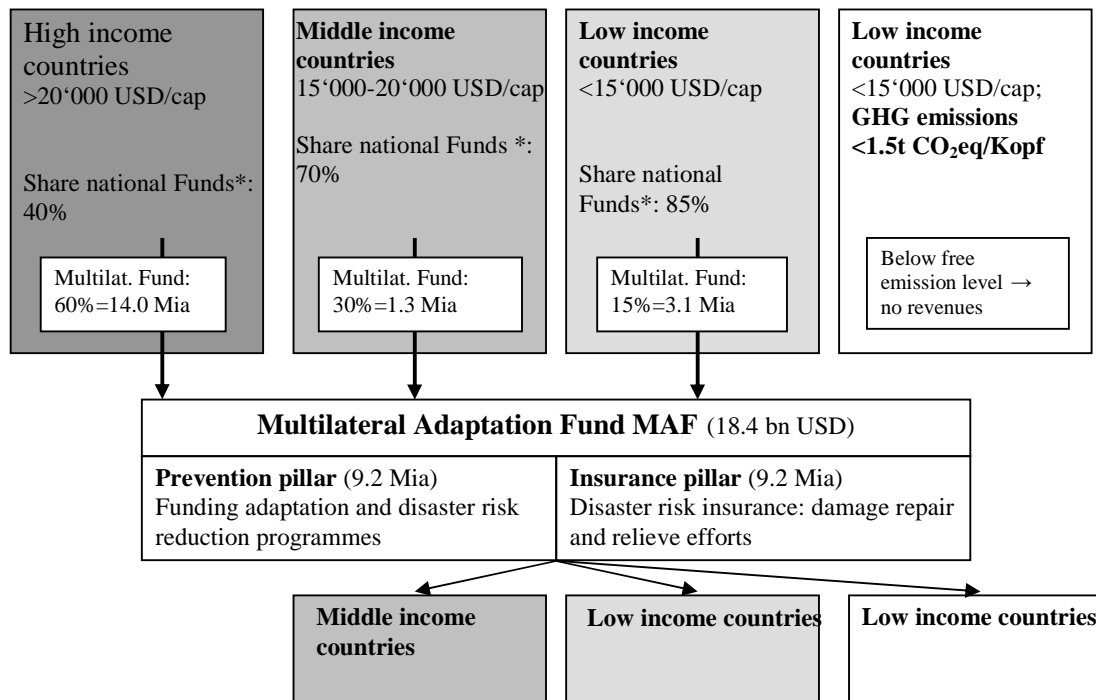
Abstract of the Swiss Proposal “global solidarity in funding adaptation”¹

The following graph visualises the key elements of the proposed mechanism for funding climate change adaptation

Graph on key elements of global CO₂-based levy and scheme for funding adaptation

The most important design parameters of the scheme proposed for implementation within the framework of the Bali Action Plan are:

- Tax rate of the global CO₂ based levy: 2 USD/t CO₂ (corresponds to 0.5 cents²/liter transportation fuel)
- Tax free emissions: 1.5t CO₂-equivalent /capita
- Total annual revenue: 48.5 bn. USD, of this total 18.4 bn. USD will flow to the Multilateral Adaptation Fund (MAF)



*National Climate Change Funds (NCCF) for mitigation action and adaptation programmes

Tax rates of global based CO₂ levy in revenue model

The revenue model is based on the polluter pay principle. The global CO₂ based levy shall be applicable to CO₂ emissions related to energy from fossil fuels. The proposed taxation rate is 2 USD/t CO₂, which corresponds approximately to 0.5 cents/litre transportation fuel.

Tax free emission level

¹ Source: Funding Scheme for Bali Action Plan, UVEK, Bern, 21. Mai 2008, www.environment-switzerland.ch/climate

² Cents CHF or USD at exchange rate May 26, 2008

The revenue model applies tax-free CO₂ emission level of 1.5 tons CO₂-equivalent per capita (1.5t CO₂eq/cap – all Kyoto gases, inclusive of land use changes), applicable to all countries. This tax-free emission level corresponds to a long term global emission goal in accordance with the Climate Convention targeted for the second half of this century and put in relation to the expected Earth population. Developing countries with greenhouse gas emissions below 1.5t CO₂eq/capita will hence be fully exempted from the CO₂ levy, but will benefit from the disbursement model.

Revenues and disbursement model

A revenue model with this design allows raising 48.5 bn USD per year. Of this amount 30.1 bn USD flow into the National Climate Change Funds (NCCF). The second part of the revenue stream of 18.4 Mia USD flows to the Multilateral Adaptation Fund (MAF) (see graph). The Adaptation Fund established under the Kyoto Protocol could initially provide the governance structures for the MAF.

National Climate Change Funds, NCCF

All participating countries may use the resources flowing into their National Climate Change Funds for climate change adaptation and mitigation programmes according to national circumstances and priorities. The funding demand for such programmes is huge across the globe. Such National Climate Change Funds can also play a vital role for enhancing the capacity to address climate change, particularly in the most vulnerable developing countries.

Multilateral Adaptation Fund, MAF

Industrialized countries with a high per capita income contribute 60% of their revenues from the CO₂-levy to the global fund; this share is 30% for middle income countries such as Korea/Russia and 15% for the low income developing countries. Developing countries and least developed countries with per capita emissions of less than 1.5t CO₂eq/cap do not raise the CO₂-levy and therefore do not contribute to the global fund. These governance principles establish a significant resource transfer from rich to poor countries: 15.1 bn USD or 82% of the annual revenues of 18.4 bn USD are contributed by the industrialized countries.

The Swiss proposal sees the Multilateral Adaptation Fund as a mechanism, not necessarily as a new multilateral institution. An existing institution could be mandated to manage this fund.

The financial resources from the global fund do exclusively flow into middle and low income countries. Adaptation comprises of climate resilient development, gradual adjustment of infrastructure and practices, and disaster risk reduction on one hand and disaster relieve/rehabilitation measures following extreme climate events on the other. The Multilateral Adaptation Fund therefore shall consist of two pillars:

- a) Prevention pillar: the fund contributes to national programmes reducing the disaster risk and making development more climate-resilient. The implementation shall not be project based but in the frame of eligible programmes.
- b) Insurance pillar: The fund insures large event risks to public goods/infrastructure which can not be covered otherwise and cooperates with the insurance industry for service delivery.