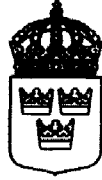


SWEDEN



STATEMENT

by

H.E. Mr. Fredrik Reinfeldt
Prime Minister of Sweden

The High-Level Event on Climate Change
The Future in our Hands: Addressing the Leadership Challenge
of Climate Change

Thematic Plenary II - Mitigation
“Reducing emissions and stabilizing the climate - safeguarding
our common future”

United Nations
New York

24 September 2007

- CHECK AGAINST DELIVERY -

Mr/Madame Co-Chairs,
Distinguished Colleagues, Ladies and Gentleman,

The consequences of climate change pose a serious threat to present and future citizens around the globe, to our economies and to the planet we live on.

We know from science that this is the result of human activity. We also know that the countries that are most affected are the poorest and most vulnerable.

What we need now is political leadership to turn developments around. We need decisive and global political action to prevent further dangerous changes to our climate system and to adapt to the consequences that are inevitable. And we all need to start negotiations in Bali on an effective and broad climate regime for the period after 2012, and to complete these by 2009.

The Swedish Government considers climate change to be one of the major environmental and political challenges of this century.

I know that political decisions can make a difference! Sweden's emissions of greenhouse gases were 7 per cent lower in 2005 than in 1990. During the same period, between 1990 and 2005, the Swedish economy grew by 36 per cent. Thus it is possible to reduce emissions and have economic growth at the same time.

The success of Swedish climate policy is largely a result of various mitigation policies and measures. The most important of these is the carbon dioxide tax which was introduced in 1991.

We know from the Stern Review that climate change may well be extremely costly to all of us in the long run. Therefore, choices that are sensible for the climate should also make economic sense to the consumer today. Sweden uses taxes and incentives to direct people's choices, to help them make economically sound decisions which also help protect the environment and our climate.

As a result of the carbon dioxide tax, the use of fossil fuels in the heating sector has decreased dramatically and instead, the incineration of biomass and energy efficiency has increased.

Swedish electricity production is nearly free from carbon dioxide as it is largely based on hydro and nuclear power. A system of green electricity certificates aims to promote electricity production based on renewable sources such as biofuels, wind power and small scale hydro power.

Since 1970, the use of oil in Sweden has decreased by nearly 50 per cent, whereas the supply of bioenergy has increased by sixty per cent. As a result, Sweden's energy supply mix is now more differentiated and our security of supply is much more robust.

The transport sector is our next challenge. Ethanol and other biofuels used as propellants are exempt from tax. Sweden has introduced a rebate for the purchase of environmentally friendly cars. And we have introduced a new congestion tax in the city of Stockholm.

We have also included an increased tax on carbon dioxide in our newly proposed climate package. And we aim to implement a general tax cut for fuels that are carbon dioxide neutral.

A large part of our energy consumption and green house gas emissions take place in our cities. I have therefore recently proposed a programme for sustainable cities and communities, aiming to achieve reduced emissions and improved technology. How we build our cities and the way we work and live in our cities is of great importance to climate change.

A lot can be achieved with existing technology. We do not need to wait for advanced technology or technology which is not yet even available. Of course technological R&D is essential too. But I would also like to point to the many measures and "technologies" that are available today, that are inexpensive and sometimes can even be introduced at negative cost. It is a matter of energy efficiency measures, saving energy and using renewable sources.

There are three points I would like to highlight:

- 1) First: there is a vast potential for emissions reductions through technologies that already exist.
- 2) Second: a price needs to be set on emissions in order for this potential to be realised. And the carbon markets need legally binding commitments in order for this price to be set. With a global carbon market, covering as many gases, sectors and countries as possible, the emissions and costs can be reduced significantly.
- 3) Third: It is possible to achieve emissions reductions and positive economic growth at the same time.

We are only at the beginning of a major international and long term effort. In order to reduce global emissions in the order of 50 per cent by the middle of this century, developed countries need to make more far reaching emissions reductions. And more advanced developing countries must adequately contribute according to their responsibilities and respective capabilities.

The developing countries are the most vulnerable. But ODA amounts to only 1 percent of global investment flows. We need therefore to make sure that it has a true catalytic effect and that climate consequences are integrated. A Swedish initiative on this specific issue has today been brought forward to the UN Secretary General.

The EU has pledged to reduce its emissions by 30 per cent by 2020 within an international framework. Further, the EU will review the European emissions trading system. We wish to include more sectors, more gases, and have a lower cap and more auctioning. We need a framework based on legally binding reduction commitments.

Let us agree on a roadmap in Bali, with concrete steps and timetables. Lets us work within the UNFCCC framework to prevent dangerous climate change. Climate change will affect each and every one of us, let therefore each and everyone participate in solving the problem. Let us start comprehensive negotiations in Bali in December 2007 in order to reach a global agreement in Copenhagen in December 2009.

Thank you!