

Germany's International Climate Initiative
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Ladies and Gentlemen, dear guests,

I am delighted to be here and to speak to you on behalf of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety.

Sustainable mobility is key to achieving global CO₂ reduction. With growing numbers of vehicles and ever increasing distances travelled, the transport sector will play a paramount role in our ambitions to fight climate change.

The German government has a clear commitment to reduce Germany's emission by at least 80 percent by 2050. This goal is ambitious, no doubt. Mitigation in the emerging economies, however, represents an even bigger challenge. This applies to the transport sector in particular. India with its growing mobility needs is a good example.

Against this background, we see a responsibility to support the development of capacities and instruments that help to foster a sustainable mobility – in the national as well as in the international regard. That's why transport has been accepted as one of the fields eligible for funding through the German International Climate Initiative (ICI).

First let me give you a short overview on the German International Climate Initiative:

- The ICI has been promoting climate protection projects in developing countries, emerging economies and countries in transition since 2008;
- It is financed through the auctioning of German emission trading certificates; that means that the revenue from auctioning tradable emission certificates is incorporated into the budget of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), from where it is disbursed to finance climate protection measures.
- From 2008 to mid 2011, more than 230 projects in 61 partner countries with a total volume of more than 500 mill. € (BMU funding) have been approved. Additional capital contributed by the agencies implementing the projects and funding from other public and private-sector sources bring the total funding volume for the ICI projects to over 1.3 billion euros.

The ICI is active in three areas:

- promoting climate-friendly economies,
- fostering measures to adapt to the effects of climate change, and
- ensuring the conservation and sustainable use of natural carbon reservoirs/ Reducing Emissions from Deforestation and Forest Degradation (REDD+).

In the first area, the ICI is supporting activities that provide an example for the implementation of the Bali Action Plan and Cancún Agreements focusing on the implementation of measurable, reportable and verifiable (MRV) mitigation actions demonstrating that the transition to a Low Carbon Economy is doable and economically viable.

Thematic priorities especially towards low carbon economies are:

- development and implementation of low carbon development strategies (LCDS) and nationally appropriate mitigation actions (NAMAs)
- renewable energies, energy efficiency
- emissions reduction in the transport sector
- support and further enhancement of the carbon market
- monitoring and accounting systems for mitigation actions (MRV)
- substitution / mitigation of non CO₂-GHG

Activities include:

- Investment support through grants and concessional loans for pilot projects
- Technical cooperation, transfer of know-how, access to technology
- Policy support (regulation, implementation)
- Capacity development and awareness-raising

The implementation of projects is closely monitored by the BMU

- Up-scaling of innovative approaches is aspired
- BMU also supports the visibility of projects.

Let me now in a second step roughly explain why the German Government stands for sustainable mobility also in the framework of the International Climate Initiative:

Transport is a fast growing sector in most developing countries and the largest end-user of energy in many developed countries. And no matter if we take a look at Europe, Asia or elsewhere: Transport is highly dependent on fossil fuels and hence a significant contributor to climate change.

While after 1990 emissions from passenger transport in Germany rose quickly, Germany finally managed to break this trend. Since 2000 greenhouse gas emissions from transport are slightly declining. This is a first success – however, the challenge remains huge: A robust climate deal will definitely require a decrease of transport related emissions in industrialized countries and, at the same time, a slow-down of current emission trends in the developing world.

Given that transport is responsible for about one quarter of the energy-related CO₂ emissions and that this share is still going to increase, the sector will indeed play a vital role in combating climate change. Particularly worrying are freight transport and international aviation since they show a strong growth in emissions. In addition, it needs to be considered that 95% of the transport sector is dependent on oil.

Hence, BMU fully agrees with the approach of decarbonisation of transport, as only a cross-sector approach including a significant emission reduction from transport appears reasonable.

A broad mix of instruments and incentives is needed so that the transport sector helps in climate protection. Technical measures alone would not deliver the efforts to achieve the reduction goals. All three pillars are needed: avoid – shift – improve.

Germany has pledged to reduce its GHG emissions by even 40% by 2020 compared with 1990, irrespective of the necessary efforts by other states.

In order to reach the ambitious German climate protection goals the Federal Government has elaborated a comprehensive Integrated Energy and Climate Program. Its goal is to ensure a modern, secure and climate-friendly energy supply in Germany. It comprises measures for enhanced energy efficiency, expanded use of renewable energy sources and also measures to support sustainable transport.

Major policies and systematic approaches are at the national level for example:

- The National Sustainability Strategy: The German government strives for sustainable development in terms of the economy, ecology, and social issues. Its policy is based on a long-term, global perspective that spans the generations.
- The Freight Transport and Logistics Master Plan 2008 evolved into a Freight Transport and Logistics Action Plan in 2010: The German government approved a systematic and intermodal transport policy approach. One of the predominant objectives of this integrated approach is to cope with the drastic rise of freight traffic due to increasing globalisation and therefore make the transport system as a whole more efficient and to further reduce CO₂ emissions.
- In 1999, an eco-tax was introduced and graduated according to ecological criteria. It allows external effects to be internalised, on the one hand, while on the other hand tax revenue can also be generated.
- Since 1 July 2009, the vehicle tax for new passenger cars has been based on CO₂ emissions.
- from 1 January 2009 a revised tolling scheme for lorries above 12 t GVW with further differentiation according to emission category and particulate matters reducing systems has been in effect
- the National Cycling Plan 2002-2012 covers, amongst other things, the development and extension of cycling infrastructure, which is vital in enabling cycling to become an attractive alternative to car journeys for short trips and, in addition, improves health. By now the German government is working on the further development of the National Cycling Plan till 2020.

The German Ministry for Environment's projects in transport strongly reflect the idea of efficiency. Let me highlight just one initiative: The ministry has put up a research scheme that supports electric vehicles in a integrated energy system. You may be aware that Germany is aiming at a vastly renewable electricity generation. Wind and solar power will in the future be the main source of energy. The same direction should apply to car traffic. Electric engines are by far more efficient than conventional ones and they can easily use safely and regionally produced electricity.

With a system that relies on wind and PV, we will see more and more situations with excess electricity generation. Electric vehicles can be an intriguing option here: In our fleet tests, we develop easy-to-use solutions for smart charging, i.e. the electric car receives an automatic signal whenever there is superfluous electricity in the grid.

This is just one example to show: We have to think energy and transport together. And as I have stated before, sustainable mobility must be a mix of different measures:

- We need an attractive offer of public transport that makes it easy to switch between different modes.
- We need to make the most climate friendly modes – cycling and walking – as appealing as possible.
- We need to design our cities in a way that reduces mobility needs, for instance by providing leisure and shopping facilities close to where the people live.
- And we need to make the bulk of transport – the motorized vehicles – as efficient and ready-for-renewables as possible.

Having said this, I wish the UNEP project and all its partners the best success. And I should of course not miss to wish everyone attending this workshop fruitful and inspiring discussions.

Thank you.