

Name of Media	eKathimerini
Date of Article	8 June 2011
Author	Nick Malkoutzis
Title	The Climate Change Threat and the Growth Conundrum
Project Name	6 th Asia-Europe Journalists' Seminar
URL	http://ekathimerini.com/4dcgi/_w_articles_wsite3_1_08/06/2011_394025

ekathimerini.com

comment

The climate change threat vs the growth conundrum

By Nick Malkoutzis

Budapest -- It is an indication of how pervasive the threat of climate change has become that the foreign ministers of some of the world's most powerful and wealthy countries should address it as a "security challenge," albeit a "non-traditional" one.

Climate change, along with nuclear safety, terrorism, piracy and organized crime were among the topics discussed by the diplomats when they met for the 10th Asia-Europe Meeting (ASEM) in Godollo, near Budapest in Hungary, on June 6 and 7.



However, it was climate change more than any other issue that fed into the various strands of the debate between the Asian and European ministers. Consider, for instance, some of the other topics now regarded as "non-traditional security challenges": energy security, food and water security, inclusive growth and poverty reduction. These are all issues that are affected in one way or another by the environmental debate.

"Food, water, energy and climate security are interconnected and inseparable," the ministers representing the 48 ASEM countries, which constitute more than half of the world's population and GDP and 60 percent of its trade, said in their final statement. "These four elements underpin global security, prosperity and equity."

Despite such a succinct and stark analysis of the threat posed by climate change, the ASEM meeting provided little more than a firm commitment -- in writing, at least -- to supporting the United Nations Framework Convention on Climate Change (UNFCCC). The ASEM ministers said Europe and Asia "must concur on a concrete outcome" when all the world's countries meet for the 17th session of the

UNFCCC in Durban, South Africa, in November.

Last year's climate change meeting in Cancun, Mexico, led to a loose agreement to cut carbon emissions but no mechanism for doing so. The pressure for the international community to achieve something more substantial than the Cancun deals, or the positive thoughts at the ASEM meeting in Hungary, is growing every day.

The urgency of the "concrete" action that the Asian and European foreign ministers referred to was underlined by the International Energy Agency's (IEA) revelation last week that greenhouse gas emissions increased by a record amount in 2010 and that, according to IEA chief economist Fatih Birol, the prospect of preventing a rise of more than 2 degrees Celsius in the temperature -- which experts have set as the threshold for dangerous climate change -- is now looking like "a nice Utopia."

Last year, a record 30.6 gigatons of carbon dioxide was pumped into the atmosphere, with the burning of fossil fuels being responsible for most of the emissions. The IEA has calculated that for the world to avoid the most damaging effects of climate change, emissions should not be more than 32 gigatons by 2020. But the latest figures show that at the current rate, we will reach this level by the end of the year.

About three-quarters of the rise seen in 2010 came from developing countries, emphasizing how intertwined the issue of climate change is with economic growth and development. Speaking at an Asia-Europe Foundation (ASEF) journalists' seminar on the sidelines of the ministers' meeting in Hungary, Warren Fernandez, the global manager of Shell's Future Energy project, said that energy demand in the developing world is set to increase by 64 percent by 2050, compared to 3 percent in the developed world. During this time, the world will have to halve its CO2 emissions to prevent destructive climate change.

The friction between growth and emissions reduction is one of the drivers of the "common but differentiated responsibilities" debate, in which developing countries argue that it is unfair of the first world to attempt to shackle their development when it has been heavily polluting the environment for decades.

Given the current circumstances, Greece could soon find itself being thrust into this argument. The three-year recession in the country, coupled with the pressures of coping with its debt crisis have meant that Greece is one of the few countries where emissions actually fell over the last few years without the adoption of any substantive measures. Emissions dropped from 128.5 million tons in 2008 to 122.5 million tons in 2009. "I am only marginally encouraged," the director of WWF Hellas, Dimitris Karavellas, told Kathimerini English Edition. "The main reason behind the decrease in emissions is the overall recession."

However, the decline has presented Greece, which has been notoriously poor at meeting environmental targets, with an interesting conundrum. It has made a tentative step toward emissions reduction during a period of economic decline but will it be able to continue cutting its CO2 output as it tries to come out of the downturn over the next few years?

Greece still relies on heavily polluting lignite to produce electricity (energy production accounts for more than 80 percent of the country's emissions) because it has its own reserves of the cheap fuel. So, in the years to come, as Greece tries to boost its exports, tourism and agriculture and perhaps revive some elements of its production sector -- mirroring the pursuit of growth in developing countries -- while not adopting any strategy to move toward renewable energy sources, declining emissions will be an impossibility.

"We are concerned that this crisis, albeit unprecedented, is masking a much more serious ecological debt crisis," said Karavellas. "If the message goes unheard, Greece may one day overcome the financial crisis but then if it returns to the business-as-usual scenario of burning fossil fuel with only marginal increase of renewables and no mainstreaming of energy efficiency gains, then we are back to the same."

Although the use of renewable energy sources in Greece is beginning to creep up (this week it was announced that solar energy developer Conergy will build a 1.5-megawatt solar park in Arta and that China's Dongfang group and SinoSolar are also investing in Greek projects) it only amounts to about 4 percent of the country's energy mix. While its nascent renewables sector grows, Karavellas says that Greece should also focus on making better use of the energy it is producing by reducing wastage, particularly in homes and businesses.

"Investing in energy efficiency in particular is a total win-win case for Greece at this stage," he said. "It would boost the economy, provide jobs in sectors such as construction, and help the public face the rising cost of fuel needed to warm homes in the winter or run air-conditioning systems in the summer."



Karavellas's suggestion that more emphasis be placed on energy conversation is backed by Tejas Ewing, a climate change consultant who has worked on projects for a number of leading companies. Ewing cites the Faluhaz project in Budapest, where Hungary's largest residential building was renovated to reach maximum energy efficiency as part of the European Union's STACCATO project, as the type of scheme that

Greece should consider. An added benefit of the overhaul of the Faluhaz building, which was viewed by journalists taking part in the ASEF seminar, was that it drastically reduced residents' fuel bills -- one in two Hungarians spend 20 percent of their income on electricity and heating their homes.

"The focus in Europe needs to be on the kind of environmental developments that also benefit people," Ewing told Kathimerini English Edition. "The EU is not unfamiliar with putting money into systems that benefit people but the reality is that it doesn't do it in a very efficient way. Housing is a big factor. In most countries it represents 20 percent of all emissions."

However, he also points out that Greece, like other European countries, has a distinct advantage if it looks to develop a production base in the next few years, as it can draw on thorough environmental know-how. "The one advantage of deindustrialization is that when Europe wants to reindustrialize, it can do so from scratch and factories can be built in a very energy-efficient way," he said. "The products that come out of them can be innovative, energy-efficient and environmentally friendly."

Another way that Greece could cut its emissions while still providing the energy that might be needed for economic growth is by converting its power stations to be fired by natural gas rather than coal. Shell's Fernandez said that a switch to gas would substantially reduce the CO2 being emitted and that there are enough supplies to last for the next 250 years. A possible deterrent for Greece could be

the cost of importing gas rather than relying on its own cheap lignite from Kozani. However, the government has begun examining the possibility of tapping into any potential gas reserves in the Aegean and has indicated it would be interested in cooperating with Cyprus when it exploits its own deposits. Cypriot energy officials indicated earlier this year that there could be some 10 trillion cubic feet of natural gas deposits beneath the seabed in the island's waters near Israel's giant Tamar and Leviathan gas fields.

Karavellas warns, though, that Greece should not look upon natural gas as an easy fix and that it would not change the overall direction the country must move in if it is to play its part in avoiding calamitous climate change. "Yes to natural gas but only in a transition period," he said. "It's not as bad as coal but nowhere near as good as renewable. It's a necessary evil but should peak at the latest in Greece by 2020 and then drop.

"The equation for success has two blatantly obvious factors: renewables and energy efficiency. All the rest should be seen as interim."

The risk of Greece's policymakers failing to heed this advice was starkly laid out by a Bank of Greece's committee that studies the impact of climate change, which briefed Prime Minister George Papandreou at the beginning of this month. In the first study of its kind in Greece, the panel found that it would cost the country 142 billion euros to substantially reduce its emissions by 2100. The cost of not acting, however, would be much larger. The committee suggested that based on current emission levels, the Greek economy would suffer losses of 701 billion euros by 2100 as a result of the rise of sea levels and desertification that could force communities to be moved. This number would drop to 294 billion if action is taken, the environmental experts said. Even among so many "non-traditional challenges," there is always the most traditional threat of all: the loss of money.