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PRESS RELEASE

UN's Top Climate Change Official Calls on Oil and Gas Industry to Undertake Radical Transformation towards New, Sustainable Energy Mix

Time for Experimentation and Marginal Changes by Oil and Gas Industry Is Over, Says UNFCCC Head Christiana Figueres

(London, 3 April 2014) – The UN's top climate change official Christiana Figueres on Thursday called on the oil and gas industry to undertake a radical transformation towards a new, sustainable energy mix in order to align itself with the physical and political realities of climate change.

Ms. Figueres, Executive Secretary of the UN Framework Convention on Climate Change, was speaking to a meeting of IPIECA, the global oil and gas industry association for environmental and social issues.

She made her remarks the same week as the release of the latest findings of the UN's Intergovernmental Panel on Climate Change (IPCC), which make clear that people around the world are already suffering from climate change, and that climate change increases the risk of armed conflict around the world as it worsens poverty and economic shocks.

“If we are to stay within the internationally agreed 2 degrees Celsius maximum global average temperature rise, there is no doubt that we must, we have to, stay within a finite, cumulative amount of greenhouse gas emissions in the atmosphere.

We have already used more than half of that budget. This means that three quarters of the fossil fuel reserves need to stay in the ground, and the fossil fuels we do use must be utilized sparingly and responsibly,” the UN's top climate change official said.

Ms. Figueres told the meeting that the continued investment in high-cost, high-carbon projects was already beginning to negatively affect the bottom line of fossil fuel companies.

This was even before considering “stranded assets” scenarios, which forecast increased regulation to curb greenhouse gas, resulting in obsolete investments in fossil fuels.



She said that in addition to the physical imperatives of climate change, policy is increasingly emerging as a driver for change.

“At the city level, citizens are increasingly demanding policy that ensures public health, energy security and water supply. At the national level, leaders are incentivizing clean energy and efficiency, and migrating toward resilient infrastructure and supply chains. At the intergovernmental level, governments are working toward a universal climate agreement for 2015, with a draft on the table at the end of 2014,” she said.

Ms. Figueres pointed to several options for the oil and gas industries to live up to their environmental responsibility, by for example reporting on their carbon risk, promoting a price on carbon, and by diversifying into cleaner forms of energy (see the full speech for details). But whilst such options exist, nothing short of a radical and fast transformation towards low-carbon would be required to stave off the worst effects of climate change.

“The time for experimentation, for marginal changes and for conditional response is now over. It is time for the oil and gas industry to truly lead with a principled response that ensures its appropriate and profitable participation in the energy mix of the future,” Ms. Figueres said.

Christiana Figueres noted that many oil and gas companies were participating in partnerships such as Climate and Clean Air Coalition and in the Gas Methane Partnership. Methane, a by-product of oil and gas extraction, is a potent driver of climate change.

She however said that whilst these collaborative spaces have been helpful in moving the industry forward, the goals of these partnerships now needed to be stepped up.

“Oil and gas can preserve their legacy as enablers of growth. Legacy implies solutions that persist over time. We must look past the next quarter, past the end of the decade, into the second half of the century by which time the global economy must be carbon neutral,” Ms. Figueres said.

Read the full speech at:

http://unfccc.int/files/press/statements/application/pdf/20140204_ipieca.pdf

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About the UNFCCC

With 195 Parties, the United Nations Framework Convention on Climate Change (UNFCCC) has near universal membership and is the parent treaty of the 1997 Kyoto Protocol. The Kyoto Protocol has been ratified by 192 of the UNFCCC Parties. For the first commitment period of the Kyoto Protocol, 37 States, consisting of highly industrialized countries and countries undergoing the process of transition to a market economy, have legally binding emission limitation and reduction commitments. In Doha in 2012, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol adopted an amendment to the Kyoto Protocol, which establishes the second commitment period under the Protocol. The ultimate objective of both treaties is to stabilize greenhouse



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gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system.

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