

Conference on
Biofuels: an option for a less carbon-intensive economy
4-5 December 2007

Climate change as a development challenge

by:

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD

**ADDRESS BY HON. GIFTY OHENE-KONADU (MP), DEPUTY MINISTER OF TRADE,
INDUSTRY, PRIVATE SECTOR DEVELOPMENT & PRESIDENT'S SPECIAL INITIATIVES AT
THE PRE-UNCTAD XII CONFERENCE ON BIOFUELS HELD AT RIO DE JANEIRO, BRAZIL,
4TH—5TH DECEMBER 2007**

**MR. CHAIRMAN,
YOUR EXCELLENCY, DR. SUPACHAI PANITCHPAKDI, THE SECRETARY GENERAL OF
UNCTAD,
HON. MINISTER OF MINES & ENERGY, BRAZIL,
DISTINGUISHED COLLEAGUE MINISTERS,
DISTINGUISHED DELEGATES,
LADIES & GENTLEMEN,**

It is a great pleasure to be invited to participate in this pre-UNCTAD XII Conference on the theme "Biofuels: An option for a less carbon-intensive economy". You will all agree with me, your excellencies, that this conference which has been organized by UNCTAD and the Energy Planning Agency of the Ministry of Mines and Energy, Brazil, is taking place at the time, when the whole world is looking towards sustainable solutions for meeting the challenge of energy security and mitigating the adverse impact of climate change.

I am therefore confident that this forum would provide valuable and timely interventions for addressing a host of issues concerning accelerated development and deployment of biofuels across the globe.

YOUR EXCELLENCIES,

As you are all aware, climate change is both a developmental and environmental issue. But for this session, I would like to speak on the issue "Climate Change as a development Challenge". The urgency of the challenge posed by climate change is now widely acknowledged and this could be best summarized by The United Nations Secretary-General's description of climate change as a "defining issue of our era". It is therefore not surprising that an agenda for internationally concerted action is being developed. Two recent events underscore the commitment of the United Nations to the issue of climate change. The first of these events was the two-day thematic debate on climate change convened by the United Nations General Assembly on 31st July and 1st August 2007.

The second was the high-level event on climate change convened by the Secretary-General at the United Nations on 24th September 2007, to map out how the world can move forward to address climate change and promote sustainable development at the Climate Change Conference in Bali in December 2007.

MR.CHAIRMAN,

The world over the last 200 years since the beginning of the Industrial Revolution has witnessed an unprecedented economic growth and improved living standards. A massive increase in energy power was, however, necessary to support this process of economic progress. Mainly fossil, and therefore carbon-based, sources of energy, such as coal and petroleum, have been used over the past two centuries. The burning of coal and petroleum discharged gases into the atmosphere which could not be absorbed, thus contributing to the emergence of the greenhouse phenomenon and its impact on climate.

The industrialized countries consumption patterns have largely contributed to climate change and they mitigate (slowing the pace of climate change) and adaptation (helping people cope with its effects) developing countries particularly those poor rural people who feel or will feel the impact most, will be less able to cope. This is the development challenge.

The extent of the climate change challenge is such that it makes it impossible for the world to continue along a path of "business as usual". While the main responsibility for cutting emissions lies with developed countries, developing countries also have a vital role to play in climate change.

The adverse effects of climate change are proving, and will continue to prove, particularly severe for developing countries because of the:

- (i) geographical location,
- (ii) reliance on climate-related economic activities (such as agriculture), and
- (iii) weak coping capability.

Even though vulnerability and adaptation to climate change are among the most crucial concerns of many developing countries, in West Africa it is particularly critical since the region is among the most vulnerable areas to climate change, because of the regions propensity for drought and desertification and dependence on agriculture.

MR.CHAIRMAN,

Ghana, in recognition of the above challenges signed the United Nations Framework for Climate Change in 1992 and ratified it in 1995. It subsequently acceded to the Kyoto Protocol in 2002.

It is against this background that Ghana has initiated a development agenda underpinned by the objectives of the Ghana Poverty Reduction Strategy (GPRS) and the attainment of the

Millennium Development Goals (MDGs). The GPRS focuses on providing appropriate policies and implementation framework that would ensure the achievement of sustainable, equitable growth, accelerated poverty reduction, and the protection of the vulnerable and excluded within a decentralized democratic environment. The goals of the GPRS are strongly aligned with the objectives and aspirations articulated in the Millennium Goals.

Energy is central in bringing about social and economic development and growth. Energy, in all of its forms, is required to support socio-economic development of any country. Energy is required in the production of goods and services, transportation and domestic social activities. On that premise, the growth of any economy can only be sustained on the assurance of reliability of the supply, availability and adequacy of energy in all its forms.

At the same time, however, the financial resources allocated to importation of petroleum based energy resources continues to pose serious economic development problem for most non-oil resourced countries such as Ghana. Ghana's oil import bill has grown consistently from US\$561 million in 2000 to US\$1,340.5 million in 2006. In 2006, for example, Ghana's oil import bill of US\$1,340.5 million was equivalent to 19.7% of the country's total merchandise import bill and also represented 22.8% of total imports.

The increasing rising prices of petroleum must of necessity spur us on to develop alternative sources of energy, particularly biofuel development for vehicles, cooking and lighting.

**YOUR EXCELLENCIES,
LADIES & GENTLEMEN**

Biofuel development is one technology that brings together farmers, engineers, scientists and business people who are on the leading edge of change, as well as people whose research, thoughts and production will help us to improve on our energy security. This point raises national energy concern as well as environmental and agricultural concerns and requires institutional networking to address them. The greatest increase in energy demand in Ghana occurs in the transport sector, where more than 70% of the demand is met by fossil fuels. This contributes not only to environmental impairment at a high level, but also puts a strain on the nation's economy.

The non-fossil fuel development Ghana is assiduously trying to promote through collaboration and networking by the Ministry of Energy/Energy Commission and all other Stakeholders, has a very bright future, since Ghana is endowed with most edible and non-edible resources such as palm oil, sugar cane, maize, cassava and jatropha for ethanol and biodiesel production. This biofuel technology assures us that we can "cultivate diesel" to grow our economy and protect

our available energy resource and environment. The main resource that stands behind biofuels is land and the good news is as compared to other developing countries we have appreciable stretches of land and a stable climate good for growing energy crops and food using the required technological know-how. Our farmers will be proud to say we are energy producers and this current Government will fully support the farmers to realise their vision for the development of the biofuel sector.

Your Excellencies, the recent development of the biofuel technology through institutional linkages has resulted in a "Development of National Biofuels Policy Recommendations" document and also licensing requirements and application forms for biofuel producers. These documents have been developed as a guideline to encourage entrepreneurs and business developers to transfer some of their laboratory trials to large industrial production and for businesses which have already started production to increase their production capacities for full commencement of the diesel cultivation.

DISTINGUISHED LADIES & GENTLEMEN,

My ultimate aim here is not to be caught by events in terms of advancement in the field of biofuels but to land strong support to institutional training, research and development, human resource development and science and technology to back-up the initiatives and the bold steps taken so far in this sector. Only through effective implementation of decisions and show of commitment can bring bio-fuel development at parity with fossil fuel in terms of availability, cost effectiveness, technology, quality of service and marketing.

MR. CHAIRMAN,

I am glad to indicate that in Ghana, work has begun on the preparation of Renewable Energy Regulation and Law that will provide regulatory framework and legal backing to facilitate the accelerated development of the country's renewable energy resources, particularly the biofuel industry. The Law is expected to be passed by December 2008.

In collaboration with the Ghana Standards Board, draft standards for biofuels have been developed. They are standards on fuel ethanol for automotive engines and biodiesel fuel for automotive engines. They are expected to be gazetted by the end of the year.

DISTINGUISHED LADIES & GENTLEMEN,

I wish to emphasise that there are major challenges mitigating against the development of biofuel in Ghana and among these are:

- ❖ The ongoing efforts are all private sector-driven

- ❖ Quality concerns
- ❖ Institutional Issues
- ❖ Public Awareness
- ❖ Economics of bio-fuels
- ❖ Legal and Regulatory Issues
- ❖ Absence of Policy framework

On the international level, the present mechanisms in place are grossly inadequate. Focusing international cooperation on climate change solely on the establishment of emission targets is far from adequate. Such an approach will not properly address development challenges or help achieve internationally agreed goals. The current international development agenda needs to set forth the actions and approaches required to ensure that economic behaviour is compatible with environmental constraints in a way in which aggregate costs are minimized, the vulnerable are protected and economic growth is maximized.

MR.CHAIRMAN,

The integration of climate change and development goals will require a fundamental reorientation in the current developmental trajectory so that the carbon intensity of production is reduced while economic growth is maintained. It will also require a renewed and more effective partnership between the developed and developing countries as well as between the public and the private sectors.

Climate change is not a zero-sum game in which some regions will benefit in the long run while others will lose: the atmosphere is probably our most important "global public good", and eventually all regions will be adversely affected by its deterioration.

MR.CHAIRMAN,

YOUR EXCELLENCIES,

LADIES & GENTLEMEN,

I am of the firm conviction that if we need to act quickly through a global regulatory framework, which could provide the necessary financial flows to developing countries where it is much needed. This framework should match the long term need for energy for development with the necessary technical innovation and financial incentives to move towards a low carbon economy.

On this note, I wish to thank you for your rapt attention and hope to meet you in Accra, Ghana next year for UNCTAD XII Meeting or in other preparatory meetings.

I wish to assure you that the preparations are on course and with your support, we will witness one of the best Meetings in recent times.

THANK YOU.