

"Estonia's Prime Minister Andrus Ansip in "Dziennik Gazeta Prawna":

Too small to think climate?

The solution to the current economic crisis may be hidden in the response to climate change. A global climate agreement is needed to create a framework for action on the local scale and for investments into the future - it will benefit everybody and it should not be postponed due to an overall lack of funds. Estonia, despite being small, cares greatly about the climate in and around us. We cannot afford not to.

From time to time, it has been insinuated that the so-called new EU member states do not care enough about the environment and especially climate change. The assumption - in my view a false one - is that the poorer the country, the less it cares about the environment. Small countries are particularly dependent on the environmental wellbeing as it affects their economies harder. Our incomes may be below the EU average, but this does not mean we are indifferent to the issue of climate change nor do we see fighting climate change as an additional burden. On the contrary, Estonia is fully committed to the EU's ambitious climate targets. Indeed, we believe that combating climate change may even hold the solution to the current economic crisis.

To overcome the global recession, the global economy needs a global climate deal

The economic crisis has increased the urgency of a rapid global climate agreement. Development of the long-term economic growth is closely tied to climate policy. Currently investors are afraid to invest due to market instability and Copenhagen agreement is needed in order to encourage the long-term foresighted planning. Increasing the trustworthiness of the green technology market would direct money and foster development. However, this trust can not be created if there is no global agreement. Smaller and less developed countries, in particular, are vulnerable to global pressures and sensitive to global changes, whether it is in the field of climate or finance. The greater the vulnerability without agreement, the greater the gain when global common understanding is reached in Copenhagen at the end of the year. Our decisions are depending on the wider framework and it is clearly in our interest to have such a framework in place.

The European Union is the global leader in combating climate change, and Estonia is fully committed to meet these ambitious targets despite the current global economic downturn. Indeed, I believe that new, greener technologies can have a positive impact on our economies. Fighting climate change is closely linked with the development of alternative energy sources and increasing energy efficiency. It also contributes to the cleaner use of indigenous resources, helping the countries to decrease their often too heavy dependence on fossil fuels. Developing a green cluster will bring new winds in our industrial development while also creating new jobs and new synergies to other industries.

Shortage of supply and depletion of oil and gas fields will be on the agenda for decades to come together with adaption to climate change. Reaching the EU 20-20 goals by the year 2020 will benefit the climate and industry alike. Europe should stay on the course of global leadership,

advocating the policy and implementing new technologies. Countries throughout the world should realise the benefit of an agreement which sets the framework for efforts around the globe.

Too small to think small

Any kind of instability or uncertainty on a larger scale is especially threatening to smaller countries: although able to react to changes faster, any change will have a greater impact. The G20 has voiced common understanding towards the need for enhanced financial regulation, because of the imminent threat of a continued deteriorating financial situation. The same logic applies to climate regulation and potential catastrophe, if present global negligence towards the cause and effect of climate change and thereby the global climate system of itself continue to deteriorate.

Climate policy also has clear implications elsewhere, e.g. in energy security. As in all states, the energy sector in Estonia needs investments and technological upgrading. Without a clear global framework, investment decisions are on shaky ground, as conditions for later production costs, regional competition, the sale and use of electricity produced are not clear. Without investments, the domestic electricity production capacity will be outdated and not competitive. In a perfect world and a perfect market, lack of internal production could be replaced with import. However, the reality of markets is quite the contrary to perfection and there are no guarantees that replacement will happen on fair and comparable terms. Without domestic production, control over supply, and therefore also over security, will decrease.

The problems also spread to carbon-heavy industries, cement for example. In the absence of a global deal, producers are more likely to move production to regions with less restrictive environmental legislation. It has happened already in the Mediterranean region, where investments into new installations are made on the southern shore. I don't have anything against the freedom of investment. In this case, however, it will lead to an increase in global emissions and environmental damage. Investors' preferences may be different in the situation where global climate regulation will catch up everywhere.

The global recession can not be overcome by exploiting more fossil energy and increasing our carbon emissions. The overall improvement of living standards in any country should be seen in the context of green and sustainable development. Governments around the world must take a constructive approach, contribute to the discussion of climate change and try to fit into this global jigsaw puzzle. The interdependence and importance of participation must not be underestimated by smaller states: the responsibilities as well as the gains from a global agreement do not only relate to large countries. The climate agreement is a formidable challenge, but it should nevertheless be seen as an opportunity for development, not an obstacle. Global agreement on a common framework is an inevitable precondition for long-term development of both the large and the small.