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Good Morning. I have the awesome task of reporting on a debate held yesterday afternoon on energy, the environment and, of course, governance. We had a very rewarding session. The Chairman of the session, Anil Razdan, helped to bring the issues into focus for us. This introduction was supplemented with a speech by William Ramsay. Then we had interesting presentations from Qu Xing on the example of China and from Mohammed Tawfik Mouline on the example of the Mediterranean. Finally, I made a contribution of my own on the role of industrialists and companies in implementing solutions and establishing governance. Three points stand out from our round table. The issue is enormous, and highly complex. What comes across to me is that there is an obvious need for governance, and that it is difficult to pin down the state of governance today because it is always changing. But things are moving on. Finally we had three interesting examples of a type of governance which differs somewhat from global governance, but which in fact allows progress to be made towards the objectives, which of course are dictated by the challenges we face.

If we take the assessment and the challenges, then it is as well to understand broadly why we need governance. In energy, governance is clearly the quest for *clean energy*. Then again, in terms of the challenges, the link between energy and global warming is a global subject. So also is the link between energy and growth with, of course, the differences between the advanced economies and the emerging economies. Finally, a third theme which was often mentioned is the debate between energy and the struggle against poverty. There again, subjects involving governance arise, particularly in financial matters. We had some very specific examples on this subject, first in relation to China, then some global examples, followed by the example of the Mediterranean, which helped convince us that in the next twenty years 90% of the increase in energy consumption will come from emerging countries. If we do nothing then the temperature will rise by more than 5 degrees, and if we do take action the consensus is for limiting the temperature rise to 2%. Then again, nothing is certain.

Why not? First, because energy is still very dependent on fossil fuels, and it is crucial that we change the way we generate and consume energy. Perhaps the present global governance in energy cannot achieve the objectives. On this point, there was an interesting contribution to the debate by Bill Ramsay: are we going to reduce energy consumption or are we just going to adapt it? Of course, things are changing. All the extrapolations which have been done in the past do not necessarily show that things are going to happen exactly as we have said and, of course, there is a huge need for technology and research. So, at the end of the day, governance must be about how to achieve greener energy. For the international context of the evolution of governance, the glass can be seen as either half empty or half full. Even so, the international context is relatively gloomy, between the European Union which is sticking to perhaps unrealistic objectives — excuse me, I am reporting on a debate — and the Americans who have not managed to pass any legislation at all, and a rate of growth which is a little stronger than predicted and which has consequences for CO2 emissions.

The response to the Copenhagen conference was lukewarm at the very least, while the preparation for the Cancun conference was promising to be difficult. But that is where the glass is half full: the result from Copenhagen is a closer focus on bottom-up approaches, that is to say, in fact, approaches which are local, sectoral, transversal, regional and which in fact help to improve global governance. A very interesting point was made on the relationship between energy and poverty. Let us remind ourselves that 20 million New Yorkers consume nearly as much electricity as the 791 million people in Africa, that 1.4 billion people (1.6 billion according to the UN), still have no access to electricity. For all that, a lot of money is given in subsidies for electricity. Is it well directed? Do we not need to review how we finance things? The question is: what is moving forward, what is progressing?

At this stage, we went into interesting presentations on the possibilities of progress in global governance: global governance systems, with a national model, in a very interesting speech by Mr. Qu Xing on the situation in China, presenting the findings and the way China is tackling climate change with principles, which I won't cover in detail. But, there are seven of them, notably: to position itself in relation to sustainable development, in relation to which responsibilities are shared, in relation to the need for adaptation and reduction, in relation to respect for international issues and international legal frameworks, and, of course, in relation to the advances made in science and technology. All of this forms an action plan which is multifaceted, ranging from the adaptation of industrial structures to the planting of forests and progress in research and development.

A second example of governance is regional governance, as described by Mohammed Tawfik Mouline, who talks about the Mediterranean as an initial framework for addressing the challenges, with, of course, an interesting mix of advanced economies and developing economies. And with a genuine mutual interest in perhaps providing an example of what could be done in the way of progress by combining energy with water and the environment, and by introducing interesting methods for funding and transferring technology and know-how: that is to say, a regional model based ultimately on synergies, because the question is not really to set the direction, but rather to know how to head in the right direction.

Finally, I gave an example of what happens with companies and I presented an example based on cement manufacturers. Cement manufacturers, in conjunction with the WBCSD, have launched an action called *The Cement Sustainability Initiative*. This is first and foremost an effort involving measures of individual commitment by each company and a joint effort to find solutions and move the industry forward towards change and energy reduction. Companies are part of the problem, but they cannot be left out of the quest for solutions and for implementing them. I think they need to be better associated and better utilised and at an earlier stage. For governance, I think that it would be progress. Then, after all these presentations, there was a debate. The question was to find out if there was a need for an international organisation devoted to the environment and energy, like the WHO or other international bodies. On this point, opinions were divided. I regard this as positive, because everyone is convinced that we need to move towards action rather than towards the creation of new bureaucracies. That being the case, coordination is still needed more than ever.

One debate also focused on the price of energy, which is not high enough to ensure that investments are efficient. We encountered all the debating subjects on problems of measurement, because there really is a debate, namely about whether it is economically profitable to build buildings in a greener manner. For my part, I think it is economically viable and that it can be done with present-day technology. Clearly, this is an opinion which is not yet shared by all. In the end, and this cropped up in several of the subjects examined, we need to keep a sense of realism in how we approach things. This debate clearly shows that governance is needed, and that good governance is needed in all areas because there is no simple answer. There is a need for governance everywhere to stimulate creativity at all levels because that is what creates responsible partners and gives results. I found that the quality of the debate on such a complex subject as this has progressed enormously. The same debate two years ago would certainly not have produced the same results and the same depth of argument: recognition of the issue, clarity of direction and consensus on the direction; recognition of the difficulty of implementation, therefore of the subject of governance, of course, but also progress in accountability without which no other progress can be made. Thank you very much.