



Energy and Climate Change Committee

Oral evidence: [Outcomes of Lima COP 20](#), HC 667,
Wednesday 7 January 2015

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Members present: Sir Robert Smith (Chair); Dan Byles; Ian Lavery; Dr Phillip Lee; Mr Peter Lilley; Christopher Pincher; John Robertson; Graham Stringer; Dr Alan Whitehead

Questions 1-49

Witnesses: **Rt Hon Edward Davey MP**, Secretary of State, **Pete Betts**, Director of International Climate Change, and **Ben Lyon**, Head of International Negotiations, Department of Energy and Climate Change, gave evidence.

Examination of Witnesses

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Q1 Chair: Secretary of State, I would like to thank you for coming to give evidence on climate change negotiations, and maybe to start by wishing your Department a happy and successful new year in taking forward energy and climate change policy. I should also put on the record my interests in energy as declared in the Register of Members' Interests, particularly in the oil and gas industry with a shareholding in Shell. Maybe you could just introduce your team for the record.

Mr Davey: Thank you, Sir Robert. First of all, happy new year to you and the whole Committee. It is good to be here again. I have missed you; I have not seen you for a while. It is nice to be back. I am delighted to be accompanied today by Pete Betts, who leads our international climate team and is our key negotiator and, indeed, is the key EU negotiator on climate change matters, ably supported by Ben Lyon. It is good to be here to talk about climate change negotiations.

Q2 Chair: Perhaps to start with you could outline what your objectives going into Lima were and what your strategy for achieving those objectives was.

Mr Davey: If I may put it in the context of the wider climate change negotiation—and Lima is part of that, a very important and successful part—the key thing when we were planning for the second half of 2014, going through to Paris in 2015, was to get political momentum. That is absolutely critical to get people both focused on the issue and acting and preparing on the issue. From a lot of the preparations we put into the second half of last year, we have seen a real step

change. We have seen quite an intense phase of climate diplomacy. We published back in September our blueprint for Paris 2015. I think we were the first country to do that, setting out what we thought needed to be in the treaty. That was then closely followed by a major international New Climate Economy study entitled “Better Growth, Better Climate”. That has proved a very highly influential document showing that people can take many of the measures to reduce carbon emissions that are in their interests even if they do not believe in climate change.

Then, of course, we had the UN Secretary-General’s summit at the end of September where we had 100 world leaders and 800 business leaders. Then we had the EU 2030 package at the end of October. We did not plan this bit, but then we had the pledges from the US and China, a very important development. Then, of course, we had the pledges to the Green Climate Fund. That series of events was, I think, really important leading up to Lima and created that momentum.

At Lima itself, to directly give a detailed response, the thing that we wanted was building on Warsaw, where we had agreed that countries that had already come forward with intended nationally determined contributions—the INDCs, one of these famous acronyms we have in climate change negotiations—would come forward with their INDCs in the first quarter of this year. The key thing in Lima was to make sure that we had a debate and agreement about the up-front information that would be in those INDCs, so we could compare them and understand them and work out where we were in the world in moving towards the emission reduction agreements to keep us below the 2° C limit. That up-front information was critical. We also wanted an assessment phase and process for that up-front information. We wanted the elements of a draft text ahead of Paris so we could start negotiating during this year ahead of Paris. We wanted action on pre-2020 mitigation, of course, because although that is not part of the treaty, clearly the earlier we can take mitigation even before the treaty comes into effect post-2020 the better. Of course, we had the GCF—the Green Climate Fund—pledging.

Those are the outline objectives, and I think on almost all of them we achieved what we wanted. A final point is that that was important for creating momentum into this year, for particularly the first quarter. By the end of March we are expecting many countries to publish their INDCs, and then we go through to the publication of the final draft negotiation text later this year and all the very many meetings and initiatives that are planned ahead of Paris.

Q3 Chair: What countries were on the same wavelength as the UK, and were key allies?

Mr Davey: Well, many. First of all, let us think about the EU. The EU is absolutely critical in climate change negotiations; has been in the past, is now, will be in the future. Of course, until we got the deal in the October European Council we did not have an EU agreed position. That was really noticeable back in Warsaw when there were lots of debates within the EU delegation. We could not all work together. But because we got that agreement, what was really interesting was the strength of the EU with a common position, being able to go out there, work together, influence other countries. That was, I would say, a critical part of the way the dynamics of the negotiations played out.

But then you are always reaching out to other countries. Clearly, you reach out to the Americans, who under President Obama and Secretary Kerry have really stepped up their engagement and ambition in climate change. Of course, you reach out to the Chinese. We have seen really big shifts in their position—very welcome—and, of course, other key players like India, who while they have yet publicly to go as far as we would like, I think under Prime Minister Modi many of us are very optimistic of where they will go. We obviously reach out to the big countries, but there

are so many other countries you are reaching out to—group delegations like AOSIS, the G77 and so on.

Q4 Chair: Friends of the Earth, though, described Lima as a step backwards, and Christian Aid denounced it as a shambles. How would you respond to those?

Mr Davey: I am slightly surprised at Christian Aid, because normally they are very thoughtful in these matters. I would be surprised if Friends of the Earth said something different, if I am honest. To be honest, they were not that present there. We talked to a lot of NGOs who were incredibly helpful and incredibly positive: Greenpeace, WWF, RSPB and others, who were really involved there. I was very impressed by the work they were doing. We are lucky in the UK to by and large have a group of NGOs who understand the detail and engage and work collaboratively, often criticising the Government, which is fine. I just do not accept that analysis that Friends of the Earth gave. We had a set of objectives. In almost all areas they were met. We did not quite get as far on the assessment phase as we would like, but that was not anywhere near as crucial as the up-front information, and I am happy to go into details about that.

In other areas we did better than expected. I would particularly focus on seven words. Those seven words are: “in the light of different national circumstances”. Why are those seven words important? Well, since the Kyoto negotiations we have laboured under the so-called firewall where you have the developed and developing countries. You have this notion of common but differentiated responsibilities according to respective capabilities. That is the UNFCCC climate change jargon for countries effectively in the developing group, including China and India and others who are emerging and growing economies, basically saying, “This is a developed world problem. They have to sort it out and we do not have to do as much”. That firewall issue was not settled at Lima, but we can begin to see the landing ground for sorting out the firewall at Paris. Those seven words, in the light of different national circumstances, have now been linked on to the common but differentiated responsibilities according to respective capabilities, to give a way forward. It was a very, very able American lawyer, Sue Biniarz, who works under Todd Stern, a climate change negotiator, who I am told negotiated those words with the Chinese in the US-China declaration. I think those words will prove to be very significant. In fact, they did not really come from Lima. They came from the US-China declaration, but they have now fed into the formal UNFCCC agreements and I think they are really important.

Q5 Chair: How exactly will they make things different?

Mr Davey: Well, because of this previous firewall where basically people said, “The developed world has to do everything and developing countries do not have to do anything”—even though some of the developed countries are now poorer than some of the developing countries, and of course economies change, countries change. It is dynamic—previous UNFCCC negotiations, because of the firewall, have always been stuck in 1990. These words begin to change that and challenge that.

We are not there yet. I am not trying to say it has been sorted; that is not my position. Interestingly, with the INDCs, they apply to all countries, developed or developing. There was no firewall attached to the INDCs, which is absolutely critical. Equally, the text welcomed financial contributions for international climate finance from developing countries, of which there were a number of contributions. Again, we are beginning to see the possibility of the firewall being overcome, and it is this sort of language. It may seem bizarre to people around this table, but when you are trying to get over 190 countries to agree to text, these sorts of things really matter.

Moving the debate on from where we were, locked in aspic in 1990, is really important and I think not enough weight has been put on those seven words.

Q6 Mr Lilley: Just on those seven words, how could anyone possibly disagree with them?

Mr Davey: I think you make a good point. In fact, I would want to go further, because I do not accept the firewall. I think the firewall—

Q7 Mr Lilley: No, I mean even if you were not particularly enthusiastic about cutting your carbon emissions, you could not object to those words, could you?

Mr Davey: I am sure you will understand, Mr Lilley, that the art of negotiation is creating words that everyone can agree to and take on.

Mr Lilley: If you want to fudge, yes.

Mr Davey: No, I don't think so. The point is, it is moving, as I have tried to explain already, from what we have inherited. What we inherited from back to the initial climate change negotiations has been a real barrier to global agreement. What I am pointing out to the Committee, I hope helpfully, is that I think these seven words move us forward. I am not going to overstate the case, but they have had almost no coverage and no one has talked about that. I think that is a mistake, because I think they are quite significant. Certainly, the Americans and the Chinese think they are significant.

Q8 Mr Lilley: Do they not, for example, give the Germans a let-out to say, "Our national circumstances, given our commitment to phase out nuclear, mean that we will have to have a period of rising emissions"?

Mr Davey: If you look at both the German plans and what they are doing, I do not think you will see that. We have seen a temporary—

Mr Lilley: No, I am sorry, I am not arguing about what Germany is doing, but wouldn't it allow them to do it?

Mr Davey: No, I don't think so, because that is not the context of CBDR discussions. Let us remember Germany is signed up to the EU so Germany, as an example, would not want to use this as a let-out. The idea is to see the spectrum, because it would be completely wrong, I am sure you would agree, to ask one of the poorest countries in the world that needs to develop—and there will be carbon emissions as it develops—to take on the same carbon reduction obligations as the UK or the US. Therefore, you have to have a set of words that recognises the different stages of development, because it is vital that the poorest and most vulnerable in our world get the benefits of economic development so that we can tackle poverty at the same time as we tackle climate change.

Q9 Mr Lilley: Can I move on to the questions I was supposed to be asking? Does the ambition set out in the Lima "Call For Climate Action" match the ambition you believe is required to keep us below the 2° C increase in average global surface temperature?

Mr Davey: Not yet, no. I never expected Lima to do that.

Q10 Mr Lilley: So what further action is required?

Mr Davey: The whole process of getting to Paris Lima is part of, and we will see—and Lima helps this—when we look at the INDCs that countries have come forward with how close we are to the level of carbon emission reductions needed to keep the world below the 2° C increase. I predict that when we do that analysis and we aggregate the INDCs, we will be well short of the carbon emissions needed to keep the world below the 2° C limit, well short. We do need more action. We need action before 2020, so-called pre-2020 mitigation, and we need to see more countries coming forward with more ambitious pledges.

Q11 Mr Lilley: You placed emphasis on the US-China joint announcement and said it improved the prospects of reaching an ambitious agreement in Paris. I can see it has improved the prospects of reaching a fudge in Paris, but if the Chinese had not signed up to striving to make their peak in emissions occur before 2030, do you think their peak in emissions would have been later than that? The Committee visited China and it was quite clear—nothing to do with carbon dioxide but to do with pollution and their ambitions to improve energy efficiency—that their emissions are likely to peak some time in the next decade. What was new about the commitment?

Mr Davey: Well, first of all, that they made it. China is a very proud country that defends its—

Mr Lilley: So it did not have an operational effect, it was just words?

Mr Davey: Well, I am going to answer the question. China has not come forward. It guards its sovereignty very closely. It has been quite reluctant to come forward in public in the past. It did it. Moreover, if you look at what it is doing, it is likely to achieve its carbon intensity targets that it set out in Copenhagen, probably at the upper end of them. It has made some commitments about how much of its overall energy will come from non-fossil fuels by 2030. It has made these commitments. You are right to say that they may be achieved relatively easily because they are now moving to a point where it makes economic sense for them to cut their emissions, just like it does in many other countries, through investing in energy efficiency and tackling air pollution. Do we want China to be more ambitious than just peaking at 2030? Yes, we have said that in private and in public. Indeed, it is probably the most significant thing that China peaks before. In fact, China has said at the UN Secretary-General's summit that it will aim to peak before 2030. It has left the door open to be more ambitious, and I think compared to what we have seen in the past that is a big step forward. Do we want it to do more? Is it essential that China does more? Absolutely, yes.

Mr Lilley: But they have no commitment to do so.

Mr Davey: Not yet, no.

Q12 Mr Lilley: Should the agreement in Paris be legally binding?

Mr Davey: I think so. That would give the greatest boost both to confidence that we can tackle climate change and also to investors and industry and entrepreneurs to develop the technology that will be needed as we tackle this challenge. A legally binding agreement is certainly what we will be seeking.

Q13 Mr Lilley: Do you think it will be achieved?

Mr Davey: I think it can be achieved. Let me be frank with you. There are different schools of thought about what aspects need to be legally binding. I, you will not be surprised to know, want a comprehensive, legally binding treaty where it would not just be the rules of the game—the accounting, the auditing, the monitoring, the verification, all of which is absolutely essential—

that would be legally binding. I would like to see the commitments be legally binding. Now, it is clear, not just from Lima but from Warsaw and the whole history of climate change negotiations, that that will be difficult for a number of countries, including America, because to get a legally binding treaty to the commitments they would have to pass a new piece of legislation through both Houses of Congress. That looks challenging. I think countries like China and India would see it as a restriction on their sovereignty. However, I still think we should argue for that, because that is the best, but we need to engage to try to persuade others that this is the best way to do it in the most cost-effective way.

The one thing I insist, whether it is in the UK approach to this or globally, is that we tackle this challenge in the most cost-effective way possible. If you have a legally binding treaty, it is the best signal you can send to the private sector that the world is now taking this issue seriously and that those people who invest in the technologies, the R&D innovation, are the ones who are going to make it in the future. I just think that is the best way to stimulate private capital.

Q14 Mr Lilley: You do not agree with Lord Stern, who said that insisting on a legally binding agreement is “a serious mistake”?

Mr Davey: I agree with Lord Stern on many things but I think negotiating for a legally binding treaty is the right thing. We will have to see how the negotiations go, but I think at this stage of the negotiations we should stake out our position there. I think what is most important when you think about the treaty is that this is not a one-shot goal. It is vital, it is really important, but there will be climate negotiations after Paris. The most important thing probably is the rules of the game, because people need to know what a tonne of carbon is. They need to know that in carbon markets there is not going to be double counting and so on. I think that is the absolute key objective, and I will want to insist on that.

Q15 Mr Lilley: Is the legality issue a red line for the United Kingdom even if it means failing to secure a deal?

Mr Davey: You are asking, Mr Lilley, for me to give away our negotiating hand a year before. It is quite likely I will not be the Secretary of State in Paris. Let me get that on the record just in case there is any doubt. It is quite likely I will not be the Secretary of State in Paris, so I would not want here to suggest that I can bind my successor’s hands. Moreover, because the UK works within the EU and, therefore, is much stronger in its negotiating—and my colleague Pete has been the EU negotiator—I would not want to tie Pete’s hands either, even though he is likely to be at Paris when I am not.

Q16 Mr Lilley: Right, so whether or not it is legal we will claim it is a success?

Mr Davey: I will not be here doing this job to claim it is a success or otherwise. What I think is critical is that, first, we get an agreement where we have the rules of the game well established, we have clarity in what that agreement means, and we understand what other countries are signing up to, and it would be, I think, beneficial if that was legally binding as well.

Let us also remember in this debate that, while I absolutely hope my successor and the EU will push for and achieve a legally binding agreement, we are talking about international law governing the world. In the UK we pass laws in this place and then the courts oversee those. In the EU we have laws and we have a European court. There are very few ways of enforcing international law internationally. We have a few—WTO tribunal, the International Criminal Court—but even then we do not have an international police force, because Interpol does not

have that role. Politics is important in these international treaties, always has been, and I think the political dynamics, political momentum, will be the most significant thing. I believe we are seeing that. I believe that what we are seeing, when you go and talk to the Americans, is that their commitment to make this happen has never been greater. I think that is the same in Beijing.

I was very privileged to meet Narendra Modi, the new Prime Minister of India, in August with the Deputy Prime Minister. We had lots of discussions with him. We talked about trade and the economy, of course. We talked about education, and relations between India and the UK, but when we talked about the environment and climate change he was really, really excited. You could see his commitment. He wrote a book in 2007, I think it was, after he had been Chief Minister of Gujarat for a number of years. He called his book “Convenient Action”, which was a play on the words, of course, of Al Gore’s “An Inconvenient Truth”. If you read his book, “Convenient Action”, it talks about how in Gujarat he set up a climate change department. He invested in solar energy and wind energy and energy efficiency, and he saw greater energy security for the Gujarat economy and it boomed. It boomed. He was able to combine tackling carbon emissions with growth, and I think he is very proud of that. What was really interesting was not just seeing his successes that he lays out in this booklet, but that he links it to his own personal religious beliefs. You have a Prime Minister of the biggest democracy in the world, currently the world’s fourth biggest emitter, who really gets this issue and cares about it. We have not seen yet that flow through to public negotiation positions, but I was really encouraged by seeing a world leader like that who has experience, knowledge and, indeed, really cares about this issue.

Q17 John Robertson: Secretary of State, you mentioned earlier about the INDC. Where do they get these things from?

Mr Davey: I think it was 4 am at Warsaw. I had been in not this suit but in my previous one for about 48 hours. That is where we get them from.

John Robertson: It is always helpful if we speak in English, but never mind. You mentioned it, and basically I would like to put a bit more meat on to the bones, as it were. Where do you think we are? Should we be looking at trying to encourage other nations to come forward? They only have the first quarter of this year to come forward with what they are going to do. The question is: can they make it and, if they do not, what are you going to do about it?

Mr Davey: We are pretty clear that the US, China and the EU are going to come forward with INDCs in that period. That represents 50% of global emissions. That is a pretty good start. A number of other countries have signalled—and either Ben or Pete may want to list them if you need a longer list; we can certainly write to you—that they are going to come forward. I will expect some not to manage to get that deadline. What was interesting both in the margins, as it were, and in some of the more formal fora in Lima, was that a number of other countries who previously had almost said that they would not do anything are now talking of bringing forward INDCs in the first half of next year. They may not meet the first quarter. Australia, I think, Japan—

Ben Lyon: Korea and Australia.

Mr Davey: I am just repeating what he says. Do you want to go on the mic?

Ben Lyon: I think it is fair to say that virtually all of the G20 is now indicating that they will bring forward their INDCs at least in the first half. That is virtually all of the G20, which I think gets to about 70% or 75% of global emissions.

Q18 John Robertson: That is quite good. I go back, though, to the question about if they do not. We cannot bring sanctions on them or anything like that, I appreciate that, but there must be some way of trying to encourage the other 25% and also the countries that maybe are lagging behind.

Mr Davey: Mr Robertson, your question echoes what Mr Lilley was asking me. You are right, we do not have legal powers or sanctions. We do not, but there is political pressure. I think political pressure is really mounting on a number of countries. When I talked in my initial remarks about the importance of getting political momentum and how we had planned to get political momentum in the second half of last year, it is because the pressure will come from that momentum. If other countries feel that they are the ones who are not joining in and not playing their part, then there will be pressure on them. I think it is that political pressure that is going to be the key winner. As Ben just said, there are a large number of countries coming forward now, so the ones who do not will be very isolated.

Q19 John Robertson: It would be interesting to get more information, if you want to send it to us. Let us talk about the UK. How will the UK Government go beyond our existing targets? What is the next stage? We reach the targets; where are we going then?

Mr Davey: For the UK, because we passed the Climate Change Act in 2008 and set out that ambition—

John Robertson: I remember it well.

Mr Davey: Yes. We have our ambition for 2050. As a result of Lima, or indeed as a result of the EU 2030 package, we do not have to change our policies. Our policies were set forth for the least cost pathway to reduce these emissions in the cheapest way possible to 2050, with all the levels of uncertainty you have on technology development and so on. We do not have to make changes as a result of these negotiations, because we have already set out our position, which by the way is quite helpful when you are talking to other countries in these negotiations. You can say, “Look, we have already legally committed to do this. You do not have to persuade us. We have already signed up. Are you going to sign up?” That gives a little bit of moral persuasion.

Q20 John Robertson: When you reach a target, then you invariably set new targets and there is always a way forward. Is what you are saying to me that once we reach our targets we consider that is it finished for us and we will not bother looking ahead?

Mr Davey: We have targets to 2050. If we were sitting here in 2051, or maybe just before 2050, that might be a valid question, but we do have targets to 2050.

John Robertson: I do not think you and I will be here then.

Mr Davey: I somehow doubt it. Let me be a little more detailed in my answer to you. This Committee will know that we confirmed the fourth carbon budget in July. I think it was an important step—the Government having published its fourth carbon budget early in this Parliament confirmed we were going to revise it. It sent a very strong signal about our commitment to continue to reduce emissions in the 2020s. That takes us up to 2027. The next Government, relatively early on in the next Parliament, will have to be looking at the fifth carbon budget, which will take you up to 2032, but all of those are within the framework of the 2050 target, so we do not lack for targets in the UK.

John Robertson: I think in general terms over the last 10 years or so, we have set the pace for everybody.

Mr Davey: We have indeed.

Q21 John Robertson: There is absolutely no doubt about that. In relation to the EU, some of the EU countries have argued that we should scrutinise other countries' contributions. What is the UK's position on that?

Mr Davey: We think we should as well. We have argued for an assessment process. There is a debate about whether that should be very heavy scrutiny or quite a light touch. I think in order to get people to sign up, it needs to be a relatively light-touch scrutiny, but it needs to be one that is informed by information that is quantifiable and comparable. Those were the words that were in the agreement, particularly "quantifiable". That will help us, I think. Although we do not have the formal assessment phase in quite the way we would have wanted, the text has quite a detailed list of what sort of information countries should come forward with to get clarity and transparency about their INDCs. That will enable informal assessments. They will be published—that was agreed, that is in the text—and there will be this synthesis report at the beginning of November, which will bring all those INDCs together. Although the assessment phase that was agreed in Lima was not as detailed as some would have liked, including the UK, it is still there, particularly in the transparency.

Q22 John Robertson: I understand what you are saying, but I have some problems with that, because I just wonder about scrutinising other countries' contributions—first, is it going to be helpful, and secondly, will it end up being developed countries scrutinising developing countries? I have a real problem if that is where we will end up.

Mr Davey: It is very interesting you say that, because I think those were some of the concerns that some people had and one of the reasons why we did not get a more robust assessment process, because I think people were worried that in some way that would be abused. I did not share those concerns, because I think the bigger scrutiny will be on developed countries because they will have the biggest commitments by far. But it is essential, absolutely essential, that we know where we are going. We do need to be able to see what the commitments of different countries add up to, otherwise what are we doing? We need to know whether we are going to take the action necessary, if combined, because the UK is only 3% of global emissions. We need to know what everyone else is doing and so I think the upward information is critical. The assessment phase we have is liveable with.

Q23 John Robertson: This brings it back to one of Peter's questions about the globe hitting the 2° C increase. What happens to these countries if it does not add up to 2° C? What happens then?

Mr Davey: First of all, for the record, I misspoke: the UK is only 1.5% of global emissions, but it makes my point even more. You asked though, Mr Robertson, what happens if we aggregate and we are below 2° C. That is where the politics then comes in again. I have already said to the Committee that I think when we do get to that position of the INDCs being published by the end of the first quarter next year, and then when we have this aggregation synthesis report, we will find that we are well short of where we need to be. That is where I think there will be political pressure. If you look at the blueprint that I published in September, our Paris 2015 document, I made it clear that, as I saw it, the objective for Paris is to keep the 2° C limit within reach. I regret I am not expecting that the commitments that we will see in the Paris agreement will get us to the 2° C, unfortunately. I want to be as close as possible, because increasingly my view is we will

get an agreement in Paris, but my fear is it will not be ambitious enough, and raising ambition levels is what the climate diplomacy and the climate politics of 2015 is all about.

Just to give an example, when my Swedish colleague, Lena Ek, came to me to talk about whether or not the UK would co-sponsor with Sweden this climate economy study, I said to her that I thought it was good to show that a lot of the actions that you need to take to cut emissions are in your economic interest anyway. We worked with other countries and then created the commission that developed the report, "Better Growth, Better Climate". What that shows is that by taking sensible decisions about how you plan your new cities, your transport systems, your agricultural industry, you can improve the quality of your economy and your life, you can tackle poverty and reduce carbon emissions or keep them low. It is that sort of argument that I think is going to be crucial this year, so getting the hard facts, that hard analysis out there to get that debate going I think will be crucial for raising ambition.

Q24 Dan Byles: Secretary of State, happy new year. I just want to come back to this issue—I know we have come back to it several times, but I want to take a slightly different tack from John about the common but differentiated approach, because it seems to me that this has been a sticking point in the past; it is still a sticking point. I accept the importance of those seven words you mentioned—I know you did not agree the word "fudge", and "compromise" is perhaps a politer word—but it is the lowest common denominator, in a way. More than 50% of emissions do come from developing countries, and the fact is that it has been agreed that different national circumstances will apply and there is no robust scrutiny of INDCs. Are you worried that the agreement reached in Lima does not have the teeth to ensure that all countries, developed and developing, will have to implement policies to mitigate and adapt their climate change to a strong enough degree? Are we leaving behind—

Mr Davey: Lima was never going to do that. Lima was just a summit on the path to the key summit, which is next year in Paris, where we hope we will get agreement that is legally binding, that goes into the details of the rules, which I keep stressing, the accounting and auditing, the verification. My response to your question is that we were never expecting that from Lima.

Q25 Dan Byles: I suppose what I mean is that the agreement reached at Lima around these forms of words, for example, and about the lack of binding scrutiny, paves the way for some countries to be left behind and for some developing countries to say, "I am afraid we are too poor to do this".

Mr Davey: There may be some countries who say that, of course, and we do not have some sort of way of forcing them to do it, beyond political pressure, but one of the things—

Q26 Dan Byles: But do you see this as being a problem? Do you think this is going to be a sticking point, or do you think that the direction of travel and what has been put in place is going to be sufficient for what we are trying to achieve? That is what I am trying to get at. Is there a problem here? That is what I am asking.

Mr Davey: First of all, no significant economy is not going to come forward with INDCs. I am increasingly clear about that. I have already said that the US, China, the EU are all coming forward. They have all said they will come forward, so that is the first thing.

Pete Betts: No one has said they will not do it. You can think of one or two who have not yet been clear that they will, but no one has felt able to stick their head above the parapet and say, "We are not going to do this".

Mr Davey: That is a good position. One of the things that Lima agreed was there would be no backsliding, so whatever countries have already put out, we are going to see progress beyond there. That implies that countries are all going to do more. We do an awful lot of work with other countries to try to assist the poorest countries through international climate finance, whether it is on mitigation or adaptation, whether it is on finance or whether it is on advice. Part of that role as a global community is to help those countries work out what they need to do, what would be the most cost-effective thing for them to do, what would be the most development-friendly way of tackling climate change for those countries.

Q27 Dan Byles: How much of a role are we, as the UK, playing in having those discussions with those countries?

Mr Davey: Through last year, there were a number of meetings—Ben might want to say a bit more about them—where we and others were sitting down with other countries who do not have the fantastic civil service that we have or the analytical capabilities that a country like the UK has to work out how we can assist them to work out what they need to do. I think we need to do more of that, but, Peter or Ben, do you want to comment on all of that work that already is happening in workshops that get held throughout this period to assist countries that do not have our capabilities to think about those problems?

Pete Betts: We have a massive contribution from the Foreign Office. They have around 100 people working on climate, or having it as some part of their job, and they work very closely with countries to help them develop their understanding of how you deal with these issues. We have been funding bodies like the Climate Development Knowledge Network and the WRI in the US to work with countries, and other developed countries have also been providing this sort of support and we stand ready to continue that.

Q28 Dan Byles: I am sort of labouring on this a bit, because for instance Professor Stavins from Harvard has said that he believes that the major sticking points from now to Paris are all associated with the divide between the rich and poor nations. I get the impression that you do not really share that analysis.

Mr Davey: No, I think there is an issue there. This is the firewall issue I talked about at the beginning, and there were some reports—I think the BBC reported—that this was a huge problem at Lima. It has always been an issue since the original Kyoto Protocol, this divide, this firewall. Overcoming that is going to be very important. We started that process in Durban when we said we needed a treaty that was applicable to all. That was the beginning of addressing this issue so that all countries had to take action, but despite the words in Durban, we have seen in Doha, Warsaw and Lima—subsequent COPs—that people are still referring to the Kyoto words. The challenge for Paris is moving on from Kyoto in the spirit of Durban to find a way around that firewall. All I was saying, whether it was with the seven words or the fact the INDCs are applicable to all, was that we are making progress. We are not there yet, and he is right, we need to find a landing ground on that issue, because we will not get a credible climate change deal in Paris if countries like China or India are not part of it. Of course, that is the world's largest emitter and the world's fourth-largest emitter, but all the signs are that they are going to be part of it.

Q29 Graham Stringer: You mentioned Greenpeace in your first answers. It seemed to me Greenpeace's main contribution in Lima was an act of vandalism against the Nazca lines. Did you pass any comment about that? Did you condemn them for that act of vandalism?

Mr Davey: I was not asked that specific question—

Graham Stringer: Surely you do not need to be asked about that.

Mr Davey: Mr Stringer, I was asked a question before I knew anything about it and I said, “I need to look into it”. I have looked into it. I do think it was deeply regrettable and Greenpeace have quite quickly—very quickly—realised they made a huge mistake and deeply regret it themselves.

Q30 Graham Stringer: Thank you. I remember after Copenhagen Labour Ministers coming before a different committee and telling us what a huge success Copenhagen was, and I think now people do not see Copenhagen as a success; it was a failure. When I listened to what you said, you are clearly very optimistic. I understand that, but when you look at the actual facts, China have refused categorically to have any monitoring of their emissions, India do not accept that they will commit to a peak year for emissions, a Republican-controlled Senate and Congress do not want to deal. While there may be an agreement, it does not seem to me that your grounds for optimism are really justified by the facts. Can you reassure me that you are right?

Mr Davey: Let me try to give you a comprehensive answer, Mr Stringer. First of all, there is a huge difference between Copenhagen and Paris. In Copenhagen, I think there was a belief that you could get all the world leaders together, that you could put them in a room, you could sort it all out and it would all be relatively easy, it could be done quickly. I am afraid that was a bit naive. When people came forward with contributions and commitments in Copenhagen, no one knew what they meant, because there was not any set of agreed information to be able to compare them—there was not any analytical framework. So Copenhagen made some progress, but on key things, you are right, it did not succeed. I think the world has learnt from Copenhagen.

The process we are embarked on began at Durban, so rather than trying to get all the things done in one year, we have been trying to do things in four years. The work that we saw post-Durban in Doha, in Warsaw and now in Lima is all about preparing the way, putting in place the building blocks, which were not there at Copenhagen. I guess that is my first response, why I am a bit more optimistic. I think we have had a much more sensible, mature, constructive approach to trying to build agreement over a period of years rather than doing it all in one go.

But then you rightly point to the political challenges of some major players. All I would say is I think the politics in China, India and the US on climate have changed significantly, not just since Copenhagen but even from Durban. While it is not a perfect world—they are not all wanting the Climate Change Act 2008 to be passed through their legislatures—

Graham Stringer: We can agree on that at this stage.

Mr Davey: We can agree on that. I do see in China that they are moving for self-interested reasons. When you talk to their Minister Xie or other leading Chinese politicians and bureaucrats, they are taking actions that will help them make these international commitments, because they think those actions are in their own interests. I guess the classic one we all know about is air pollution. I had a very interesting question time on Chinese television—apparently I was watched by about 80 million people—and the question time was not quite a British question time, but it was all about air pollution and climate change. It began with a sort of sepia film of London in the 1950s and it had people dying in the streets with the smog that we had in London, then they turned to me and said, “We want you to help us tackle our air pollution”. We had a big debate about the link between air pollution and climate change and how, if you can tackle them at the same time, you can do it in a very cost-effective way. But the thing I took away from that whole thing, was that there was a leading Chinese political programme or news and current affairs

programme absolutely focused on air pollution because of the problems they have in their cities—Shanghai, Beijing and elsewhere—so they are really serious about this. They are also serious about it for other reasons. They know about the impacts that climate change would have on their eastern shore; they are worried about the impact it would have on water scarcity; they are worried about its impact on resource scarcity. China is acting, and I could say the same about India and the US, but I think in previous answers I have talked about them. I am happy to go into details if you want me to.

Q31 Graham Stringer: Thank you. You will forgive me if I still think there is some optimism bias in old Ministers from old political parties when they get involved in climate change, but I would like to move on to—

Mr Davey: Perhaps there is pessimism bias in Select Committee members on the other side.

Graham Stringer: Possibly, possibly. I would like to move on to the Green Climate Fund, if I may. Are you confident that £100 billion will be raised, and can you tell the Committee about the £720 million we have already contributed—what it has been spent on?

Mr Davey: First of all on the £100 billion, which came from Copenhagen, it is about mobilising that money and it is very much about both public and private sources. Inevitably the issue initially is to get things going, where the public sector has led, and the UK, along with many other countries, has made public expenditure commitments and spent some money, and I am happy to talk about those in a second.

I co-chaired the negotiations on climate finance with my South African colleague, Edna Molewa, so I was quite involved in what people are thinking about this. If you look at the text that we had through the summit—the Conference of the Parties—it was clear that people do understand there is a critical role for private finance. We saw that the Green Climate Fund is going to push forward quickly with its private sector facility.

On some of the work that we have been doing, I know the former Minister, Greg Barker, has talked to you about climate finance, and some of those initiatives that the UK Government has been involved in I think continue to be well-received. We will get to the £100 billion target by 2020, I am convinced, but a lot of it will be private finance, much of which will be leveraged in by public finance. The Global Innovation Lab that we have been involved in, working with capital market players, is all about working out how public and private can leverage in the finance that will be needed.

Q32 Graham Stringer: The second part of the question?

Mr Davey: Yes, how we have spent the money. Essentially we have a cross-Government group that involves DEFRA, DFID, the Treasury and ourselves, who look at the international climate finance budget that we set out back in the spending review, which was about £3.6 billion or £3.7 billion.

Pete Betts: £3.87 billion.

Mr Davey: £3.87 billion. We have overall guidelines for how that should be spent: 50% on mitigation to try to reduce emissions in countries and 50% on adaptation and deforestation. As a result of that, we try to ensure that that money gets through, either through multilateral development banks or through bilateral agreements. Clearly there is a whole range of projects out

there that have been stimulated by that. We have been audited on that and the National Audit Office has been by and large—

Pete Betts: It is the Committee on Aid Impact and Effectiveness.

Mr Davey: Okay. Let me ask Pete to come in here and talk about how it has been audited and what the report said.

Pete Betts: It is a new body established by the current Government to look at overall effectiveness of aid, and it gave the ICF, the International Climate Fund, a green-amber rating. Generally, it was a very positive assessment of what we had achieved over the last four or five years.

Q33 Graham Stringer: You have given me headings for areas that you have spent in. Can you be specific about what projects there have been? I think there was a report in *The Times* in December saying that most of the money or all of the money that had been spent out of that £720 million so far had gone on people and not on the projects themselves, so—

Mr Davey: I do not know the report you are referring to, but in my experience of this fund and how it has been spent it is certainly not the case. Clearly people can be very important in projects, but there is an awful lot of variance in the projects. Let me give you two or three examples. Some of the ones I have been particularly fascinated by have been on deforestation, where we have worked with other countries like Norway and Germany to help tackle deforestation. We have done some work with the private sector as well to try to see if they can look at their supply chains and get more sustainable supply chains that do not require trees to be felled in these vital forests.

We saw a very interesting project with Colombia, where we were looking at their agriculture and we were looking at different types of ways that they could farm, particularly with their cattle. Using new farming methods, you could get a much greater number of cows per hectare and therefore reduce the need to cut down trees. These types of projects are both helping development and reducing the effect on things like forests.

Q34 Graham Stringer: That is helpful. Do you think you could send the Committee a breakdown of the £720 million that has been spent?

Mr Davey: Delighted to do so.

Q35 Graham Stringer: Internationally, is there a definition of what constitutes climate finance? I will tell you why I am asking the question: I have read reports that Japan has funded three coal plants in Indonesia under the heading of the Green Climate Fund.

Mr Davey: I do not know those reports. I am fairly sure it will not have done it through the Green Climate Fund, because the Green Climate Fund has only just been capitalised and it has not spent any money, so I would imagine if that is the case—and I am always slightly sceptical about some of these reports—it would have been a bilateral funding.

But the fundamental question is a question that I keep asking: is there a definition of climate finance? There is not one that has been set out in a text such as Lima from the UNFCCC; there is not such a definition. It is because it is highly contestable. There are some countries who want to define climate finance as only public money. I think that would be wrong. There will be some people—and I understand why they make this argument—who want to say climate finance must

be different from development finance. This country has decided our International Climate Fund should be part of our 0.7%. Some people say it should be on top of that, but we have decided, as the Government of this country, that it should be part of that because it is helping to alleviate poverty. There are many other arguments about what a definition of climate finance would look like. Because of how contentious it is, the donor countries have been slightly nervous about it being part of the negotiations. Of course we ourselves have definitions of what counts and, again, I am very happy to share the details of that with the Committee.

Pete Betts: There is work going on in the OECD at the moment to develop these definitions.

Q36 Graham Stringer: The Warsaw loss and damage mechanism was reiterated but not expanded on in Lima. Is that likely to be an important issue in Paris?

Mr Davey: I do not think it is going to be the key issue. We basically achieved agreement in Warsaw—the Warsaw mechanism—about how we deal with loss and damage, and it is under the overall umbrella of adaptation in the Warsaw agreement. That is how this country has always seen loss and damage, that it is part of the way that we assist countries to adapt to the impact of climate change.

Q37 Graham Stringer: Just a final question: how can rich countries avoid agreeing to the notion of legal liability but still satisfy poorer countries in their demand for compensation?

Mr Davey: If we keep to the agreement in Warsaw, we will certainly avoid that. You are right to say there are some countries and some people who think loss and damage should be outside adaptation and should be separate and that it should imply compensation. It is one of the reasons we disagree with that and we think it is part of adaptation. Let me give the Committee an example of the sort of thing that we are talking about in loss and damage. Imagine you are a Pacific island and the rising sea levels mean that that island is no longer habitable. This is reality, this is what climate change is doing, and if you talk to AOSIS, who are a collection of different island states around the world, then they can be pretty—understandably—emotional and vocal about this.

Should that happen, what is the world going to do? As part of our adaptation measures, it would seem to me the global community would need to assist those people who can no longer live in the country that they were born and raised in because climate change had made it uninhabitable, and we would need to find a way to address that. I would see that as on the extreme, but as part of that adaptation. Some other people would try to say, “That is completely different and there should be compensation” and so on, but I think the way we act is to reach out to those people and help them find another place to live.

Q38 Christopher Pincher: Sorry for stepping out momentarily. Can I ask you about Lima and emissions trading systems? I hope that did not come up in the 15 minutes or so when I was away. Mr Lyon, when you last came to the Committee, you said that you expect that the Paris agreement, and I am going to quote from you now, “will be very clear about allowing the use of market mechanisms in whatever form in order for countries to be able to meet their targets”, but at Lima, Dirk Forrester, the CEO of the International Emissions Trading Association, was a little less sanguine, it seems to me. He said that the Lima talks made modest progress. With specific reference to outlining how market infrastructure could be established, he said that a rough draft of elements for Paris had been established. On that basis, how confident are you that such agreement will be reached at Paris?

Ben Lyon: As I explained at the end of November, I did expect it to be agreed in Paris, because most countries are saying that they would like to have the ability to use market mechanisms towards their targets post-2020. As I said then, that was my expectation, judged on what was in front of us. Lima was not going to agree what is finalised in Paris, but we did elaborate elements of a draft negotiating text that continues to include the provision for allowing the use of market mechanisms post-2020. It remains our expectation that as we negotiate through the rest of this year to Paris, we will have a discussion around that element that is currently in the draft, and we think that the majority of countries will be happy to agree that it remains. We still expect the use of market mechanisms to be in the Paris agreement, but that is not certain. We will have to negotiate that. We in the UK, and certainly within the EU, obviously want that. We have the emissions trading scheme that we think helps us deliver our climate action in the most cost-effective way and that, as the Secretary of State has said, is most important to us. It remains an expectation but it still needs to be negotiated.

Just referring to Mr Forrister's comments, there were many elements on market mechanisms negotiated in Lima. One part was about how they might feature in the Paris agreement, but there were multiple other tracks that were about existing market mechanisms under the UN convention. We absolutely agree with Mr Forrister that not as much progress was made on those as we would have liked to have seen, and those negotiations will be picked up among negotiators through this year as well. I think his comment was broader than just the Paris agreement.

Q39 Christopher Pincher: Are you saying that expectations have changed somewhat? Although we expect that market mechanisms will be discussed and will be included in an agreement in Paris, you are not saying that the agreement will be very clear about the use of market mechanisms. Do you think that the emphasis is changing as a result of Lima?

Ben Lyon: The Secretary of State or Pete may have views as well, but I don't think our expectations have changed. There is a degree of crystal ball gazing here as to what will be negotiated this year, but I think allowing the use of market mechanisms is something that we certainly want, as the UK and the EU, and it is something that we want to see agreed in Paris. Whether all of the technical rules that set out how market mechanisms will operate between countries and how all of the emissions are accounted for are agreed by Paris—it would be a tall order to do that in one year—but as we have seen in the climate negotiations for many years, we often agree what we are going to do and then finalise some of the technicalities afterwards.

Mr Davey: It may be that I am suffering from optimism bias again, but I would not have expected us to get a full agreement on this, because there is a bit of "Nothing is agreed until everything is agreed" about some of these negotiations. The key for carbon markets is that we have good accounting rules, so there is no double counting, and that they are seen as a way of enabling people to meet their emission reduction targets. Let's remember that a lot of developing countries benefit from them because the money raised is part of some of the financial transfers. There is some support. Interestingly, Brazil was more positive about carbon markets than it had been previously. I don't disagree with Ben, we did not make as much progress, but I will be surprised if it is not part of a deal in Paris, because there are a lot of people who would benefit from getting that done.

Q40 Christopher Pincher: In terms of the accounting rules, the credit mechanism that you have just referred to, the eminently quotable Mr Forrister said that, "An agreement should undergird them—" I have never heard that word before.

Mr Davey: Undergird?

Christopher Pincher: Undergird, indeed—"An agreement should undergird them with a solid accounting framework and a unified project crediting system". As a result of Lima, what prospects do you think there are for that?

Mr Davey: We haven't got there yet. Our objective is to make sure that the accounting regime is there for carbon markets. It is absolutely critical that it is.

Q41 Christopher Pincher: Was progress made at Lima?

Mr Davey: No. I don't think any progress was made on accounting in carbon markets.

Pete Betts: No, but as Ben said, I don't think anything happened in Lima to adjust our expectation about what is possible and likely in Paris. We think it is likely we will get agreement but that the detail will have to be developed after Paris.

Mr Davey: But let's be clear, we were not expecting to make huge progress on this at Lima. It is not that we failed; it is just that it was not one of our key objectives. We would like to have done. Of course we would have liked to have got further than we did, that is obvious, but in my view we surpassed our expectations about what Lima was going to achieve, particularly with those seven words I referred to initially.

Q42 Christopher Pincher: One last moment of crystal ball gazing, then. Professor Stavins from Harvard spoke to us a few months ago via video-link and he made it very clear that at Paris he believes there should be an avoidance of any requirement that countries must meet their contributions within their national borders. At Paris, do you think that that exclusion will not be included in the agreement, or do you think there is a risk it will happen?

Mr Davey: Sorry, say that again. I think I missed that quote.

Christopher Pincher: There were a lot of double negatives. Professor Stavins, who spoke us to via video-link a couple of weeks ago, said that there should be no agreement at Paris that countries will meet their contributions within their national boundaries. His point was that must not be part of any agreement that is made. Do you think there is a risk that will be part of any agreement?

Mr Davey: Let me interpret what he is saying, and please tell me if I am misinterpreting it. I think he is saying that there should not be a use of international credits to meet your targets. We would certainly not agree to a provision that prevents the use of carbon markets.

Q43 Christopher Pincher: I am just looking for his exact quote and I don't have it, but my notes tell me that he stressed the importance of avoiding inclusion of a requirement in the Paris agreement that countries should meet their contributions within their national borders.

Mr Davey: I think we would agree with that.

Pete Betts: Yes, we would agree with that. We would not agree, and many others would not agree, any provision that prevented use of markets.

Q44 Christopher Pincher: My question was, is there any risk of that happening at Paris? And do you think there is common agreement that that should not happen?

Mr Davey: I think it is highly unlikely. Let's be clear what we are talking about. You can meet your targets—and this has happened in the past, it is nothing new—by helping other countries curb their emissions by effectively using credits that come from your capital markets to help other countries where there may be much cheaper mitigation opportunities. The UK Government position at the EU is that the EU's 2030 targets should be at least 40% domestic, going up to 50% if we get an ambitious international deal, implying the use of international credits to get the extra emission reductions. We see it as important. I do not think you should over-rely on international credits. Countries like the UK and across the EU need to take action within our national borders as well, and it is vital that we do so, but I think restricting us away from international credits in the way I have talked about would be bad for some developing countries who would like that support.

Q45 Dr Whitehead: You mentioned, both in your ministerial statement and today, the approach that you took to Lima and the extent to which the contents of that approach you considered have been substantially achieved at Lima. Were there any elements of what happened at Lima, the outcome of Lima, that have caused you to modify your approach or add anything to the strategy that you now think you will be pursuing up to Paris?

Mr Davey: We are reflecting on the lessons from Lima, and we have to. We had a pretty intense period of climate diplomacy, as I said at the outset, and to a certain extent we are thinking now about how we can get momentum through to Paris. There is a series of meetings that are planned anyway, a series of events that are planned, whether it is the submission of INDCs or the draft negotiating text being published. Those will all be important next year, and I think the lessons from Lima will play into those, whether it is the information in the INDCs and the assessment of those or the elements of the draft text for negotiation from Lima that we don't agree with.

We will be thinking about the results of Lima in relation to what is going to happen in 2015, but I think as important is getting that political momentum continuing. We were really successful running up to Lima, but we have to keep the foot on the accelerator. We want to work with NGOs and think-tanks in the UK and elsewhere to look at how we analyse the commitments in the INDCs that are coming forward. Our FCO climate diplomacy that Pete talked about earlier on is going to be critical, particularly in bilateral reach-out, and also working with our EU colleagues. I set up something called the Green Growth Group in the EU whose first target was to get the 2030 deal, which we achieved. At our last meeting—I think it was the meeting we had at Lima—I raised the issue with EU colleagues about how we work together to get that political momentum and how we co-ordinate our climate diplomacy actions over this year. I think that is going to be quite important. We don't want to duplicate; there is not a huge amount of time; there are not infinite resources. We have to box clever to get that political momentum going.

I am also conscious that in the UK we have an election. I am not sure if colleagues are aware of this, but there is an election coming and, because the UK broadly has contained a cross-party consensus on this, whoever is doing this job, whichever party or parties is in Government after 7 May, is ready to run with this. It is vital in the UK interest and global interest that the next Government is able to hit the ground running. One thing I am personally committed to is to engage in talks with colleagues in all parties who are interested and willing to ensure that the political momentum from the UK position can be maintained.

Q46 Dr Whitehead: That is now, basically?

Mr Davey: Yes. I had a meeting with Caroline Flint before Lima. Obviously I have Conservative colleagues who are aware of what we are doing. I talk to the Prime Minister about our work on climate change. I do think it is important, and I am happy to talk to other parties who want to play a role in this, because it is really going to be important. This is going to be one of the top priorities for the next Government right from the start through to November-December. It has to get cracking on this and, while we have had some real progress in 2014, there is an awful lot more to do.

Q47 Dr Whitehead: Part of the momentum that you have mentioned up to Paris, as John Robertson has mentioned to you, is the question of the depositing of the Intended Nationally Determined Contributions—I do know what it stands for—

Mr Davey: Well done.

Dr Whitehead: —by 31 March, but also an ex-ante review of those contributions that I understand is scheduled to take place in late autumn immediately prior to Paris. Do you think that is going to provide sufficient time, even with the momentum, to enable any modification of those plans to be realistically or significantly in place before Paris takes place?

Mr Davey: As I said to the Committee earlier, the assessment process that was agreed in Lima was not as strong and robust as we would have wanted it to be. The fact that INDCs will be published and that there will be this aggregation with the synthesis report published on 1 November by the UNFCCC secretariat is good, but I think there needs to be almost an assessment process outside of that formal agreed process. I hinted to you earlier that we want to engage with NGOs, think-tanks and others to do that process. It won't be formal but, given that the information is being published and given the critical thing in Lima that we got a pretty strong set of words on the up-front information that will have to be in the INDCs, I think that will enable the process of assessment to be done outside of the formal process. That will need to be done. I don't think we should wait until the synthesis report that is going to come from the agreed texts.

Q48 Dr Whitehead: You said after the COP that “The UK's leadership will be needed more than ever in the difficult negotiations ahead”. Do you include in that UK leadership view the Paris negotiations and the possible outcome of Paris, or beyond that as well? We should bear in mind that even if there is a brilliant outcome of Paris, these new commitments will not come into place until 2020, and therefore there will be, at the very least, a gap in progress, particularly in the necessary work on emissions reduction that needs to be done before then? Do you see the UK's role as providing leadership among the G7 and G8 in plugging that gap to ensure that the transition from the Kyoto paradigm to the new paradigm is seamless rather than a hole in the road, even if Paris is successful?

Mr Davey: I think the UK will have to show leadership over the next two or three decades, and that leadership will come in many ways. It will come in formal climate negotiations, and you are right, not just at Paris but beyond Paris. There will be climate change negotiations after Paris, I am certain. I don't know whether they will be annual or not or what form they will take, but I would imagine that the Paris agreement will include reviews to increase ambition. There will be future negotiations, and the UK will need to exercise leadership on those. By the way, it exercises that leadership most effectively within the European Union, just for the record, and I think it will need to do that.

It needs to exercise leadership in other ways too. I think we need to keep to our legal commitments. We need to show that we are leading by example, which we have been doing for a while now, and we need to keep to that path. We need to show leadership by working with others in partnership on developing the technologies and assisting entrepreneurs, innovators and academics to develop the technologies that we need. We are going to have to show leadership in reaching out to others. I am hoping to hold a little round-table later this spring on what I call climate services. The UK has a number of real world-leading experts and organisations, such as the Met Office, scientists at Kew Gardens, the Climate Change Committee. We have had these experts help us in the UK to think about mitigation, adaptation, finance and so on, and a Government framework around carbon budgets, and we have learnt as we have gone along. I think we need to share all that learning in science and technology and governance with other countries. We already have a climate services offer, if you like, but I think we can make it a more comprehensive one and use our know-how and training of others so they can have these skills to do what they need to do in their countries in a cost-effective way that continues their sustainable development.

That is quite a long answer to your question, but I think we will need to show leadership for a long time and in many fora and in many ways.

Q49 Dr Whitehead: For the record, I think you are absolutely right as far as the EU is concerned. Thank you.

Mr Davey: I might be on the hustings for you then, in a few years' time.

Dr Whitehead: Well, on some things maybe.

Chair: Thank you, Secretary of State, for your time. While we do not know who is going to Paris, we do know that you are coming back before us in a couple of weeks' time when we can pursue wider issues of your Department's responsibilities.

Mr Davey: I didn't know that, but I am looking forward to it already.

Chair: Thanks very much.

