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**EN ROUTE TO A TRANSPORTWENDE? CLIMATE SOLUTIONS FOR TRANSPORTATION  
NORWEGIAN CONFEDERATION OF ENTERPRISE  
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It is a great pleasure to be here in Oslo today and I thank the Confederation of Norwegian Enterprise, and the German, French and British Embassies in Oslo for all your work in hosting this conference today.

I have had responsibility for climate change policy in the Foreign and Commonwealth Office for only a short period of time, but it is already abundantly clear to me that governments alone cannot tackle the serious challenges that we face.

So it is essential that we work in partnership with industry and commerce, which is why today's event is so valuable.

It is an important opportunity to hear about the scope for more sustainable transportation systems, which is an area rich in potential for achieving durable solutions to the challenge of global climate change. A challenge that all of us – including the generations that will follow us – have a stake in.

Oslo is a perfect location to see how practical climate solutions can underpin a more secure, more prosperous future.

Because innovation is all around us. The electricity that keeps Norway running so smoothly comes from a national energy mix, with 98% sourced from hydropower.

And my journey here this morning was via a Tesla Taxi, showing that the increasing popularity of electric vehicles generates further opportunities for greener urban travel.

So, what I want to say this morning is that we have no shortage of climate solutions - and the United Kingdom's Government and businesses are fully behind international efforts to create the right conditions for green solutions; to develop new green technologies; and to support green investment – all of which will make a positive impact on our economic growth.

## **Low-carbon transportation**

The first point I would like to make is that to help create the right conditions for green solutions, the shift to a low-carbon transportation sector needs to be integral to national low-carbon planning.

In the UK, the transport sector accounts for 21% of our greenhouse gas emissions, so features highly in our low carbon planning

The British Government's vision is that by 2050, our rail travel will be substantially decarbonised through further electrification, more efficient trains and lower carbon fuels.

Our aim is that almost every car and van will be an Ultra-Low Emission Vehicle. We have announced a £500 million programme of investment in ultra-low emission vehicles between 2015 and 2020. This will create jobs, cut emissions, make motoring more affordable, and ensure that the UK remains at the forefront of green technology.

We are also incentivising more efficient combustion engines, alongside sustainable bio-fuels and encouraging the public to make low carbon travel choices, such as taking public transport or cycling.

And our cities are leading the way in developing effective climate and transport policies for our urban centres. For example, London's transport authority has been successful in contributing to city planning. And, as the New Climate Economy report shows, half of new development in London has been within walking distance of a public transport point.

But both in and beyond our urban areas, low carbon transport in the UK will be underpinned by an increasingly decarbonised power sector, providing clean electricity for vehicles.

Norway is fortunate to have an electricity system that is already virtually carbon free. The UK is working with Norway on offshore wind and electricity interconnection projects that will boost the share of renewable energy - which will power British cars of the future. This is an excellent example of how international partnerships can plan the low-carbon infrastructure that will keep Europe competitive - and provide jobs and growth for many years to come.

## **Innovation and Technology - the new engine of green growth**

The second point that I would like to make, is around the economic potential of the green sector. All of us here will have seen how the Green sectors in Europe have weathered the economic recession far better than others and retained far more jobs.

And, as we know, a significant reason for that has been innovation in the Transport sector - which has played a vital role in maintaining Europe's competitive economy with highly-skilled jobs.

That is why in the UK - and reflecting my point that we must work in partnership with industry - the Government and the automotive industry will jointly invest around £1 billion over the next 10 years in an Advanced Propulsion Centre. An initiative that will become one of the driving forces behind the UK's automotive industrial strategy.

This centre will be the hub for developing projects such as using motorsport braking systems in buses, and streamlining the production of electric motors. It will be precisely these kinds of initiatives that will enable our automotive sector to raise the bar in innovation, give businesses the confidence to invest and create an estimated 30,000 highly skilled jobs.

Importantly, the benefits of clean, innovative transport systems are made clear in the New Climate Economy study (and I know we will hear more about this extremely useful report from the World Resources Institute).

The report concludes that efficient public transport systems in cities can not only improve air quality, reduce greenhouse gas emissions, reduce road accidents, and generate a higher quality of life - but can also stimulate economic performance by reducing traffic congestion, making journeys shorter, and reducing fuel costs.

And encouragingly, the study claims that by adopting a compact, transit-oriented model, the world's largest cities could reduce greenhouse gas emissions by up to 1.5 billion tonnes of carbon dioxide equivalent per year by 2030 - mostly by reducing personal vehicle use in favour of more efficient transportation modes. That's around 3 times the UK's current annual greenhouse gas emissions.

### **Finance - how Private Public Partnerships (PPP) can help to deliver sustainable transport.**

And the final theme I want to reiterate is the necessity of commercial investment. The scale of green investment needed to deliver the 2 degree limit to global warming is, of course, beyond the ability of governments alone to achieve.

It is true that we in government have an important role to play in creating the right conditions. But clearly, most of the investment will need to come from commercial sources.

Fortunately, the scale of the economic potential in the green goods and services market provides a real incentive.

Green growth, propelled by agreement on the EU 2030 climate and energy framework and by a global climate deal, will be one of the biggest market opportunities of all time – potentially worth trillions of dollars, according to some sources.

In the natural resources sector alone, commercial opportunities related to environmental sustainability could be worth between two and six trillion US dollars by 2050.

UK exports of green goods and services were worth more than 12 billion pounds in 2012 - consistently growing at around 5 per cent each year.

And the New Climate Economy study estimates that around 90 trillion US dollars will be invested in cities, land use and energy infrastructure between now and 2030.

So, with this enormous economic potential, and with 92 percent of British business leaders saying that green growth represents a business opportunity for them, the British Government is determined to do all it can to develop this area.

For example, we hosted the Clean Finance Summit in London earlier this year, bringing together investors and representatives from developing countries.

Together with the US and Germany, we launched the Global Innovation Lab - to develop policies to encourage investment.

And we established the UK Green Investment Bank two years ago - the first dedicated green bank in the world. It has been a real success story. By stimulating private investment in green projects, it has generated three times more private capital than Government funding – so far in 28 green projects in the UK - with more in the pipeline.

You have an agenda today which marries together innovation, science and pragmatism. The stakes are high, but the opportunities great.

I wish you well with this important work.