

Good afternoon, ladies and gentlemen

Could I begin by saying what a great honour it is to have been invited to speak to you, today. I would also like to congratulate you on having signed the Islands Pact, a great step forward in the promotion of sustainability and the fight against climate change in island environments.

Today, I should like to give you a brief outline of how I see the future for the Pact of Islands process. As I see it, this is a process that is comparable to the Covenant of Mayors and there is much that we can learn from this previous process. I followed the process in the cities in my capacity as a researcher and a policy maker in my own country. I have also been directly involved in research into energy and climate change issues concerning islands.

I should like to speak briefly, firstly, about the vulnerability of islands to energy and climate change, about the way I see the development of the Pact of Islands in the future and I shall say a few words about the need to find concrete solutions to infrastructure and funding problems.

1) With regard to the vulnerability of islands to climate change, islands are, of course at risk from such things as drought and rising sea levels. On the other hand, problems concerning energy security are particularly acute given the isolation, by definition, of islands.

2) Secondly, with regard to the future of the Pact of Islands, planning with regard to islands must take their specific character into account in so far as energy and climate change are concerned. Moreover, planning should be linked to the various economic sectors (tourism, housing, industry, etc) found in these settings. What we have to say about energy and climate change should be directly related to the other economic sectors and to considerations of general prosperity and well being in these environments. Indeed, it is possible that the plans we make concerning sustainability and the fight against climate change will be effective measures of the progress that we make in the general development and prosperity of island economies and societies. I would go so far as to say that the policy agenda found in the Pact of the Islands should even serve as the core to the policy agenda for the islands as a whole.

3) Finally with regard to infrastructure and financing, we cannot really make progress in this domain without having found concrete solutions to infrastructure problems and the question of sources of funding. Islands need specific types of infrastructure including

- * energy grids
- * energy storage and
- * sources of production for renewable energy.

I have been able to introduce a number of amendments to the Energy Infrastructure Report, where I called attention to the special requirements of islands and uttermost regions.

As for sources of finance, one possibility is EU CO₂ allowances from the New Entrants Reserve of the ETS. Another the EIB, namely through the European Local Energy Assistance programme. Thirdly, EU structural funds are another source of potential financing, either from the existing funds as these extend to 2013 or else from the new budget is currently under discussion in the Parliament. Eurobonds are another possibility

in the future and finally private financing should not of course be ruled out.

Well, that is probably enough from me for the moment. I am sure that my colleagues will have many interesting things to say and I look forward to the open discussion and any questions you might like to ask me.