



## Climate Solution Businesses

### **International Frameworks Essential to Drive Private Investment and Global Carbon Market Development**

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With Copenhagen just five weeks away, and levels of public finance still under discussion, it is clear that the private sector will play a significant role in financing the greenhouse gas emission reductions required to meet the climate challenge. Business leaders urge parties to develop a post-2012 system that builds on the existing global framework, while promoting consistency between emerging national approaches.

A grouping of associations representing businesses that provide climate solutions – including the Business Council for Sustainable Energy (BCSE), the Carbon Markets & Investors Association (CMIA), the Global Wind Energy Council (GWEC), the International Emissions Trading Association (IETA), and the International Council for Sustainable Energy (ICSE) – urges government action to ensure a cost-effective and rapid transition to a low-carbon economy. For this, an international framework is essential, and we urge that it include the following:

- **Mid-term and long-term signals to investors:** Transparent and accountable policies that include near-term and long-term emissions reduction goals and account for investment timescales
- **Common structures for emissions targets:** To ensure investor confidence common commitment periods and structural elements must be established.
- **Common accounting:** A common unit of compliance and consistent standards for registries and inventories.
- **Assistance to developing countries:** Meaningful provisions to effect capacity-building and create a healthy investment environment. Flows of private sector resources – technological and financial – will add scale and speed to global efforts to reduce emissions.
- **Continuity:** The Agreement should recognize that government and businesses have developed familiarity with, and trust in, the existing market-based mechanisms, such as the Clean Development Mechanism. A commitment to maintaining and reforming existing mechanisms must be mandated to assure businesses that their investments will be honored, and that these policy-created instruments will not be arbitrarily discontinued or replaced. This commitment will ensure an easier scale up of private capital into new mechanisms under a post-2012 system.
- **Private Sector Role:** Post-2012 systems that have a role for private finance should utilize the expertise and consult with the business community in their design.

An international agreement will ensure the deployment of private capital at the required scale to achieve emission reductions urgently, broadly, and cost-effectively. As various causes compete for very limited public funds, the private sector provides a vital additional channel to meet the urgent imperative for global emissions reductions in the required time frame – provided that strong policy signals are given.

Accountability must be assured through the use of global metrics to evaluate country performance. There must be unequivocal commitment to continuation and reform of the CDM and other existing mechanisms to ensure investor confidence in new instruments.

We urge Parties to develop a post-2012 system that builds on the existing global framework, while promoting consistency between emerging national approaches.

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