CLIMATE SOLUTIONS BUSINESSES
CALL FOR A REFOCUS ON FINANCING, MARKET MECHANISMS AND THE PRIVATE SECTOR ROLE

PRESS RELEASE – Bonn, Germany

8 June 2010

The low-carbon investment needed to stop rising greenhouse gas emissions is impossible to achieve without massive applications of private sector capital. The private sector is looking urgently for investment signals out of the next United Nations Ministerial negotiations in Cancún at the end of the year. Due in part to market uncertainty, 2009 investments in the Clean Development Mechanism have dropped 50 percent. Reversing this trend will require an immediate refocus by negotiators on financing, market mechanisms and the role of business in delivering on global climate goals.

The Climate Solutions Business Coalition represents billions of dollars in private capital in the clean energy sector, investor community and carbon markets. In a statement released today, Climate Solution Businesses call for the following outcomes by Cancún:

1) Business urges the Parties to set aside their "nothing is agreed until everything is agreed" mindset and take actionable decisions in Cancún on critical issues such as technology, REDD+ and capacity-building.

2) Business needs to see a firm plan to mobilize public and private sector investments to reach the US$100 billion target by 2020 at COP 16 in Cancún. Following through on this promise from Copenhagen will be a crucial step towards building confidence among the Parties as well as the private sector.

3) Despite the importance of reaching the US$100 billion target, the finance challenge is in the range of trillions, not billions. The Kyoto Protocol and the current LCA text offer a foundation to develop the market-based framework the private sector needs to meet that challenge. The next step is to strengthen this foundation by taking decisions in Cancún that lead to clarity on post-2012 market instruments.

"Billions of private investment could be lost unless governments start sending out clearer signals." remarked Lisa Jacobson, President of the Business Council for Sustainable Energy.

"The climate finance challenge cannot be met without serious private sector money. And the carbon market is currently the only tool capable of convincing the private sector to spend it. Acting as if the role of private finance is an afterthought and the carbon market is no longer fashionable is the short route to achieving nothing." stated Henry Derwent President and CEO of the International Emissions Trading Association.

“Currently we lack a clear set of rules for determining what counts as new additional investment and what doesn’t, which actions are demonstrably driven by policies specifically focused on achieving this aim and which aren’t. We urgently need this to monitor our success in driving investment.” stated Miles Austin Director of the Carbon Markets & Investors Association.

“Massive deployment of existing clean energy solutions now is the only way to achieve a peak in global emissions well before 2020,” said Steve Sawyer, Secretary General of the Global Wind Energy Council. ”This is the task of our generation, and negotiators must create the framework within which it can be achieved.”

According to Bloomberg New Energy Finance, global clean energy investments in 2009 were $164 billion dollars. The IEA forecasts that US$530 billion per annum will be required in the form of additional investment in low-carbon energy, beyond business as usual and capital redirected from conventional to low-CO2 technologies. The private sector can deliver the scale of investment required if negotiators work in partnership with business to create new vehicles for business input and provide certainty on the market instruments available.

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