

FINANCIAL AND INVESTMENT FLOWS

UNFCCC press briefing

Friday 7th December, 13.15

Mr. Yvo de Boer, Executive Secretary of
the United Nations Framework Convention
on Climate Change



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Emission trends:

- going up
- need to be cut by 50% by 2050

Energy demand (IEA World Energy Outlook):

- 50% increase worldwide in 2030
- demand for coal: 70% in 2030
- 50% increase in GHG



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Financial Flows Report

- **Mitigation measures** needed to return global GHG emissions to current levels in 2030, require additional I&F flows between USD **200-210 billion in 2030.**
- **Adaptation** additional I&F flows needed for in 2030 amount to several **tens of billions of USD.**



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Financial Flows Report

The additional estimated I&F flows needed in 2030:

- large compared with the funding currently available under the Convention and its KP
- but **small** in relation to **estimated GDP (0.3 to 0.5%)** and **global investment (1.1 to 1.7%)** in 2030



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Bridging the gap

Creating climate change safe future will require:

- **Scaling up and optimizing funding**
- **Shifting investment patterns**



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Projected investment flows

2000 – 2030: total amount of investments in new physical assets world wide is projected to triple

Energy sector:

- 2005 – 2030: **20 trillion USD**
- energy supply only: **432 billion USD annually** (148 billion USD shift needed to low carbon, renewables, CCS)
- **over 50%:** developing countries



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Investment flows

- **Private sector** account for **86%** of investments
- Investments today, determine future GHG concentrations in atmosphere
- **Altering the course of an investment supertanker in low carbon direction**



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How?

- Finance: essential element in discussions about post-2012 international climate change deal
- **Carbon market:**
 1. Key to greening economic growth developing countries
 2. Cost efficient, flexible tool
 3. Opening up new markets

NEED FOR AMBITIOUS TARGETS



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How?

Clear need for additional policies and public funding

- **investment certainty** through national policies
- improved **market perspective** through incentives
- resources for **technologies or projects** that are otherwise not picked up



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Conclusion

Clever blend of public and private resources:

Intelligent financial engineering



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