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PRESS RELEASE

UNFCCC Executive Secretary calls for new climate compact to combat global warming

(Amsterdam, 17 October 2006) – According to UNFCCC Executive Secretary Yvo de Boer, the world urgently needs a long-term legal framework to provide security for carbon markets and investments necessary to combat climate change.

Speaking at the international conference “Make Markets Work for Climate” in Amsterdam, the Netherlands, Mr. de Boer said that whilst it was clear that globally there was strong commitment to address energy security and to green energy, it was also clear that poverty eradication and economic growth were the overriding concerns for developing countries.

“At present, the financial resources provided to developing countries do not suffice to meet the needs for mitigation and adaptation as required under the United Nations Climate Change Convention and its Kyoto Protocol,” the UN’s top climate official said.

Last month, Mr. de Boer pointed out that a 100 billion dollars per year green investment flow to developing countries could be created if industrialized countries agreed to a 60 to 80% emission reduction by mid-century and used market-based mechanisms to help meet these commitments. Referring to this, he added:

“To date, none of the sources of finance available to developing countries have a potential of this scale.”

Citing the need for a new global initiative to combat climate change, Mr. de Boer said that a self-financing climate compact would be the solution to generate financial flows between the North and South required to effectively tackle climate change.

“This would ensure sustainable development for the future,” he said. “But it requires a long-term legal framework to be in place.”

The Kyoto Protocol’s clean development mechanism (CDM) for example permits industrialized countries to invest in sustainable development projects in developing countries, and thereby generate tradable emission credits.

The CDM already has over 1,200 projects in the pipeline and an overall emission reduction potential of about 1.4 billion tonnes by 2012, amounting to the combined annual emissions of Spain and the United Kingdom.



“Whilst the CDM has been gaining speed very rapidly, there would be a significant risk for the value of carbon beyond 2012 without a long term provision for the carbon market. To guarantee continuity for investments, a post 2012 agreement is urgently needed,” said Mr. de Boer.

At this year’s United Nations Climate Change Conference in Nairobi (6 to 17 November), governments will continue discussion of the future action on climate change, including commitments for industrialized countries under the Kyoto Protocol beyond 2012.

The Parties will also look at measures to expand the CDM by building capacity in developing countries and to make it more accessible to the least developed countries, in particular in Africa.

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