The 3rd Workshop of Japan-UK Joint Research Project
13th-15th February 2008

Enabling LCSs (Low-Carbon Societies) : Investment

UNEP Finance Initiative

Special Advisor

Takejiro Sueyoshi

Key messages

- Strong, early action to reduce emissions is critical and can dramatically limit the cost of addressing climate change.
- In general financial sector engagement is still weak.
- Sluggish policy development is delaying progress in channelling finance and investment towards effective measures addressing climate change.
- Policies need to encourage public-private collaboration through appropriate regulations and incentives.

Recommendations for Policy Makers

- End the uncertainty over international climate policy post—2012 through clear regulation by setting long term emission reduction targets.

- Provide compatible regulation on carbon markets and further globalize the carbon markets.

Recommendations for Policy Makers

- Promote significant upscaling of R&D and investment in renewable energy and energy efficiency by:

  -levelling the playing field with conventional fuels.

  -setting ambitious goals for renewable energy generation with clear support mechanism.

  -imposing standards for energy efficiency or limits on emissions.

Recommendations for Financial Institutions

- Integrate climate change related risks and opportunities into core financial operations.
- Engage with government decision makers to optimize the allocation of available funds to combat climate change and to promote innovation and technology development.
- Reduce one's own direct impact contributing climate change and report emissions transparently.

Conclusion

- Policy frameworks play a crucial role in clearly defining the ambition level and seriousness level of governments.
- Financial institutions can play an important role.
- They have a broad stakeholder base, and as a sector of the economy and part of the global community, need to recognize their responsibility in contributing to the global response to climate change.
- An adequate policy environment is necessary to optimize the finance sector’s contribution.