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PRESS RELEASE

Industry should spur government action toward inevitable low-carbon future, says UN's top climate change official

(Cologne, 30 May 2012) – The world is progressing steadily and inevitably toward a low carbon future, but it will get there a lot quicker if industry steps up its engagement in the international, negotiated response to climate change, said the Executive Secretary of the UN Climate Convention, Christiana Figueres, speaking to carbon market industry stakeholders at this year's Carbon Expo in Cologne, Germany.

The call to action from the UN's top climate change official came less than a week after more than 180 countries met in Bonn to begin implementing the climate change agreements reached in Durban, South Africa, late last year. In Durban, countries agreed to a second commitment period for the Kyoto Protocol and to craft a broader, more ambitious climate change agreement by 2015.

“The direction is very, very clear. There is no doubt that we are moving to low-carbon economies. There is no doubt that mitigation efforts in both industrialized countries and developing countries need to increase exponentially,” said Ms. Figueres. “And, there is not doubt that the only way to optimize the global investment in climate change mitigation is via the market. We see signs everywhere of emerging market schemes.”

The Executive Secretary told her industry audience that they have a critical role to play, not just in helping to deliver the resources necessary to tackle climate change, but in spurring and shaping the international, negotiated response to climate change.

“Demand more national policy action. Explore to the utmost those opportunities that allow you to increase the low carbon market share, thereby converting your activity in the market into a push for governments to take more ambitious political decisions,” said Ms. Figueres. “Most importantly, let governments know what you require so that you can engage more strongly in deploying low-carbon technology.”

The Executive Secretary also called on market stakeholders to contribute to the current reviews of the project-based mechanisms under the Kyoto Protocol – the clean development mechanism (CDM) and joint implementation (JI) – tools that countries have at their disposal now to incentivize action on climate change.

“The carbon market is entering an exciting new era of creativity. However, as much as possible, those people designing emerging market mechanisms and emissions trading systems need to give major consideration to how they all can be linked, to avoid the unnecessary and costly inefficiencies caused by fragmentation. What comes next must complement and build on what went before,” she said.



In addition to pursuing various domestic emission trading systems and mechanisms, countries decided in Durban to develop under the UNFCCC a new market mechanism and a framework for various approaches to incentivize action. And, by agreeing to a second commitment period for the Kyoto Protocol, countries paved the way for continuing operation of the existing market-based flexible mechanisms CDM and JI.

Carbon Expo is an annual international trade fair and conference for emissions trading, carbon abatement solutions and clean technologies. It is organized by the International Emissions Trading Association, the World Bank and Koelnmesse GmbH.

A transcript of the address will be posted at <<http://unfccc.int/press/statements/items/6606.php>>.

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See also: <<http://unfccc.int/press/items/2794.php>>

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About the UNFCCC

With 195 Parties, the United Nations Framework Convention on Climate Change (UNFCCC) has near universal membership and is the parent treaty of the 1997 Kyoto Protocol. The Kyoto Protocol has been ratified by 193 of the UNFCCC Parties. Under the Protocol, 37 States, consisting of highly industrialized countries and countries undergoing the process of transition to a market economy, have legally binding emission limitation and reduction commitments. The ultimate objective of both treaties is to stabilize greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system.

About the CDM

The clean development mechanism (CDM) allows emission-reduction projects in developing countries to earn certified emission reductions (CERs), each equivalent to one tonne of CO₂. CERs can be traded and sold, and used by industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol.

With more than 4,100 registered projects in 74 developing countries, the CDM has proven to be a powerful mechanism to deliver finance for emission-reduction projects and contribute to sustainable development. To date, some 1575 projects in 47 countries have been issued a total of more than 940 million CERs.

About JI

Through the Joint Implementation (JI) mechanism, a country with an emission reduction/limitation commitment under the Kyoto Protocol may take part in an emission reduction (or emission removal) project in any other country with a commitment under the Protocol, and count the resulting emission reduction/removal towards meeting a part of its Kyoto target. JI projects earn emission reduction units (ERUs), each equivalent to one tonne of CO₂. All emission reductions must be real, measurable, verifiable and additional to what would have occurred without the project.