

The Role of Market Mechanisms: Incentives for Technology Development and Renewable Energy

Forum: EU meets LAC on
Renewable Energy
Panamá City
Panamá

9-11 October 2006

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Introduction



- The International Context
- Experiences with the Kyoto Mechanisms from both the buyers and sellers perspective
- Market Developments: advantages/challenges for the LAC Region
- How about the future?
- Impact of a post-Kyoto regime on Technology Development and Renewable Energy



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- Assessment of the current Kyoto Mechanisms
 - Applicability post 2012?
 - A negotiating perspective versus a buyers perspective
 - EU Council of Ministers:
“Recognise the important role market-based instruments (...) have and should have in a future arrangement to reduce global greenhouse gas emissions.”



Introduction (2)



- Which market-based mechanisms?
- Emissions Trading and/or Joint Implementation and/or the Clean Development Mechanism?
- Other market-based instruments?
- CoP 11/ MoP 2: Montreal 2005: The Montreal Action Plan: Convention Dialogue and the role market-based opportunities



Introduction (3)



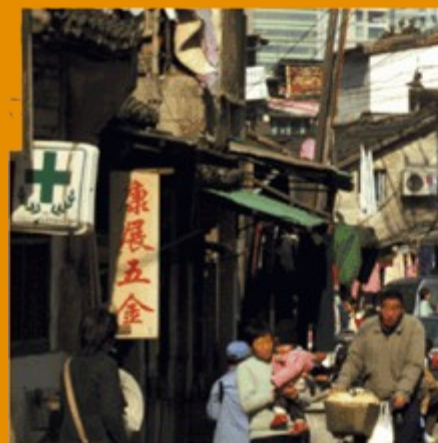
- CoP 12 MoP 2 : Second workshop will discuss the full potential of market-based opportunities
- The Netherlands views on market-based opportunities are in preparation
- Stirr up the international debate through.....



The International Conference “Make Markets Work for Climate (MMW)”

Tuschinski Theatre
Amsterdam
The Netherlands

16-17 October 2006



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World Business Council for Sustainable Development

IETA
INTERNATIONAL EMISSIONS TRADING ASSOCIATION



The Conference (MMW)

- The Conference is NOT:
 - An alternative for the Climate Change negotiations!
 - » It is parallel approach!!!
 - » It is an event on its own; it is an issue!!
 - The Clean Development Mechanism (CDM)
 - The Conference is for ALL stakeholders!



Conference Details



- 16-17 October 2006
- **Hosted** by Mr Pieter van Geel, Netherlands' State Secretary for Environment
- **Partners** ABN AMRO, Shell and World Bank Group
- **Supported** by
World Business Council Sustainable Development
International Emissions Trading Association
- Venue: Tuschinski Theatre, **Amsterdam**, The Netherlands



Why this Conference?

- **Climate change** is no longer questioned!
- **Energy demand** in developing countries will grow four times as rapidly
- **Investment decisions** made today determine path of global energy consumption for decades to come.
- ***Current market for clean energy (including renewable energy) will not grow sufficiently***
- **Carbon market** offers economic and financial opportunities



Conditions

- the following **conditions** are key:

- 1) a long-term energy and climate policy perspective

- 2) good energy-governance

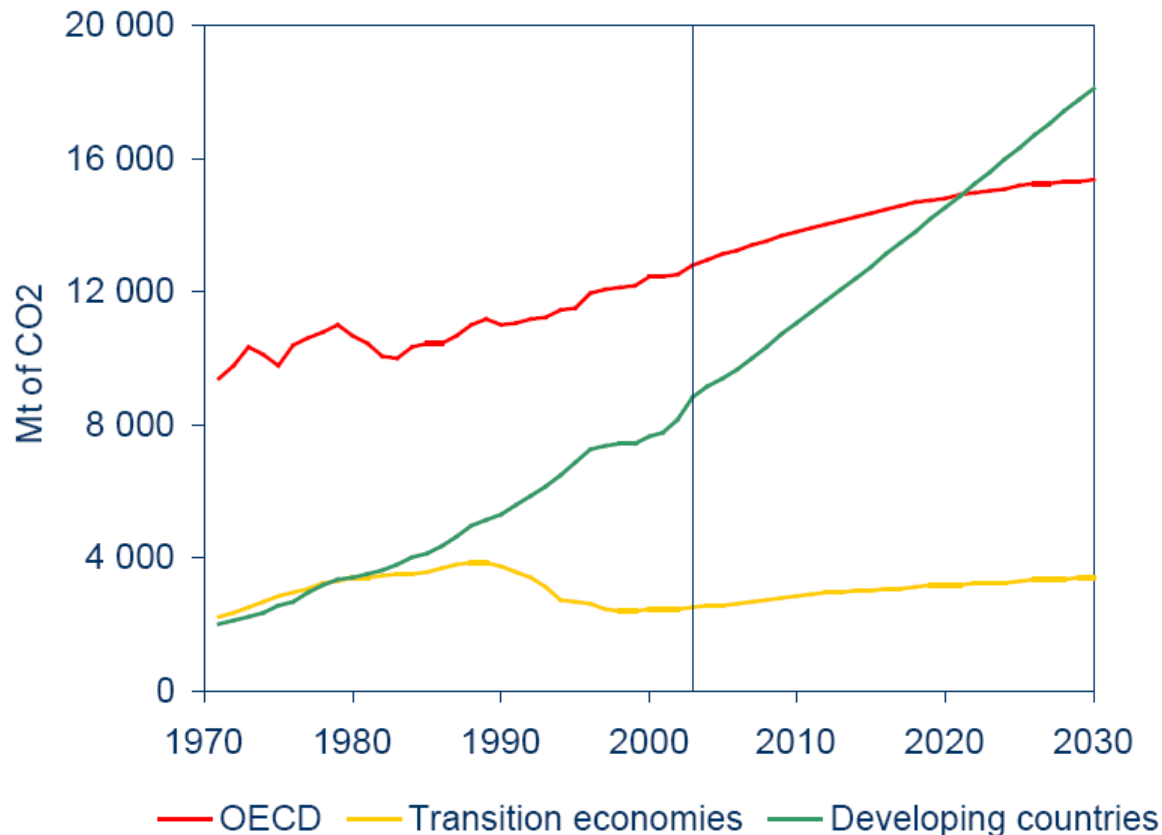
- 3) a good return on investment and

- 4) sufficient market size



Growing Energy Demand

Figure 4. World Energy-Related CO₂ Emissions

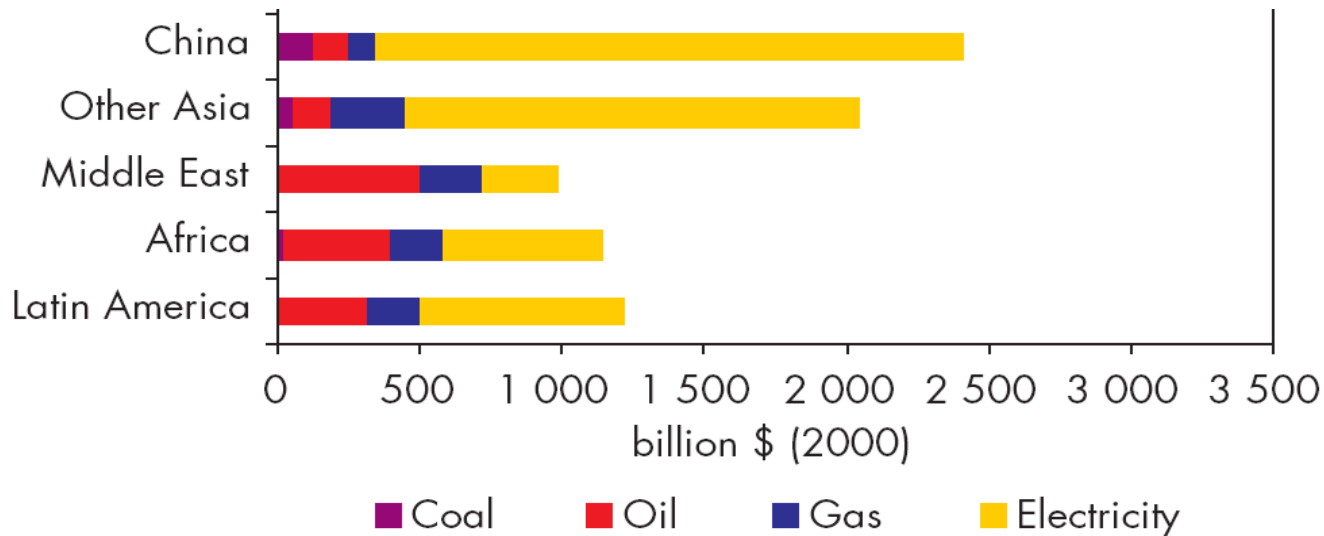


If current trends continue, the most rapidly growing component of energy demand in developing countries will be met through high CO₂-emitting technologies. Source: IEA



Energy Investments needed in Developing Countries

Figure 2. Energy Investment Needs, 2003 - 2030



about US\$8 trillion, or US\$300 billion per year, will be needed to meet the energy demands of developing countries over the next three decades Source: IEA



Purpose of the Conference

The international community should act now!

Objective of MMW: To discuss how the **various financing mechanisms** can be leveraged to

- (a) Achieve **sustainable economic growth** in **developing countries** and
- (b) Finance developing country energy strategies that are **more environmentally sound** than would be possible in the absence of carbon finance



Target Group of the MMW-Conference

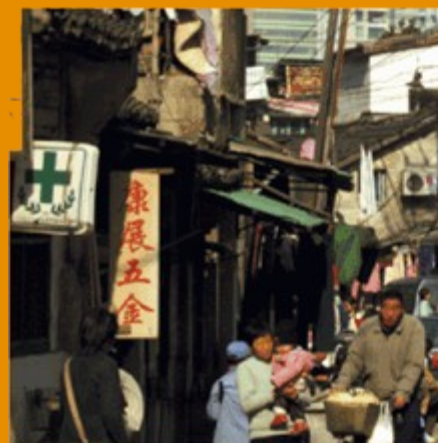


- Countries
 - Industrial countries and countries with emerging economies
- Sectors
 - Energy, Financial and Environment sector
- Participants
 - High ranking decision makers in the private and public sector, e.g. (inter)national financial institutions, governments, private sector banks, companies, NGO's



Make Markets Work for Climate

SET UP OF CONFERENCE



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Set up of the MMW Conference

Plenary Session

1. Opening

3. “Setting the Stage”

5. Sessions by hosted by Partners

- short presentations
- *interactive discussion* with panels of CEOs, policy makers and experts

7. Closing Session

9. Side events e.g. by IETA, IISD, WBCSD and FMO



Opening



Mr Jan-Peter Balkenende, Prime Minister, the Netherlands

Mr Pieter van Geel, State Secretary for the Environment, the Netherlands

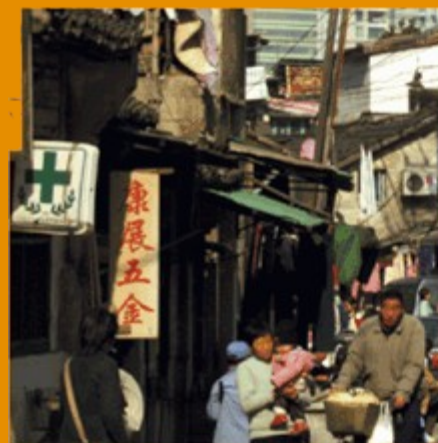
Mr Rijkman Groenink, CEO ABN AMRO

Ms Katherine Sierra, Vice President World Bank Group



Make Markets Work for Climate

LOCAL PREPARATORY
WORKSHOPS



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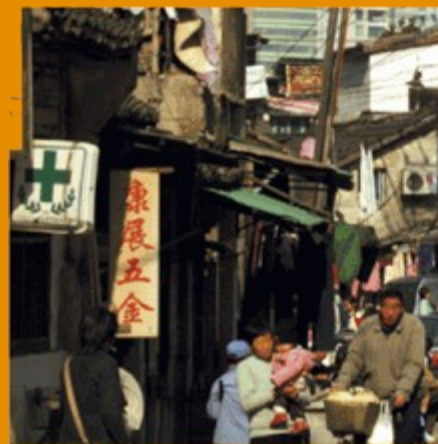
Purpose of the Preparatory Workshops

2. Explain the concept of and a first **discussion** on Make Markets Work
4. A means to provide **input** for the conference: country specific experiences, opportunities, barriers
6. Possibility to **contribute** if not able to come to conference
8. **Inform** potential participants on the conference program, background and conference preparations



Make Markets Work for Climate

Logistics



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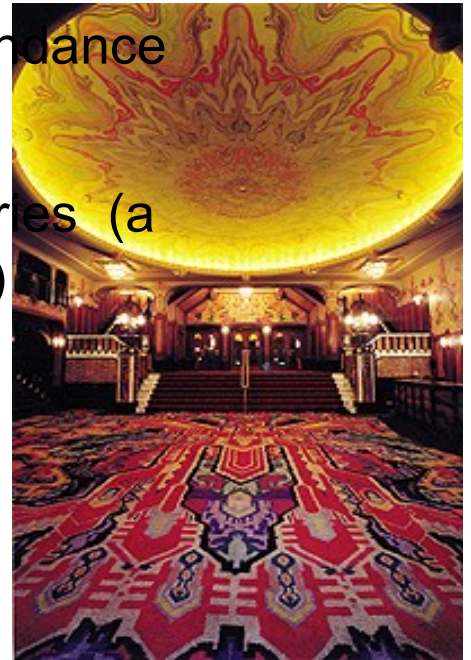
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Logistics

- Anybody can register through website: www.makemarketswork.com
- Those who want to participate MUST register!!!!
- Confirmation will be sent in the coming weeks
 - Targeted participants (Policy makers!)
 - Others who registered and meet the criteria for attendance
- Limited funds financial support for non-Annex 1 countries (a differentiated approach, fair representation; no quota!)
- Translation facilities



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Website: <http://www.makemarketwork.com>

