

16 September 2009

To Heads of State, Heads of Delegations to the UN Framework Convention on Climate Change process and Finance Ministers

Subject: 2009 Investor Statement on a Global Agreement on Climate Change

Private sector investment is essential to creating a low-carbon economy and deploying climate change mitigation and adaptation measures. The Institutional Investors Group on Climate Change (IIGCC), the Investor Network on Climate Risk (INCR), the Australia/New Zealand Investor Group on Climate Change (IGCC) and the United Nations Environment Programme Finance Initiative (UNEP FI), who represent private sector investors, have therefore co-ordinated the attached Statement calling on policymakers to implement a strong global agreement in Copenhagen. The Statement has been signed by 181 investors responsible for the fiduciary management of over 13 trillion US dollars.

The following measures will help to support investor confidence and support long-term private sector investment essential to addressing climate change:

- A global target for emissions reductions of 50-85% by 2050
- Developed country emissions reduction targets of 80-95% by 2050, with interim targets of 25-40% backed by effective national action plans
- Developing country action plans that deliver measurable and verifiable emission reductions
- Government support for energy efficiency and low carbon technologies
- Measures to support the move from local or regional carbon markets to an effective global carbon market, including ambitious caps, fair and efficient allocation of allowances and links between different trading schemes
- Revisions to the Clean Development Mechanism to ensure real, permanent and verifiable emission reductions
- Public financing mechanisms to leverage private finance for developing countries
- Measures to reduce deforestation and promote afforestation
- Support for adaptation to unavoidable climate change impacts

The same investor groups are currently working on more detailed proposals for public financing mechanisms that would help to catalyse greater flows of private capital into low carbon investments in developing countries. We believe that this would be supported by the following measures:

- (1) Provision of seed funds or risk mitigation schemes by bilateral or multilateral agencies to experienced private sector fund managers, selected through competitive tender, that help to address political, credit and other risks.
- (2) Technical assistance and capacity building support from multilateral and bilateral agencies and private sector involvement in the development of *Nationally Appropriate Mitigation Actions* (NAMAs) in order to support a regulatory and institutional environment that encourages private sector investment.

We call on Heads of State and other policymakers to ensure that the G20 considers our proposals, as they are critical to attract private investment for the transformation to a low carbon economy. We also call on policymakers and negotiators to reach a clear and definitive post-2012 agreement that facilitates effective national level action in developed and developing countries. We urge all countries to take leadership roles in this effort.



If you have questions or would like additional information, please contact Stephanie Pfeifer with IIGCC (spfeifer@theclimategroup.org or +44 207 960 2987), Chris Fox with INCR (fox@ceres.org +1 617 247 0700), Nathan Fabian with IGCC (nathan.fabian@igcc.org.au or +61 2 9255 0290), or Remco Fischer with UNEP FI (remco.fischer@unep.ch or +41 22 917 8685)

Yours sincerely,

On behalf of IIGCC

On behalf of INCR

On behalf of IGCC

On behalf of UNEP FI

Peter Dunscombe

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The **Institutional Investors Group on Climate Change (IIGCC)** is a forum for collaboration on climate change for European investors. The group's objective is to catalyse greater investment in a low carbon economy by bringing investors together to use their collective influence with companies, policymakers and investors. The group currently has 56 members, representing assets of around €4trillion.

The **Investor Network on Climate Risk (INCR)** is a North American network of institutional investors focused on addressing the financial risks and investment opportunities posed by climate change. INCR currently has over 80 members with more than \$9trillion in assets. INCR is a project of by Ceres, a coalition of investors and environmental groups working to advance sustainable prosperity.

The **Investor Group on Climate Change Australia/New Zealand (IGCC, Australia/New Zealand)** represents institutional investors operating in Australia and New Zealand, with assets around A\$500 billion, and others in the investment community interested in the impact of climate change on investments. The IGCC aims to ensure that the risks and opportunities associated with climate change are incorporated into investment decisions for the ultimate benefit of individual investors.

The **United Nations Environment Programme Finance Initiative (UNEP FI)** is a global partnership between UNEP and the financial sector. Over 170 institutions, including banks, insurers, fund managers and investors, work with UNEP to understand the impacts of environmental and social considerations on financial performance.