

Energy Co2 : Climate Business

UN and Financial Industry Call on G8 to Support Emissions Reductions

With the G8 climate negotiations on the verge of failure, heads of more than 20 leading financial service companies have called on the G8 to back significant emissions reductions.



Joachim Faber: "Clear and mandatory targets should be part of a new climate change regime"

Financial institutions like Citigroup, Calvert or Allianz SE fear that unchecked climate change is likely to lead to an increase in climate-related disasters, with "grave social and environmental harm" including annual economic losses that could rise as high as one trillion dollars by 2040.

Or, as Torsten Jeworrek, Member of the Board of Management of Reinsurance giant Munich Re, put it: "The latest studies show that it is cheaper to invest in climate protection than to pay for the losses that result from inactivity."

Related Articles

- United States Climate Change Profile
Part 1: Introduction
- Germany Climate Change Profile
Part 1: Introduction
- Polluters to the Rescue - Why Big Business Wants to Fight Climate Change

The executives, members of the United Nations Environment Programme's Finance Initiative (UNEP FI), said in a statement to the G8 summit in Heiligendamm, Germany: "There has been a seismic shift in how climate change is perceived and it is widely considered to be the greatest market failure ever".

Targets for emissions reduction no later than 2009

It is thus that Joachim Faber, Member of the Allianz SE Board, calls for a strong policy signal: "Setting clear and mandatory, medium and long-term emission reduction targets and implementing appropriate incentive schemes should be part of a new climate change regime."

All in all 23 Chief Executive Officers, Presidents, Chairmen and Managing Directors of banks, insurance and re-insurance companies' call on heads of state to formally adopt targets for emissions reduction no later than

2009.

Failure might disrupt markets, societies, ecosystems, and cultures

The paper suggests that proposals by the UK and the European Union, setting out mandatory emission reductions of between 20 per cent and 30 per cent by 2020 and 60 per cent to 80 per cent by 2050, should be central to all industrialized country goals.

Achim Steiner, UN Under-Secretary-General and UNEP Executive Director, welcomed the move: "The Arctic and icy regions are in the front-line, but there are front-lines opening up everywhere as a result of climbing greenhouse gases - not least for industry and business like the financial services sector who are facing escalating risks to themselves and their customers."

Failure to react accordingly, the executives' statement reads, will "affect - and even possibly disrupt - the operation of markets, societies, ecosystems, and cultures."

editor: Thilo Kunzemann

publishing date: June 6, 2007

© Allianz 2007, All Rights Reserved