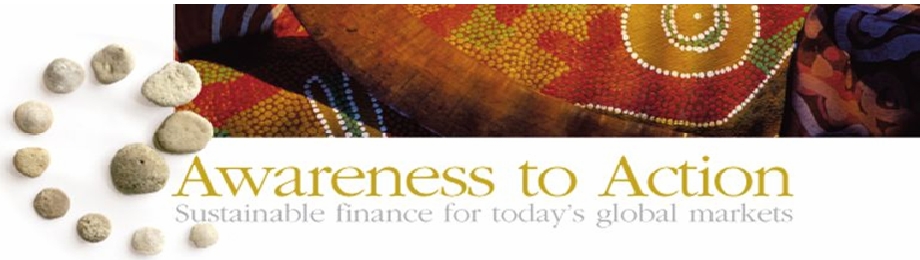


Session Summary

DAY 2 Thursday 25 October	
Session Details	Workshop 2.4.1 “Carbon 2020- Market Makers and Market Leaders” 15:00pm – 16:30pm
Speakers	<ul style="list-style-type: none"> • Takashi Hongo, Special Advisor and Director General for Environment Finance Engineering Department, Japan Bank for International Cooperation • Lynette Thorstensen, Head of Sustainable Business Practices, Insurance Australia Group • Lloyd Fleming, Senior Manager, Institutional Sustainability, ANZ • Otti Bisang, Vice President Environmental Advisor, Credit Suisse • Moderator: Paul Dickinson, Chief Executive Officer, Carbon Disclosure Project
“Carbon 2020 - Market Makers and Market Leaders”	
<p>Private banks will play an increasingly key role in shaping carbon emissions trading around the globe, the UNEP FI Roundtable heard in Melbourne today.</p> <p>“Financial demand is very big. Without the co-operation of the private market it cannot be met,” said Takashi Hongo, General Director of Environmental Finance Engineering at Japan Bank for International Cooperation.</p> <p>Banks are also pivotal in encouraging the deployment of higher emissions trading technologies in developing countries, said Mr. Hongo.</p> <p>Incentives and penalties, such as decreased interest premiums and non-lending to non-compliant companies, would help bring carbon emissions technology up to speed with the developed world.</p> <p>But Lloyd Fleming, Senior Manager of Institutional Sustainability at ANZ, argued that carbon markets outside the EU trading scheme aren't yet large enough to give significant returns.</p> <p>“It will take at least a few more years until the market reaches a critical point where banks can invest heavily,” said Mr. Fleming.</p> <p>But Australian banks can still lead the push for carbon legislation in the country.</p> <p>Implementing individual standards will create a level of sector complexity that will demand government regulation, said Mr. Fleming.</p> <p>In this context, the current challenge is to prepare the Australian financial sector for likely government</p>	

UNEP FI Global Roundtable
24-25 October 2007, Melbourne Park Function Centre



change, said Paul Dickinson, CEO of the Carbon Disclosure Project.

But the Australian insurance sector is already mindful of carbon emissions, said Lynette Thorstensen, Head of Sustainable Business Practices at Insurance Australia Group.

“We pay out a great deal of money based on weather,” she said. “The Sydney hailstorms nearly sent (IAG) into rack and ruin.”

Globally, weather has been one of the top twenty insurance payouts for the past twenty years.

But the last fourteen months has seen the number of environmentally friendly insurance products and services double around the world.

In France, insurer AGF has over 250,000 ‘pay as you drive’ car policies.

The year 2020 will see several regional carbon markets with high compatibility, combining mandatory and voluntary markets, said Otti Bisang, Vice President Environmental Advisor at Credit Suisse. But in the long term, the global carbon market depends on government regulation, he said. “This means we will see a lot of ups and downs.”