

# Co2 money: paying to pollute?

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## Emmanuel LEGRAND


Senior Investment Manager - CDC Climat  
(France)

## Rainer DÜRTH

Vice President - KfW Bankengruppe  
Carbon Fund (Germany)

## Mustapha KAMAL GUEYE

Economic Affairs Officer Economics and  
Trade Branch, Division of Technology,  
Industry and Economics, United Nations  
Environment Programme



At the World Forum Lille, the “CO<sub>2</sub>: paying to pollute” conference was hosted by four different speakers. Addressing the overall topic, all speakers covered the fact that there is a market enabling international trade on emission certificates from different perspectives.

First of all, Emmanuel Legrand, standing for Caisse des Depots/ CDC climat, talked about the type of governance that needed to be invented on a global scale to face the problem of CO<sub>2</sub> pollution. Explaining the results of the Kyoto protocol and hence the quota agreements, he strongly referred to

market mechanisms that will lower CO<sub>2</sub> emissions. In fact, the countries that overcome the expected level of pollution can choose between two options. They can either buy quotas from countries that cut their own level of emission, or buy credits to keep on polluting. Moreover, in EU countries, specific industries are being targeted directly to lower their huge amount of emissions. Mr Legrand stated that 20% of the worldwide population generates 46% of gas emissions.

Secondly, Mr. Rainer Dürth, standing for the German KfW Bankengruppe, detailed how emission trade works in the worldwide marketplace. He stressed that from an economic perspective CO<sub>2</sub> money looks like an efficient way to realize climate policy objectives. However, he also pointed out that the CO<sub>2</sub> market is imperfect in many ways. Due to the fact that six countries own 93% of its market shares, the problems of greenhouse gas emission are not being addressed on a worldwide level. Consequently, innovation processes sorely lack advancement. But besides the imperfection of the market, Dürth considers the overall carbon market, which has an annual growth of 90%, a chance rather than a threat.

Thirdly, Moustapha Kamal Gueye, the economist Affairs Officer for United Nations Environmental Program DTIE, detailed the lately multiple crisis which affected the Green Economy. For example, he stated that over 20 million jobs have been lost worldwide in last years and world hunger is increasing. Moreover, he addressed the fact that by 2030 the global

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energy demand will rise up by 45% as well and the global temperature by 6°C. Gueye stressed that green initiatives will increase the number of green jobs in the future, being a huge potential for the green economy. He strongly anticipated the importance of private-public partnerships to reach this.

Lastly, Michael, a student from EDHEC Lille Business School, presented a project of the EDHEC student association "La terre à L'an Vert". The purpose of it was to reduce household emissions in Cambodia. Therefore, new stoves were built helping to reduce the emissions and also to boost the local economy and technological progress.

The conference addressed the general topic from interestingly different perspectives, giving each participant a holistic picture of the market situation.