

Carbon Sequestration leadership forum

CSLF-P-2009-09
28 May 2009

www.csforum.org



POLICY GROUP

Proposed CSLF Task Force on CCS Incentives and Investments

Barbara N. McKee
Tel: +1 301 903 3820
Fax: +1 301 903 1591
CSLFSecretariat@hq.doe.gov



PROPOSED CSLF TASK FORCE ON CCS INCENTIVES AND INVESTMENTS

Note by the Secretariat

Background

A new CSLF Policy Group Task Force on CCS Incentives and Investments is being proposed by the Secretariat to replace the Task Force on Financial Issues. This new Task Force would have a broader mission than the Task Force on Financial Issues and would also engage the international financial community to foster their interest in all areas of CCS. The current Task Force on Financial Issues would be incorporated as a subgroup into this new Task Force.

Action Requested

The Policy Group is requested to consider the proposal for creation of a new Task Force on CCS Incentives and Investments.

Proposed CSLF Policy Group Task Force on CCS Incentives and Investments

The need to overcome barriers to private sector investment in CCS has long been recognized by the CSLF. The current Policy Group Task Force on Financial Issues is addressing those financing issues that relate to developing countries. Yet, barriers to financing exist, although somewhat differently, in both industrialized and developing countries.

One aspect of these barriers to CCS relates to a lack of financial incentives for CCS as a greenhouse gas abatement measure. The potential policy opportunities to create incentives for CCS investment in and to consider how a variety of these CCS financing and incentives may impact the successor to any proposed overall carbon reduction mechanism is especially important.

Another aspect relates commercial difficulties financing large-scale projects. These issues have been intensified by recent global financial problems.

The Secretariat believes that it is time to broaden the CSLF activities addressing financing of CCS projects. To that end, creation of a new CSLF Policy Group Task Force on Incentives and Investments is proposed. This Task Force would build on the work already accomplished by the existing Task Force on Financial Issues in Emerging Economies.

The Task Force on Incentives and Investment will also address several of the G8/IEA/CSLF recommendations, in particular, the top level recommendation “addressing the financial gap” and a number of the more detailed recommendations for Policy Makers.

This new Task Force would have the mission of identifying and evaluating policies that governments could promote to facilitate private sector development of and investment in CCS. It would also engage the international financial community to foster their interest in all areas of CCS, including capacity building and outreach as well as technology development and deployment. If approved by the Policy Group, it would work with the Asian Development Bank on its proposed collaborative project with the CSLF. The Task Force could provide the overall financial path forward and ultimately develop a CSLF Financial Roadmap.

It is envisioned that the current Task Force on Financial Issues would become a subgroup of the new Task Force, and would maintain its focus on specific issues related to CCS in emerging economy countries.