

Investments may make or break climate change

June 4 2014



WWF is calling for more investment in renewable energy and decrease investment in coal, oil and gas. Credit: Kevin Schafer / WWF-Canon

A new International Energy Association (IEA) report, released today, says that the current trend of energy investments falls well short of the amount needed to avoid dangerous global warming, and policies in place are insufficient to give guidance to investors to reduce their carbon exposure.

The report calls on governments and the private sector to start shifting investments from dirty fossil fuels into sustainable [energy](#), in the context of consistent policies needed to leverage financing for renewables and [energy efficiency](#).

Investments of about \$US 2 trillion annually by 2035, will be required for both energy efficiency and [clean energy](#). Currently, the world invests less than \$US 400 billion in clean energy while all fossil fuel investments have grown to around \$US 1.1 trillion in 2013. Fossil fuel subsidies account for another \$US 2 trillion.

The report comes on the back of recent announcements by China and Mexico who announced an increase in their short-term [renewable energy](#) targets to ambitious levels; and the news yesterday that the US has moved to legislate its dirty power sector towards a much cleaner pathway.

Dr. Stephan Singer, director of global energy policy for WWF International welcomed the release of the report, saying renewables must take the lion's and eventually the full share of the global energy supply market within the next few decades.

"A shift to renewable energy is more possible now than it was just five years ago. But time is very short. Large amounts of money are being invested in fossil energy now and those investments will be with us for the next 20 to 50 years. If those investments go to renewable energy, we can avoid dangerous climate change."

Samantha Smith, leader of WWF's Global Climate and Energy Initiative says investors must now follow the lead of governments and invest clean.

"Investors have said over and over again that governments must lead and they will follow. They've called for some certainty about our energy

future. That's happening, and now we would like to see investors walk the talk. The US and China, the world's two biggest emitters, are both taking concrete steps to cut coal and grow renewables, as are countries such as Mexico. Those steps should send a super powerful signal into the corporate and financial sectors – a signal that the investment outlook for dirty energy is worsening fast, and the future is bright for renewables and energy efficiency.

"This new approach from governments is not reflected in the IEA's report, so let us hope that next time around we will see a much stronger discussion about the clear path for investment in clean energy," says Smith.

Provided by WWF

Citation: Investments may make or break climate change (2014, June 4) retrieved 3 May 2024 from <https://phys.org/news/2014-06-investments-climate.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--