

**G-8 Finance Ministers' Statement on the Climate Investment Funds  
(The Clean Technology Fund and the Strategic Climate Fund)  
Osaka, Japan, June 14<sup>th</sup> 2008**

1. We, G-8 Finance Ministers, welcome and support the launch of the new Climate Investment Funds, including the Clean Technology Fund and the Strategic Climate Fund. We are committed to helping developing countries address climate change in a way consistent with the development needs of their people.
2. The Fourth Assessment Report of the Intergovernmental Panel on Climate Change found that warming of the climatic system is unequivocal, and that delay in reducing emissions significantly constrains opportunities to achieve lower stabilization levels and increases the risk of more severe climate change impacts, both in developed and developing countries. As developing countries strive to expand their economies and reduce poverty, their demand for energy will increase rapidly. G-8 Finance Ministers are convinced that urgent and concerted action is needed to help developing countries move towards a lower carbon growth path. We accept our responsibility to show leadership in tackling climate change.
3. Substantial investment will be needed to provide access to clean energy, adaptation and tackling deforestation. The main source of finance should be the private sector, driven by policies that harness market forces to minimize the costs of action and provide incentives for all stakeholders to use existing low-carbon technologies. Public resources are also essential to help developing countries in their efforts to catalyze investment to address climate change.
4. We particularly welcome the support and consensus among donors and recipient countries at the final design meeting for the Climate Investment Funds last month in Potsdam, Germany. That meeting prepared the way for formal creation of the funds by the World Bank Board of Directors next month.
5. Recognizing the need for urgent actions to tackle climate change in the short term, we support the launch of the Clean Technology Fund and the Strategic Climate Fund, including the Pilot Program for Climate Resilience and the Forest Investment Programme, which will be administered by the World Bank in close cooperation with the Multilateral Development Banks. These funds will be operated in a close coordination with existing bilateral and multilateral efforts, in particular the GEF and the Adaptation Fund.
6. The Clean Technology Fund will aim to slow the growth of emissions in developing countries by helping fund the incremental costs of transitioning to low carbon economies by deploying commercially available cleaner technologies instead of cheaper, dirtier alternatives. This funding will be used for investments in support of national development plans that include low-carbon objectives to help put developing countries on a cleaner development path.
7. The Strategic Climate Fund will help more vulnerable countries adapt their development programs to the impacts of climate change ensuring climate resilience and will take action to prevent deforestation. It will also enable discussions between donors and recipient countries about climate related investment and encourage support from a range of bilateral donors, private sector and civil society contributors.
8. The G-8 recognizes the UN climate process is the appropriate forum for the negotiations to reach an agreed outcome for the post-2012 period and we reaffirm our commitment to contribute to its successful conclusion, in which all major economies are effectively engaged, based on the Bali Action Plan. In this regard, the new Climate Investment Funds should not prejudice the UNFCCC negotiations and should be consistent with national mitigation plans proposed by developing countries. Climate Investment Funds will fill, as an interim measure, an immediate financial gap for urgent actions until a new financial architecture under the post-2012 regime is effective.
9. We call on others to support these and other multilateral funds, such as the GEF, that help developing countries address the dual challenges of economic growth and climate change.