



MINUTES
CSLF Financial Issues Task Force Meeting
Cape Town, South Africa
13 April 2008

Prepared by the CSLF Secretariat

LIST OF ATTENDEES

Australia:	John Hartwell, Martin Squire
European Commission:	Derek Taylor, Jeroen Schuppers
India:	Anil Razdan (Task Force Chairman), Alok Kumar, Laxman Prasad, Ishraq Ahmad, Sharad Anand
Kenya:	Onchi Maiko (Observer)
United Kingdom:	Rachel Crisp, Nick Otter
United States:	Raj Luhar
CSLF Secretariat:	Richard Lynch

MINUTES OF MEETING

1. Opening Remarks

The Task Force Chair, Secretary Anil Razdan of India's Ministry of Power, welcomed the meeting attendees to the second formal meeting of this Task Force. He also welcomed the assistance of the CSLF Secretariat. Chairman Razdan stated that the first formal meeting of the Task Force, in New Delhi in October 2007, was useful, frank and informative. One common thread from the meeting was that almost every participant felt that public financing in carbon capture and storage (CCS) research and development (R&D) was unavoidable in view of initial risks and uncertainties involved and the urgency being felt by the international community to develop such technologies. However, there was a wide range of ideas on how such investments might be structured, if and when they occur. The issue of intellectual property rights (IPR) to CCS technologies is very important, and may come down to two options: either the IPR or parts thereof can be acquired via international funding and be made available to developing countries at a concessional rate, or the R&D itself could be funded by public investment to directly acquire the IPR. Stating the viewpoint of India and other developing countries, Secretary Razdan stated that energy equity in global energy use must be recognized and that per capita emissions are a fundamental parameter to this concept. Developing countries can barely meet the cost of existing technologies, so the differential installation cost of new technologies must be met by the developed countries. One way of reducing the cost of these technologies is to set up manufacturing base of equipments based on these

technologies in developing countries. Secretary Razdan concluded his remarks by proposing that the Task Force discuss options for mobilizing the support of the international community for making such technologies available to developing countries at affordable prices.

2. Approval of Minutes from New Delhi Meeting

The Minutes from the New Delhi meeting were approved with minor changes. A finalized version is now available at the CSLF website:

<http://www.cslforum.org/taskforces.htm>

3. Review of Action Items from New Delhi Meeting

There were four action items that resulted from the New Delhi meeting:

- United States (lead) and Australia: Develop a current listing of existing funds and other mechanisms that could be approached to support CCS R&D and demonstrations in developing countries.

Status: This has been completed. The information is contained within two reports, “The Multilateral Development Banks and the Climate Change Agenda” (see below) and the “Stern Review Report on the Economics of Climate Change” which is available at the United Kingdom’s Treasury website: http://www.hm-treasury.gov.uk/independent_reviews/

- United States: Provide details to Task Force members on the proposed Clean Energy Technology Fund.

Status: The United States, in conjunction with other economies, is still developing a plan for this proposed fund. Details will be provided to Task Force members when they are available.

- Asian Development Bank: Provide a copy of, or reference to, the Richard Stern report to the United States delegation.

Status: This has been completed. A copy of the report, titled “The Multilateral Development Banks and the Climate Change Agenda”, was included in the briefing book for the Task Force meeting.

- All Task Force Members: Provide comments on proposed conclusions from Task Force meeting, as offered by India.

1. Collaborative research and development is essential.
2. It will require public funding in part if not in full.

Status: No comments had been received prior to the Task Force meeting.

There was much ensuing discussion concerning the last action item. The European Commission agreed with the first proposed conclusion that collaborative research is essential. However, it did not agree with the second proposed conclusion as stated, as it would be necessary to first get private companies to commit. In general, public funding will be required at least “in part” but definitely not “in full”. Australia, the United Kingdom, and the United States all agreed with the European Commission’s position, while India reiterated the developing countries perspective.

4. Development and Prioritization of Task Force Goals and Objectives

There was a fundamental difference of opinion among Task Force members in this area. India proposed exploring the possibilities of utilization/fixation of carbon dioxide instead of storage in geological formations, as, in its opinion, “safe storage” is yet to be proven. India also stated its opinion that geological storage has issues in densely populated countries and also where the geological formations are not suitable for large scale storage of carbon dioxide. However, the European Commission disagreed, stating that it would never be possible to utilize any significant fraction of carbon dioxide produced, and the only reasonable option is to store it. Australia, the United Kingdom, and the United States also supported the European Commission position. India noted that it would like to stay involved with the developments in carbon dioxide storage but would like to see the success of long term storage in other countries prior to its adoption of permanent geologic storage. The Chair proposed that this issue needs to be further deliberated by the Task Force.

5. Discussion of Next Steps

There was consensus that the Task Force should open lines of communication with various multilateral financial institutions in order to find out about any clean energy technology funds that may exist. These discussions would also clarify the available financial assistance for international cooperation, restrictions (if any) regarding choice of technology and the nature of assistance (i.e., grants and loans). The Task Force should encourage these institutions to support CCS, as it is possible that many of them could very well decide to do so. To that end, India will host the next meeting of this Task Force, in New Delhi in September 2008. The World Bank and other multinational financial institutions will be invited to attend. The United States and the European Commission will assist in trying to secure the attendance of representatives from these financial institutions.

Members of the Task Force were asked to come up with some specific ideas and proposals for the Task Force to consider. These should be sent to the Secretariat, which will distribute them to all Task Force members.

India has proposed that the Task Force, in its next meeting, also discuss the possible structure for the suggested international fund for supporting research and development in CCS technologies and discuss further the issue regarding storage or fixation/utilization of carbon dioxide. India has also stated that it welcomes the bilateral initiatives proposing to involve the developing countries in research and development for CCS technologies.

ACTION ITEMS ARISING FROM TASK FORCE MEETING

Item	Lead	Action
1	India	Set date and arrange for venue for next Task Force meeting, in New Delhi, and communicate this information to Secretariat.
2	CSLF Secretariat	Inform all Task Force members about details for the next Task Force meeting, once they are available.
3	United States and European Commission	Assist in trying to secure attendance of multinational financial institutions for the next Task Force meeting, in New Delhi.
4	All Task Force members	Formulate ideas and proposals for Task Force to consider and send them to CSLF Secretariat.
5	CSLF Secretariat	Distribute ideas and proposals for Task Force to all Task Force members.