

Major Economies Business Forum

on Energy Security and Climate Change



Confederation of Indian Industry
Since 1895



Major Economies Business Forum: Perspectives on Technology

Key Messages

- The commercial adoption of cost-effective low-emitting technologies will be one of the most important factors in reducing greenhouse gas emissions, especially over the longer term.
- Commercial transactions in technology development and adoption, including those implemented with international support or through offset programs, are critically important in accelerating technology diffusion. International climate-related technology activities should complement and reinforce this role.
- Enabling frameworks for wider commercial use of clean technologies, including recognition of intellectual property rights, are a necessary prerequisite to technology development and commerce.
- The operating environment for technology is often overlooked. Technology activities should extend to enabling frameworks, building infrastructure and efficient energy systems, training, and capacity building.
- The activities of the proposed Technology Executive Committee and the Climate Technology Centre and Network should be technology neutral.
- Governments should take note of the experience of the Asia-Pacific Partnership, which has a strong private-sector component.
- An overly bureaucratic Technology Mechanism may not attract private sector participation

Major Economies Business Forum: Perspectives on Low-Carbon Pathways

Key Messages

- Low carbon pathways can guide better national policies and build greater international confidence – but only if they are well prepared, open to consultation and review, and published with supporting information.
- The plan itself is less important than the process. Pathways need to be part of a flexible and ongoing process embodying means to achieve continuous improvement to remain relevant—unexpected advances in technology or changes in the global economy and international policy can change the game.
- Governments should report progress and update pathways based on domestic and international experience and achievements. Objective progress reports should be published frequently, perhaps annually, and pathways updated periodically, for example, every four years.
- Consultation is key. It is business that will be making investments and adjusting to different market circumstances at various stages along the low-carbon pathway. Therefore, business must be closely involved in charting the course.
- A guide, not a law. Binding commitments and legislation have their place, but low-carbon pathways should be statements of current policy and intent backed by an implementation plan, not rigid national prescriptions.

Major Economies Business Forum: Perspectives on the Role of Markets

Key Messages

- Business sees markets as a critical tool to promote efficient allocation of resources. Carbon markets form a part of the much larger and wider flow of international investments in low-carbon infrastructure and technology development.
- A new international framework must be flexible enough to allow for diverse domestic market-based and other policy measures to address climate change, so that each country can pursue and learn from different strategies.
- Governments that pursue carbon markets as a mitigation option should consider establishing direct and indirect linkages among different markets as a way to improve efficiency and volume.

- The Clean Development Mechanism (CDM) must be greatly improved in operation and scope if it is to maintain the confidence of the business community and provide the growing volumes of finance that developed and developing countries in the CDM need.
- Approved offsets under the CDM or any new mechanisms should be technology neutral—leaving the market to pick technologies.
- Sectoral mechanisms, if structured properly, could potentially represent a promising way to promote mitigation financing, but procedures must provide incentives directly to those businesses that invest and make an effort, not just to sectors.
- More clarity is needed on how Nationally Appropriate Mitigation Actions will interact with current markets, other mechanisms, and, should it be pursued, sectoral crediting.
- Governments should vigorously seek free trade in clean energy goods and services.

Major Economies Business Forum: Perspectives on Measuring, Reporting, and Verification

Key Messages

- Proposed policies and actions, especially those aimed to mitigate greenhouse gas emissions and promote technology development and deployment, are likely to have important implications for national and international economies, growth, jobs, competitiveness, and economic development, as well as for the environment.
- Business supports the idea that governments should measure, report and verify, in a transparent way, their efforts to implement climate policies, and that reports should be subject to some form of review.
- Measuring, reporting, and verification (MRV) have been interpreted in various ways. Current negotiations in the Ad Hoc Working Group on Long-Term Cooperative Action focus on MRV as a tool for transparency, not enforcement.
- To minimize waste and duplication, countries should take advantage wherever possible of existing MRV methodologies and practices developed and in use by business and national governments. However, new policy proposals, *e.g.* Nationally Appropriate Mitigation Actions, may require development of new methodologies.
- MRV should be acceptable to developed, emerging and developing countries.
- MRV should not be used as a tool to restrict international trade.
- Business has much experience to draw on and is ready to assist.

Australian Chamber of Commerce and Industry
Australian Industry Group
BUSINESSEUROPE
BusinessNZ
Canadian Council of Chief Executives
Confederation of British Industry
Confederation of Indian Industry
Dansk Industri
Confindustria
Federation of German Industries – BDI
Iniciativa para el Desarrollo Ambiental y Sustentable – IDEAS (Mexico)
Korea Chamber of Commerce & Industry
Mouvement des Entreprises de France
Nippon Keidanren (Japan Business Federation)
Turkish Industry and Business Association (TUSIAD)
US Chamber of Commerce, Institute for 21st Century Energy
US Council for International Business

About BizMEF

The Major Economies Business Forum on Energy Security and Climate Change (BizMEF) is a partnership of major multi-sectoral business organizations from major economies. Modeled after the government-to-government Major Economies Forum, BizMEF is a platform for these groups to:

- promote dialogue and exchange views on climate change and energy security across a broad spectrum of business interests including major developed, emerging, and developing economies;
- highlight areas of agreement among participating organizations on the most important issues for business in international climate change policy forums; and
- share these views with governments, international bodies, other business organizations, the press, and the public.

Organizations that have participated in BizMEF meetings represent business groups in Australia, Brazil, Canada, China, the European Union, Denmark, France, Germany, India, Italy, Japan, Kenya, Mexico, the United Kingdom, and the United States. Collectively, BizMEF organizations represent more than 25 million businesses of every size and sector. Because BizMEF partnering organizations represent a broad range of companies and industries—including energy producing and consuming companies as well as energy technology and service providers—the partnership is able to provide robust and balanced views on a range of issues.

For more information on BizMEF, please visit our website at: www.majoreconomiesbusinessforum.org.