

Major Economies Business Forum

on Energy Security and Climate Change




Major Economies Business Forum: Enhancing Business Role in UNFCCC—A Post 2020 Vision

KEY MESSAGES

The Major Economies Business Forum favours establishing specific and distinct business interfaces to new UNFCCC mechanisms in the near term and evolving toward single business channel based on the model of the OECD's Business and Industry Advisory Committee (BIAC) as part of the post 2020 agreement parties will attempt to conclude by 2015.

In our view, such an arrangement will support and respect the inter-governmental and party-driven nature of UNFCCC, and will strengthen its successful implementation across all 4 pillars: mitigation, adaptation, technology and finance.

- Business involvement is referenced in the Bali Action Plan and in Cancun and Durban decisions, particularly with regard to emerging post-Durban institutions such as the Green Climate Fund, Technology Mechanism, Adaptation Committee and elsewhere.

- In addition to the “institution-by-institution” interfaces, business engagement is imperative at the international UNFCCC-wide level on policy formulation, process, and implementation levels. Existing national business consultation will continue to be critically important, but a broader, global business consultation can supply or address the impacts and realities of global market, economic and supply/value chain connections and global deployment/investment.
- Whether at the institutional level, or across the UNFCCC, business input should be designated by business itself, representing all sectors and nationalities, on a voluntary basis.
- Business engagement should be brought in at every step of the process in a meaningful and active way: in developing agendas and setting terms of discussion; in offering submissions and commenting on papers; and in discussions.
- Arrangements for business interfaces to the UNFCCC bodies should be:
 - recognized and of value to governments and the Secretariat;
 - based on clear transparent governance, managed by business, to be flexible to and mirror the UNFCCC framework and priorities; and
 - provide technical and practical expertise, and reflect consensus when possible, but also express a range of views, relating to every aspect of UNFCCC, mitigation, adaptation, finance and technology.

BACKGROUND

The U.N. Framework Convention on Climate Change has a long and evolving history of openness to observer organizations, including those from business and industry. Indeed, the form and modalities of those arrangements have evolved with the Convention itself, and reflect the growing trend and broader context toward transparency and engagement of non-governmental actors in multilateral discussions, notably those relating to sustainable development.

This perennial discussion of enhancing business involvement also reflects the clear recognition and commitment of business itself to provide cost-effective and practical solutions to the linked challenges of energy security and climate change.

In 1994, the Government of New Zealand proposed consideration of a mechanism that would have allowed a closer dialogue between UNFCCC and business. While no consensus was reached in SBSTA discussions of this over a two year period, and the initiative was dropped, it foreshadowed the

growing need to engage the technology, knowhow and financial resources of the private sector in global cooperative climate action.

More recently, the Mexican and South African governments have placed a strong emphasis on improved involvement by business and other non-governmental actors. Other UNFCCC efforts to consider and invite more substantive involvement of business include:

- Discussions within the SBSTA Experts Group on Technology Transfer – EGTT held informal dialogues with business at its final meetings; and
- the “Mexican” Dialogues, a public private sector initiative hosted by the Government of Mexico in the run-up to Cancun and continued by South Africa.

The Subsidiary Body for Implementation (SBI) considered enhancing the engagement of observer organizations as part of its agenda item on “Arrangements for International Meetings.” Among decisions reached, the UNFCCC will include High Level Roundtables with non-governmental and business participants in future COPs.

Business Interface with Emerging Institutions in UNFCCC

Center for Technology Cooperation and Network (CTCN): The U.N. Environment Programme (UNEP) and consortium will host the CTCN. As the hosting arrangements are finalized, we encourage UNEP to develop “user friendly” and self-designated links with national, regional and

international business groups with expertise.

The UNFCCC Green Climate Fund (GCF):

- **GCF Executive Board:** The UNFCCC Executive Board has held its first meeting, with the involvement of “Active Observers.” Business organizations attending that meeting, including BizMEF, encouraged the GCF to provide a clear mandate to those observers to be “active” with “recognized” input opportunities. Moreover, business recommended that such observers should be designated by business to fill those slots with individuals with appropriate expertise, depending on the issues under consideration.
- **GCF Private Sector Facility:** The GCF Private Sector Facility will need to define its objectives and structure, as a critical starting point for considering how to design business entry points and interfaces.

EXAMPLES OF RECOGNIZED BUSINESS INTERFACES IN INTERGOVERNMENTAL DISCUSSIONS

As Parties consider the benefits and modalities for substantive business engagement, they should bear in mind several examples of ongoing successful and mutually beneficial business consultative relations with inter-governmental bodies. These include:

1. **The International Labor Organization (ILO):** ILO features a tripartite

structure, which includes governments, trade unions and employers. Employers participate through the International Organization of Employers, which maintains national offices in over 100 countries, including many developing countries, and involving numerous SMEs.

2. **The Organization for Economic Cooperation and Development (OECD):** OECD established two recognized consultative bodies for trade unions and business (BIAC), organized on the basis of national offices/affiliates in the OECD member states.
3. **Asia Pacific Economic Cooperation (APEC) group** – This multi-disciplinary inter-governmental regional body includes a parallel business organization (APEC Business Advisory Council) that works closely with government to provide technical and policy advice.
4. **Asia Pacific Partnership (APP)** –APP, an international public-private sectoral partnership, brought together business and government entities to advance projects that improved efficiency and provided investment opportunities in more climate-friendly manufacturing. Three APP working groups have now been moved into the new Global Superior Energy Performance Partnership.
5. **Strategic Approach to International Chemicals Management (SAICM)** – Business organizations participate in this non-negotiating forum on

international chemicals policy with governments and other stakeholder interests for collaborative action.

These established arrangements provide working models that could be considered in designing similar arrangements for business vis-à-vis the UNFCCC.

BUILDING A BUSINESS CHANNEL TO THE UNFCCC: PART OF THE POST 2020 VISION

BizMEF strongly believes that a recognized channel for business and industry is an indispensable element of the post-2020 framework to be developed by UNFCCC Parties. It will take all sectors of society to address the risks of climate change, and business will continue to play a central role in technology innovation and deployment, investment, and job creation. At Doha and beyond, the UNFCCC has a significant opportunity to tap into the international private sector's unique operational expertise and understanding of various types of policy mechanisms, and its technological, investment, and management expertise.

In our view, this channel would be organized on the "BIAC-model," through national affiliate offices or contact points in every UNFCCC Party, self-organized and funded by the business community itself. It would provide a central contact point for all UNFCCC institutions, and function as a source of technical input and responsible business views from the international business community. It would complement established informal and formal dialogues and interactions between business, governments, and the UNFCCC.

In our view, this proposal provides a flexible, durable and informed resource in line with the new post-2020 framework Parties will develop, beginning in Doha. We look forward to discussing this proposal

further in Doha, and in taking concrete steps to lay the foundations for such a substantive and cooperative relation in the GCF, CTC&N, and other Durban bodies.

Business Institute for Sustainable Development (Korea)
BusinessEurope
BusinessNZ
Canadian Council of Chief Executives
China New Energy Chamber of Commerce
Confederation of British Industry
Confederation of Indian Industry
Confederazione Generale dell' Industria Italiana
Dansk Industri
Federation of German Industries – BDI
Iniciativa para el Desarrollo Ambiental y Sustentable — IDEAS (Mexico)
Mouvement des Entreprises de France
National Confederation of Industry (CNI) (Brazil)
Nippon Keidanren (Japan Business Federation)
Turkish Industry and Business Association (TUSIAD)
U.S. Chamber of Commerce, Institute for 21st Century Energy
U.S. 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,

Mexico, New Zealand, South Africa, South Korea, Turkey, 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.