

# Major Economies Business Forum

on Energy Security and Climate Change

[www.majoreconomiesbusinessforum.org](http://www.majoreconomiesbusinessforum.org)



## Major Economies Business Forum: Perspectives on the Upcoming UN Framework Convention on Climate Change COP-18/CMP-8 Meetings in Doha, Qatar

### BACKGROUND

The Major Economies Business Forum on Energy Security and Climate Change (BizMEF) is comprised of national cross-sectoral business organizations representing millions of companies on five continents. BizMEF has participated in and shared our views at meetings of the United Nations Framework Convention Climate Change (UNFCCC) since COP-15 in Copenhagen in 2009.

BizMEF companies regard COP18 as an opportunity to lay the foundation for a comprehensive and long term post-2020 agreement that substantively engages business expertise and investment to address climate change risks and contribute

to sustainable development. As governments prepare for the Doha meeting, BizMEF will develop and communicate recommendations that bring forward and activate private sector expertise and experience, recognize business realities, and contribute to meaningful international action on climate change.

Lingering economic challenges stemming from the global financial crisis emphasize the importance of acting with prudence, and identifying priorities for cost-effective agreements that best marshal limited resources. Agreements should work to promote economic growth and pave the way for practical actions that reduce the risk of climate change both by mitigating

emissions and by enhancing capacity to adapt. Business has the experience, skills, and capabilities to contribute to these efforts, the full benefits of which can only be realised in well-designed policy and market frameworks that encourage innovation and contribute to energy security.

## **GOALS FOR COP-18**

BizMEF continues to support work on a comprehensive post 2012 framework to mitigate and adapt to climate change that includes all major economies, drives innovation and investment for economic growth and energy security, and provides a framework that engages the resources and commitment of business across all sectors to the fullest extent. Our organizations have a strong interest to ensure that a new arrangement promotes economic development and competitive business communities and works in open globalized markets..

We support work towards outcomes in Doha that provide more clarity on the international climate regime under existing frameworks and the emerging, comprehensive agreement post 2020. BizMEF hopes that the Ad Hoc Working Group on the Kyoto Protocol (AWG-KP) will finish its work so that CMP-18 can settle the outstanding issues concerning a second Kyoto commitment period, which could contribute to a more predictable business environment.

We hope also that the complex issues under discussion in the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) and the Ad Hoc Working Group on the Durban Platform for

Enhanced Action (ADP) can be addressed through a more streamlined, efficient, and transparent work plan going forward. It is our hope that Parties are able to draw to a close the AWG-KP and AWG-LCA and create a single negotiating track under the ADP, which is needed to develop a comprehensive climate agreement.

Over the years, BizMEF has developed an extensive set of issue papers covering technology, finance, offsets, trade and competitiveness, and measuring, reporting, and verification, that remain pertinent to discussions at COP-18 (see the list at the end of this paper). In addition, we are developing some new papers outlining international business's views on other issues of relevance.

## **ENHANCING BUSINESS ENGAGEMENT WITH UNFCCC**

Business participation is essential for success in the elaboration of priority areas and effective approaches for adaptation, mitigation, technology, and finance. Responding to climate change is going to require decades of effort, so it is important to engage business in discussions to establish an effective framework for immediate and longer term action—one that is flexible and allows business to create and commercialize innovative new products, processes, and services to reduce climate risks now and in coming decades.

We hope that governments recognize the value business engagement brings to the climate process. We have developed a [proposal](#) to allow the international process to take greater advantage of the technical expertise and responsible perspectives

business can provide. In our view, business can contribute most effectively through a recognized, direct and ongoing channel that the UNFCCC, its emerging institutions, and Parties to the international process may use to solicit input from the international business community. Our proposal calls for business to organize and run a transparent interface to the UNFCCC that can reach out across sectors and nations to the broader business community. Similar set-ups have existed for many years in other intergovernmental institutions and have been shown to work very effectively.

## **ADAPTATION**

While adaptation will not eliminate all risks from climate change impacts, it will make an important contribution to limiting risks in many areas. Enhancing long-term adaptive capacity in some areas can also provide benefits today by limiting impacts of existing natural climate variability, storms, drought, disease and other natural impacts. Consequently, some steps may result in economic or cost-effective approaches that deliver beneficial near-term results while also improving long-term resilience.

In general, enhancing adaptive capacity will require analysis, setting priorities, planning, and action at all levels of government and requires participation by local communities and business. Adaptation should take advantage of and enhance local skills, build sustainable infrastructure, and ecosystems. Many developing nations will require financial aid and assistance for these activities.

While some actions require investment in hardware and infrastructure, building

adequate adaptive capacity also requires using public-private partnerships to identify priorities and opportunities. Here business has much practical experience to offer. For example, in the developed world business routinely partners with local, regional, and national governments in areas such as emergency preparedness and disaster response, to address impacts of extreme events like earthquakes or hurricanes, and health issues. In many cases, the key to success lies in effective management systems to acquire and deliver information, communications, and action.

## **IMPORTANCE OF PREDICTABLE REGULATORY ENVIRONMENTS**

At the end of its September 2009 meeting in Washington, BizMEF noted that “The energy supply sectors in many of our countries also suffer from extensive and lengthy regulations that delay new energy projects. We urge our national governments to streamline siting, permitting, and other regulatory requirements so that needed energy infrastructure can move forward with greater predictability.” Nothing has happened in the intervening years to alter this assessment.

As countries move to modernize energy infrastructure and systems, delays caused by broken regulatory systems and “Not in my backyard” sentiment continue to delay and in some cases stop entirely energy projects of all types from going forward. Delays resulting from regulatory unpredictability can impact international progress in a number of ways and stifle the diffusion of new technologies.

Business does not expect absolute

certainty. In an issue as long-term and complex as climate change this may not be realistic or even desirable, as governments and business must be able to respond to new information and experience. Nevertheless, businesses everywhere have an interest in efficient, fair, and predictable regulatory and permitting schemes that protect the environment, ensure robust public input, and are part of a durable commitment from government.

More specifically, global markets and multilateral trade systems are important vehicles for the deployment of business contributions of technology and investment. These systems function best with enabling frameworks that include: rule of law; honoring contracts; just and impartial judicial systems; stable fiscal and policy regimes; free and open markets; and protection of intellectual property (IP). IP

rights in particular are a necessary foundation for technology research, development, and commercial adoption. This can best be achieved through existing national and international systems already established for this purpose. Innovation and global deployment of cost-effective and efficient low-emission technologies are essential to achieve global climate change goals as well as to maintain the competitiveness of companies and the necessary incentives for investment, growth, and employment.

In an upcoming issue paper for Doha, BizMEF will explore these issues and highlight the characteristics of stable regulatory frameworks, their importance in achieving national and international goals, and their relevance to the work of the Technology Executive Committee.

Business Institute for Sustainable Development (Korea)  
BusinessEurope  
BusinessNZ  
Canadian Council of Chief Executives  
Confederation of British Industry  
Confindustria  
Dansk Industri  
Federation of German Industries – BDI  
Iniciativa para el Desarrollo Ambiental y Sostenible — IDEAS (Mexico)  
Mouvement des Entreprises de France  
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](http://www.majoreconomiesbusinessforum.org).