



Confederation of Danish Industry



CANADIAN COUNCIL OF CHIEF EXECUTIVES



CONSEIL CANADIEN DES CHEFS D'ENTREPRISE



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# MAJOR ECONOMIES BUSINESS FORUM

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THE MAJOR ECONOMIES BUSINESS FORUM URGES NEGOTIATORS TO COMMIT TO A CLEAR AND PREDICTABLE STRATEGY THAT ENABLES BUSINESS SOLUTIONS

The Major Economies Business Forum (MEBF) met on the 15th of December in Copenhagen to take stock on the ongoing COP15 negotiations and to communicate our views on how the Major Economies Forum (MEF) process can complement the UNFCCC process, and identify priorities for the MEBF in both regards.

In our view, the post 2012 UNFCCC agreement should provide a clear framework for international co-operative action in the areas of mitigation, adaptation, technology, and finance. It should be consistent with the scientific understanding of the risks of climate change and based on a long-term shared vision that respects the principle of common but differentiated responsibilities and respective capabilities among all countries.

We support continued elaboration of a 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 our business community to the fullest extent. Our organizations have a strong interest in ensuring that a new agreement promotes economic development, competitive business communities, and a level playing field for industry.

We are optimistic that the agreement reached in Copenhagen can set the stage for progress on these fronts. The role of business is key to success both in a prompt start to action, and in the further elaboration of priority areas to be developed: adaptation, mitigation, technology and finance. The response to climate change will require decades of effort, so it is important to lay a careful framework for immediate and long term action: one that is flexible and allows business to maximize our long-term contribution.

The MEBF agreed that it is vital to restore the health of our economy to allow business to scale up innovation and production of more cost-effective, practical sustainable solutions. Therefore, the ongoing climate change deliberations should further define and commit to clear and predictable objectives and cooperative actions as soon as possible within the enabling contexts of global markets, trade and investment. The MEF should continue its focus on MRV, technology and public private partnerships as priorities where the Major Economy (ME) countries can add value to the broader international process. We agreed to continue our dialogue as the post-2012 process unfolds, to further elaborate recommendations on the following priority issues and share them with MEF member countries and the UNFCCC.

- Open markets and trade are indispensable to cost-effective solutions in the post 2012 frameworks. Regulatory frameworks and flexible mechanisms will have to interface efficiently to optimise resources and promote appropriate business and consumer incentives. In particular, the CDM should be enhanced and simplified for broader private sector utilization. While a global greenhouse gas market will not appear in the short run, regional markets should be simplified and improved to facilitate expansion and linking, where they are employed. Addressing potential transitions involving existing and emerging mechanisms will be necessary, maintaining clear and common rules and transparency.
- The vast majority of commercial transactions and investment occur through established market channels outside of the UNFCCC. As both carbon obligations and greenhouse markets grow, the enabling frameworks that support private sector investment and innovation are key to success, and synergies between

commercial transactions and greenhouse markets should be identified and strengthened.

- Financial flows from both public and private sector sources should be scaled up and leveraged as efficiently as possible. In many cases, the most effective use of public finance will be to enable action by the private sector and to lower some of the risks associated with these activities. Transparency, simplicity, predictability and strong and accountable institutions are needed to optimize private funding and public funding. This principle applies to approaches at the national, regional and international level.
- Stimulating research, innovation, investment and deployment of existing and advanced technology, with a strong focus on energy efficiency, on the necessary scale for both mitigation and adaptation is a challenge in which the public and private sectors must partner. Technology transfer mechanisms should work in harmony with business-to-business transactions, and not add layers of bureaucracy. We welcome the initiative to hold a Clean Energy Ministerial for MEF and other countries in Washington, DC next year and hope to take part.
- The protection of intellectual property rights is necessary to encourage business to engage in technology partnerships and invest in research, development and deployment of the broad range of technologies that are needed on all fronts. Weakening IPR protection would threaten the incentives businesses have to invest in creating and bringing new technologies to market
- Building national capacity in all nations will be essential to innovate and deploy advanced technologies, for example through the creation of appropriate regulatory frameworks, development of public infrastructure, and education of a new generation of scientists and engineers. Regional centers can play a very important role in this regard, promoting two-way communications, as can partnerships like the Asia Pacific Partnership (APP). Business is ready to help define and participate in such new collaborative approaches
- The effectiveness of the post 2012 agreement and its implementation by Major Economies depends on robust monitoring, reporting and verification of the progress of mitigation strategies and financial plans. Business, based on its long experience with greenhouse gas and financial reporting stands ready to help define and implement the appropriate tools.