

The business contribution to a new climate agreement

(Official Side event)

Friday 5 December 2008

13:00 – 15:00

Swan Room (please check daily program)

Discussions in this official event will focus on the business contribution to a new climate agreement and how the different elements of the Bali Action Plan interact within sectoral approaches, particularly for technology and markets.

Many questions remain unanswered around these elements: How can technology transfer to developing countries be increased? How can market mechanisms be enhanced to facilitate investment in low-carbon technologies? What incentives will there be for developing countries to join a sectoral approach?

Panelists

- Matthew Bateson, WBCSD
- Marty McBroom, AEP
- Russell Mills, Dow Chemical
- David Hone, Shell
- Ajay Mathur, India
- Ji Zou, China (to be confirmed)
- Murray Ward, New Zealand

Moderator

- George Weyerhaeuser, WBCSD

Lunch will be provided



The business contribution to a new climate agreement

Business wants to be able to leave Poznań knowing that there has been progress and that negotiations are on track to reach a post-2012 framework agreement with the necessary enabling elements for business to invest in low-carbon technologies with confidence. The Copenhagen agreements will have a major impact on future business strategies.

A quantifiable global emissions pathway with interim targets is essential for businesses because of their long-term investment horizons. These targets will contribute putting a price on carbon reductions and stimulating the development and deployment of low-carbon technologies. A global carbon market is a useful tool to enhance investments in GHG-intensive technologies and change consumer behavior, but it does not promote the development of low-carbon technologies to address climate change with the urgency that is required. Technology policies will need to play a major role in climate change agreements.

The new agreement will need to encourage energy efficiency, foster the development, demonstration and deployment of low-carbon technologies, and develop and expand the carbon market, which will encourage future energy investments. Well-designed sectoral approaches can provide a framework to achieve these objectives.

The WBCSD has worked through its sector projects for years to analyze sector-specific climate change and sustainable

development challenges, find solutions through business actions, and propose policy measures to enhance business' contribution. Business welcomes the innovative thinking reflected in the introduction of the concept of "cooperative sectoral approaches and sector-specific action" in the Bali Action Plan. This has broadened nationally focused thinking that has dominated climate policy discussion by introducing the notion of internationally coordinated policy that includes the economic and commercial sector. This may help deliver a more manageable approach to addressing the challenge of climate change.

Within the WBCSD, the idea of international sector approaches was introduced in Policy Directions to 2050 as one potential element of a post-2012 international framework. This proposed a mechanism through which developing countries could progressively tackle their economy sector-by-sector to build national mitigation actions. Nations contribute from a bottom-up sector perspective by including appropriate sectors at the national level to support their international goals.

The concept could also address a number of other issues under the existing climate change regime, such as enhanced technology development and deployment, competitiveness concerns and carbon leakage.

We are at a pivotal point between Bali and Copenhagen. This is the right time to propose innovative business approaches and share them with negotiators. It is also a good moment for negotiators to share their views and concerns on a future agreement. It is time to be constructive. There is no time to lose.



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Sustainable Development