



Global Cooperation for Workable Climate Policy

COP-11/MOP-1 Side Event
December 7, 2005

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Business Perspectives on Climate Change Policy Process

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International Climate Change Partnership

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Climate Policy Debate Not That Old Considering...

- **Hard tasks take time**
- **Modern environmental policy regime only started in late 1960s**
- **13 yrs between Clean Air Act Amendments**
- **15 yrs since last amendment**
- **Leaded gasoline phase-out proposed in U.S. – 1972, adopted in EU – 2000**



Progress is Relative

- **UNFCCC – 1992**
- **Kyoto Protocol – 1997**
- **Kyoto EIF and first MOP – 2005**
- **Kyoto first budget period – 2008**
- **Beyond Kyoto - 2012**



Business Community – Cautious Approach

- **Engaged in Policy Discussion**
- **Remain Educated**
- **Responsible for Kyoto outline**

If mandatory target → Kyoto contains much of what was requested

- **Devil is in the details**



Policy Community

- **General consensus on issue's importance**
- **Mixed signals on policy approach**
- **Conflicting signals on near term action, particularly mandatory vs. voluntary approach**
- **Few signals on long term objective**
- **Little public education**



Rise of Market Mechanisms

- **Dramatic shift in focus on market-based approaches**
- **Introduction of European trading system**
- **Implementation of Kyoto mechanisms**
- **Success of mechanisms critical to future steps**



Action in U.S.

- **Merger of policy developments with key political shifts**
- **Shifting political fortunes in Congress**
 - House – limited progress
 - Senate much more advanced, focused
- **Administration course unlikely to change**
 - Technology development and deployment
 - Voluntary private sector initiatives
 - Multi-lateral/Bi-lateral targeted programs
- **State level activities key**
 - RGGI
 - California Program
 - CA, OR, WA cooperation
 - Other States joining on



Private Sector Focus Growing

- **Actively engaged in policy development and implementation**
- **Assessing “exposure” to business**
 - **Business operations**
 - **Product planning and development**
 - **Identification of future opportunities/risks**
- **Significant emission reductions achieved, but not economy-wide**



Multi-Nationals Exist in Divided Policy World

- **Proof of market mechanisms efficacy**
- **Rational policy approaches**
- **Promote sustainable economic development**



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Achievement of Longer Term Objective Still Requires Identification and Consensus

- **Not necessarily a negotiated item**
- **Allow for market adjustment**
- **Avoid short-term policy pitfalls**



Effective Global Climate Policy Requires

- **Better consensus on long term objective**
- **Policy process that includes all major emitters – developed and developing economies; key industrial sectors**
- **Better education of public on climate protection role and responsibilities**
- **Reliance on suite of initiatives – voluntary and mandatory – to achieve reductions in atmospheric loadings**
- **Support for technology evolution in near term and revolution in long term**
- **Commitment to market-based, cost effective approaches**



International Climate Change Partnership

- **Organized in 1991**
- **The ICCP Mission Statement:**
 - **The International Climate Change Partnership (ICCP) is a global coalition of companies and trade associations from diverse industries committed to constructive and responsible participation in the international policy process concerning global climate change. The ICCP recognizes that the continued growth in emissions of greenhouse gases is an important concern for all nations and that efforts are underway internationally and in national governments to develop policies that address this concern**
- **ICCP Core Beliefs:**
 - **Climate change is an important global environmental issue that requires participation of all nations developed and developing.**
 - **International efforts must be guided by sound and credible scientific information and supported by a credible technology and economic assessment process.**
 - **Climate change issues are most effectively addressed at the global level.**
 - **Parties to the Framework Convention on Climate Change must balance environmental concerns associated with greenhouse gas emissions with the need to promote the continued economic growth necessary for the benefit of all nations.**
 - **Climate change policies should be comprehensive and market-based and should not single out or disadvantage specific industries**



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ICCP 2005 Membership List

- 3M Company
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- BP
- Carrier
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- European Chemical Industry Council (CEFIC) - European Fluorocarbon Technical Committee (EFCTC) Sector
- General Electric
- General Motors
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