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BUSINESSEUROPE'S EXPECTATIONS FOR THE INTERNATIONAL CLIMATE CONFERENCE IN DURBAN

KEY MESSAGES

- 1** BUSINESSEUROPE calls for the COP 17 in Durban to adopt a clear and binding roadmap to reach a comprehensive international climate change agreement in the near future.
- 2** BUSINESSEUROPE supports the EU's conditional offer to increase the EU 20% emission reduction target if other major industrialised countries commit to comparable reductions.
- 3** BUSINESSEUROPE advocates for effectively linking the Green Technology Fund with the new Technology Mechanism to promote technology deployment and trigger further emission reductions globally.

European companies support action to combat climate change and are committed to taking their share of responsibility by reducing emissions, by investing in modern and innovative technologies and by delivering products helping customers to reduce emissions. For this reason, **BUSINESSEUROPE calls for the conclusion of a comprehensive international climate change agreement**; COP 17 in Durban must adopt a clear and binding roadmap to reach such an agreement in the near future.

International climate negotiations must lead to a fair division of climate protection efforts. BUSINESSEUROPE therefore welcomes the **conditional position** taken by the European Council whereby a decision to increase the 20% EU reduction target will be taken only **if other industrialised countries commit to comparable emission reductions** and if emerging countries put in place appropriate measures to fight climate change in line with their respective capacities. Equally, efforts by industry to reduce emissions should be matched by all sectors, including agriculture and households.

Policy-makers should work in Durban to ensure that the first commitment period under the Kyoto protocol, now close to its conclusion, is followed up by a comprehensive international agreement committing all large economies to the measurement, monitoring, reporting, control and reduction of emissions.



FINANCE AND MARKETS

- A **global carbon market is a precondition** if investments in innovative technologies, installations and products are to be made in locations where they deliver the greatest possible climate benefits at the lowest economic cost. BUSINESSEUROPE urges that political efforts are deployed to establish such a global carbon market.
- International offsets must continue to be a credible means to limit emissions efficiently by taking advantage of lower-cost opportunities. The **Clean Development mechanism (CDM) should be maintained**, improved and expanded. Consideration must be given to re-initiating the Joint Implementation mechanism after 2012. New mechanisms should be developed rapidly and be available for voluntary use by governments depending upon their national requirements. Should sectoral mechanisms be developed, they must be designed so to avoid as far as possible distortion of competition between regions for globally traded goods.
- Crediting mechanisms associated to **Nationally Appropriate Mitigation Actions (NAMAs)** should offer **adequate incentives** to encourage the direct involvement of private entities.
- In order for needed project investments in climate actions to be made available, political **financial instruments such as the Green Climate Fund (GCF) should act as catalysts** and promotion measures must seek to encourage the greatest possible release of further private investments. Business' participation will depend in large part on the investment environment and the effectiveness of institutional arrangements which should be evaluated by independent experts. Eligibility for finance should be determined using fixed criteria such as the contribution to transformational change in the recipient region. The GCF should be designed so that its initiatives do not crowd out existing successful development cooperation projects.

All parties involved in the Durban negotiations should work **for the GCF to be effectively linked with the new Technology Mechanism**. The GCF should be a convener of concessional loans, risk-sharing financing instruments and other sources of financing such as carbon financing. This would provide a basis for the GCF to leverage the huge amounts of private financing that are required to deliver climate mitigation and adaptation in developing countries and emerging economies. The GCF should be results-oriented and closely monitored even when implementation of projects is left to accredited entities. These funds must be used in strict compliance with pre-defined robust transparency, additionality and environmental integrity principles.

TECHNOLOGY

- The **Technology Mechanism** created by the Copenhagen Accord must urgently be defined and specified, **to trigger development, transfer and deployment of technology**. This mechanism should consider national and regional needs. Strong involvement of the private sector at all levels, in particular, the regional networks, will be vital to their success.

Companies play a prominent role in the development and dissemination of technologies. It is therefore important that the processes in the **technology mechanism are structured in a business-friendly and technology-neutral manner**. To incentivise private-sector involvement in the UN technology mechanism provided for



in the Cancun agreement, official communication structures should be put in place which allow a fruitful exchange between private sector, the TEC (technology executive committee) and the CTCN (climate technology centre network), for instance a right to attend and speak at official meetings.

- **Effective Intellectual Property Rights (IPR) protection** must have top priority in the technological sphere. Only where companies can operate within a legal framework which secures the protection of intellectual property and WTO-compatible rules apply can new technologies be developed and technology transfer take place. Global rules on IPR have proved their worth and should not be weakened in the framework of UN climate negotiations.

FORESTRY

- Deforestation accounts for approximately 20 percent of global greenhouse gas emissions. It is therefore **crucial to agree on appropriate provisions on forestry and harvested wood products in a future international agreement**, recalling that future demands for wood products, energy and reduced greenhouse gas emissions cannot be met without sustainably managed forests. The focus on REDD needs to be broadened with greater attention given also to afforestation, forest management and intensified land-use.