

# Major Economies Business Forum

## on Energy Security and Climate Change



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## Major Economies Business Forum: Enhancing Business's Role in the UNFCCC—A Proposal and Roadmap to 2020

### KEY MESSAGES

- The Major Economies Business Forum (BizMEF) favors establishing specific and distinct business interfaces to new U.N. Framework Convention on Climate Change (UNFCCC) mechanisms in the near term and evolving toward a single recognized and business-managed business channel, based on the model of the Organisation for Economic Co-operation and Development's (OECD) Business and Industry Advisory Committee (BIAC) as part of the post-2020 agreement parties will attempt to conclude by 2015.
- Business involvement is referenced in the Bali Action Plan and in Cancun and Durban decisions, particularly with regard to emerging post-Durban institutions such as the Green Climate Fund, Technology Mechanism, Adaptation Committee and elsewhere.
- In addition to the "institution-by-institution" interfaces, business engagement is imperative at the international UNFCCC-wide level on policy formulation, process, and implementation.

- Existing national business consultation will continue to be critically important, but a broader, global business consultation can supply or address the impacts and realities of global market, economic and supply and value chain connections, and global deployment and investment.
- Whether at the institutional level, or across the UNFCCC, business input should be developed and communicated by business itself, through a process that represents all sectors and nationalities, on a voluntary basis that is designed to solicit and convey the range of responsible and relevant views.
- Business engagement should be brought in at every step of the process in a meaningful and active way, for example, by assisting in developing agendas and setting terms of discussion, offering submissions, commenting on papers, and participating in discussions.
- Arrangements for business interfaces to the UNFCCC bodies should be:
  - recognized and of value to governments and the Secretariat;
  - based on clear transparent governance, managed by business, as a flexible, responsive process that mirrors the UNFCCC framework and priorities; and
  - provide technical and practical expertise, reflect consensus when possible, but also express a range of relevant, responsible views, relating to every aspect of UNFCCC, mitigation, adaptation, finance and technology.

## Background

BizMEF has long favored establishing specific and distinct business interfaces to new UNFCCC mechanisms in the near term that could evolve toward a single recognized business channel managed by business. The OECD's BIAC provides a good model that could be adopted as part of the post-2020 agreement. BizMEF welcomes positive steps that have been taken since it first made this proposal.

This paper builds on positive progress with emerging institutions and the UNFCCC and suggests a roadmap for the gradual development of such a single business channel that would:

1. provide a resource to governments, regional groups and the Secretariat in the next two years developing the post-2020 agreement;
2. begin to consolidate interfaces with UNFCCC institutions, such as the Green Climate Fund (GCF), Technology Executive Committee, Climate Technology Centre and Network (CTCN), and others; and
3. continue to function to support the work of the UNFCCC process, not only at meetings but also in its ongoing work throughout the year.

In BizMEF's view, such an arrangement supports and respects the inter-

governmental and party driven nature of UNFCCC, and will strengthen its successful implementation across the mitigation, adaptation, technology and finance pillars.

The UNFCCC has a long and dynamic history of openness to observer organizations, including those from business and industry. The UNFCCC is to be commended for its continuing leadership in pursuing new options to involve important societal partners, and this effort has received welcome support from governments from the beginning.

Appropriately, the form and modalities of those arrangements have evolved with the Convention itself, and reflect the growing trend and broader context toward transparency and engagement of non-governmental actors in multilateral discussions, notably those relating to sustainable development.

This perennial discussion of enhancing business involvement also reflects the clear recognition and commitment of business itself to provide cost-effective and practical solutions to the linked challenges of energy security, development and climate change.

Recently, the Polish Presidency held the first pre-COP Business-Ministerial consultation earlier this month in Warsaw. Both government and business attending that meeting underscored the value and timeliness of moving ahead to consider ways to have more regular opportunities to inform the policy deliberations and offer practical experience and information to governments and the UNFCCC process.

In 1994, the Government of New Zealand proposed consideration of a mechanism

that would have allowed a closer dialogue between UNFCCC and business. While no consensus was reached in SBSTA discussions of this over a two year period, and the initiative was dropped, it foreshadowed the growing recognition by governments and the UNFCCC of the need to engage the technology, knowhow and financial resources of the private sector in global cooperative climate action.

Other UNFCCC efforts to consider and invite more substantive involvement of business have included:

- discussions within the SBSTA Experts Group on Technology Transfer – EGTT held informal dialogues with business at its final meetings; and
- the Mexico Dialogues, a public private sector series of discussions with business representatives, hosted by the Government of Mexico in the run-up to COP-16 in Cancun, Mexico, and continued by the Government of South Africa the following year.

The Mexican and South African governments placed a strong emphasis on improved involvement by business and other non-governmental actors. In 2012, BizMEF held a Business Dialogue with Governments during COP-18 in Doha, building on the Mexico dialogues. With encouragement from several governments in Doha, and in co-operation with the Polish business community and government, BizMEF will continue the Business Dialogue process in Warsaw at COP-19.

The Subsidiary Body for Implementation (SBI) considered enhancing the engagement

of observer organizations as part of its agenda item on “Arrangements for International Meetings.” Among decisions reached, the UNFCCC will include High Level Roundtables with non-governmental and business participants in future COPs.

## **Business Interface with Emerging Institutions in UNFCCC**

Thanks to the support of governments, the UNFCCC secretariat and the business community, BizMEF is encouraged to see first steps towards more meaningful engagement of business in new UNFCCC institutions. These separate and diverse interactions are useful to gather experience as these new bodies build their own structures and procedures.

### **Climate Technology Center and Network:**

The U.N. Environment Programme (UNEP) and consortium will host the CTCN. We encourage UNEP to develop user-friendly and self-designated links with national, regional and international business groups with expertise, and have offered to help them identify existing networks that business routinely uses to assist in technology deployment.

### **The UNFCCC Green Climate Fund (GCF):**

**GCF Executive Board:** The UNFCCC Executive Board has held its first meeting, with the involvement of “Active Observers.” Business organizations attending that meeting, including BizMEF, encouraged the GCF to provide a clear mandate to those observers to be “active” with “recognized” input opportunities. Moreover, business has recommended that such observers should

be designated by business to fill those slots with individuals with appropriate expertise, depending on the issues under consideration.

**GCF Private Sector Facility:** The GCF Private Sector Facility will need to define its objectives and structure, as a critical starting point for considering how to design business entry points and interfaces.

## **Examples of Recognized Business Interfaces in Intergovernmental Discussions**

As Parties consider the benefits and modalities for substantive business engagement, they should bear in mind several examples of ongoing, recognized successful and mutually beneficial business consultative relations with inter-governmental bodies. These include:

- **The International Labor Organization (ILO):** ILO features a tripartite structure, which includes governments, trade unions, and employers. Employers participate through the International Organization of Employers, which maintains national offices in over 100 countries, including many developing countries, and involving numerous small and medium enterprises.
- **Organization for Economic Co-operation and Development:** OECD established two recognized consultative bodies for trade unions (TUAC) and business (BIAC), organized on the basis of national

offices/affiliates in the OECD member states.

- **Asia Pacific Economic Cooperation (APEC):** This multi-disciplinary inter-governmental regional body includes a parallel business organization (the APEC Business Advisory Council) that works closely with governments to provide technical and policy advice.
- **Asia Pacific Partnership (APP)/Global Superior Energy Performance Partnership:** APP was an international public-private sectoral partnership that brought together business and government entities to advance projects that improved energy efficiency and provided investment opportunities in more environmentally-friendly manufacturing. Three APP working groups have now been moved into the new Global Superior Energy Performance Partnership under the Clean Energy Ministerial.
- **Strategic Approach to International Chemicals Management:** Business organizations participate in this non-negotiating forum on international chemicals policy with governments and other stakeholder interests for collaborative action. These established arrangements provide working models that could be considered in designing similar arrangements for business vis-à-vis the UNFCCC.

## **A Roadmap to Building a Business Channel to the UNFCCC as Part of the Post-2020 Vision**

BizMEF strongly believes that a recognized channel for business and industry to be an indispensable element of the post-2020 framework under discussion by UNFCCC Parties. Business will continue to play a central role in technology innovation and deployment, investment, and job creation. At Warsaw and beyond, the UNFCCC has a significant opportunity to tap into the international private sector's unique operational expertise and understanding of various types of policy mechanisms, and its technological, investment, and management expertise in designing and implementing the new international cooperative framework.

In our view, this channel would be organized on the "BIAC-model," through national affiliate offices or contact points in every UNFCCC Party, self-organized and funded by the business community itself. These national affiliates could be built on existing major multisectoral business or employers organizations that participate in BizMEF.

The channel would eventually provide a central contact point for all UNFCCC institutions, and function as a source of technical input and responsible business views from the international business community. It would complement established informal and formal dialogues and interactions between business, governments, and the UNFCCC. Obviously, this channel would:

- be active in international interactions with participants in the international process; and
- complement, but not supplant, existing national and regional processes for consultation with business.

to build a flexible, durable and informed resource in line with the new post-2020 framework Parties will develop, going forward from COP19 in Warsaw. We look forward to discussing this proposal further in Warsaw, and in taking concrete steps to lay the foundations for such a substantive and cooperative relation in the GCF, CTC&N, and other UNFCCC bodies.

This proposal and the “timeline and roadmap” set out below suggest a process

<b>Roadmap for Meaningful Business Engagement via a Business Channel to the UNFCCC as Part of the Post-2020 Framework</b>	
October 2013	Pre-COP Business Ministerial Consultation
November 2013	BizMEF Business Dialogue, Warsaw
2014	BizMEF Consultation with GCF (in the margins of negotiating sessions)
	BizMEF Consultation with CTCN (in the margins of negotiating sessions)
	BizMEF Business Consultation with Peru
	BizMEF Business Dialogue, Lima
2014 - 2015	BizMEF Workshops – WEOG, Latin America, Africa and Asia (hosted by BizMEF partner organizations)

Australian Chamber of Commerce and Industry  
 BusinessEurope  
 BusinessNZ  
 Canadian Council of Chief Executives  
 Confederation of British Industry  
 Confederation of Indian Industry  
 Dansk Industri  
 Federation of German Industries – BDI  
 Iniciativa para el Desarrollo Ambiental y Sustentable — IDEAS (Mexico)  
 International Organisation of Employers  
 Mouvement des Entreprises de France  
 Nippon Keidanren (Japan Business Federation)  
 Polish Confederation Lewiatan  
 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).