

Major Economies Business Forum
Business Perspectives on INDCs



Business Perspectives on INDC Portfolio

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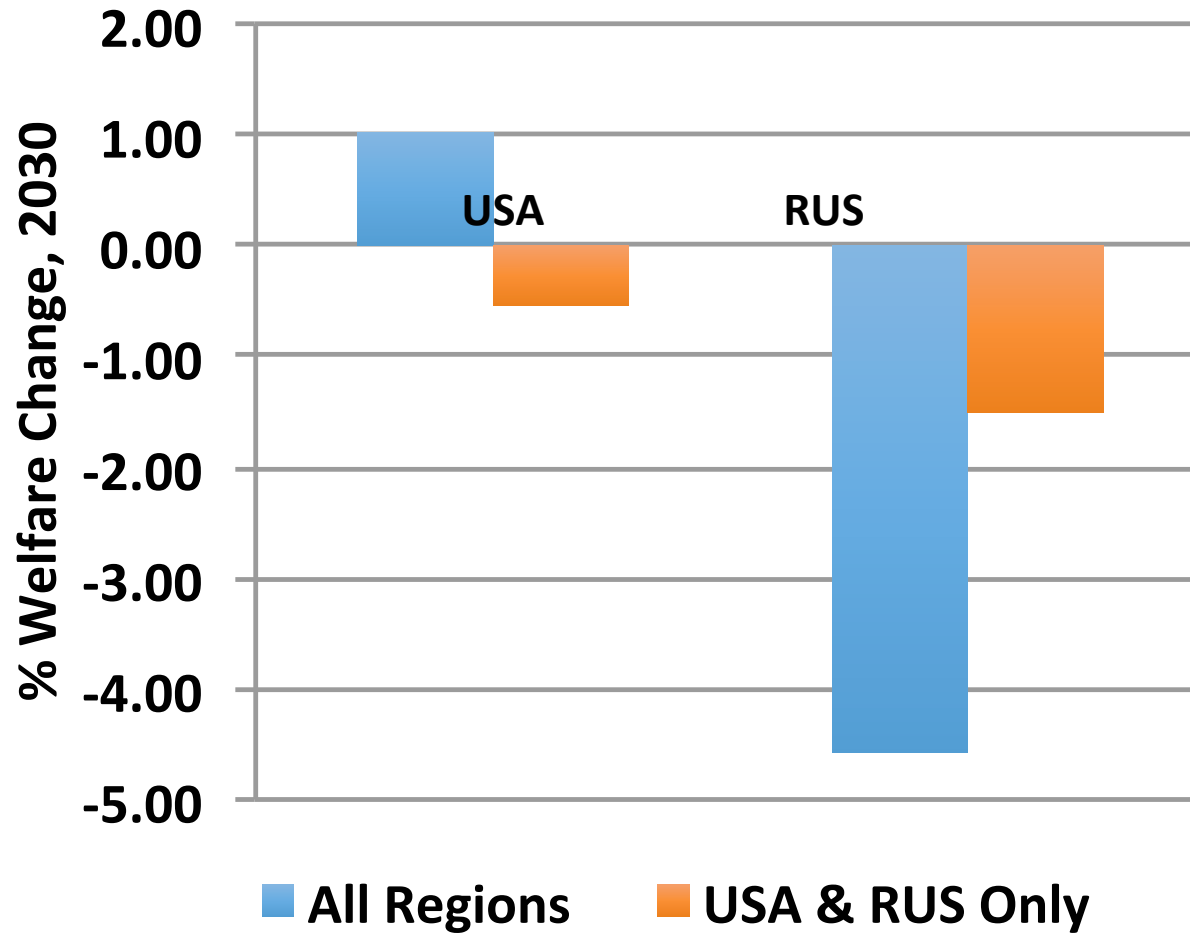


Integrated Assessment Models (IAMs) and Business

- In an increasingly globalized economy, domestic climate and energy policies cannot be analyzed in isolation
- IAMs with multiple regions, sectors, and technologies and the capability to analyze a range of climate and energy policies provide important information and insights
 - Reference cases without additional climate policy
 - Policy intervention
- Business and governments have supported IAM research and development efforts at several major centers for decades, and exchanged information, e.g. on energy outlooks, technology options and representation of climate and energy policies
- IAM analyses will play a fundamental role in ex ante and ex post analyses of INDCs by governments, business, academia and think tanks

Domestic policy outcomes cannot be assessed sector by sector, or without considering the entire global portfolio: feedbacks and interactions among sectors and across borders are ubiquitous

Welfare Cost, 2030



Critical economic outcomes depend on as yet unknown details of potential cooperative actions, especially markets

Climate policy in a Mosaic World

- A world in which nations and regions establish bottom-up climate objectives and policies based on national circumstances and priorities
- Implementation depends on national policies and enforcement
- Economies and global GHG progress remain linked through, e.g.
 - Globalized supply and value chains
 - Trade and investment
 - Carbon leakage
 - Formal bi- and multi-lateral linkages (in some cases)
 - Research and development
 - ...
- Business will analyze and adjust to the global policy regime as implemented; it will affect planning, operations, employment, supply and value chains, trade and investment (grass roots, expansion and downsizing)

Business can make an important contribution to the assessment both of domestic INDCs and the implications of the global portfolio

Thank You