

Major Economies Business Forum

on Energy Security and Climate Change



www.majoreconomiesbusinessforum.org



Major Economies Business Forum: Perspectives on COP-20/CMP-10, Lima Peru

BACKGROUND

The Major Economies Business Forum on Energy Security and Climate Change (BizMEF) comprises national and regional cross-sectoral business organizations representing millions of companies on five continents. We have participated in and shared views at meetings of the UN FCCC since COP-15 in Copenhagen in 2009.

Members regard COP-20 in Lima as a major waypoint in development of the post-2020 agreement. It offers a final opportunity to provide definitive guidance concerning elements of the agreement and information to accompany submission of Intended

Nationally Determined Commitments (INDC) early next year. Clear decisions will help frame the landing zone for the agreement, which remains complex and uncertain.

The world has changed significantly since the UNFCCC was negotiated in the early 1990s. Emissions trends and patterns of growth have shifted inexorably. Achieving ambitious global goals will require participation by all major nations and efforts over many decades. As well, economic challenges over the last several years emphasize the importance of identifying cost-effective ways to marshal limited resources to achieve important

goals. The new agreement must not jeopardize economic growth if it is to pave the way for participation by all with feasible, affordable actions to reduce the risks of climate change both by mitigating emissions and by enhancing capacity to adapt.

We submit that the time has come for realism and compromise in Lima regarding a successful outcome at COP 21 for the post-2020 agreement. Little time remains to understand and assess national actions or their aggregate global consequences. Waiting until the final hours of COP 21 to reach important decisions that affect and frame the agreement may provide insufficient time to understand what it means or why it is appropriate. We hope that COP-20 will take clear decisions that help clarify elements of the agreement and essential information to accompany submission of INDCs.

Finally, BizMEF members encourage Parties to create ways to improve business input to the process through enhanced, recognized channels (see our 2015 issue paper *Business Engagement in the post-2020 agreement*). We agree that negotiations must be Party-led—they are the responsibility of national governments. However, discussions in the Ad Hoc Working Group on the Durban Platform and its Technical Experts Meetings have showcased the essential role of business, and created awareness of the opportunity for the post-2020 agreement to establish an enhanced, recognized, role for business going forward. Recognized channels for business exist in other international processes and we believe the time has come for the UNFCCC to embrace the opportunity.

BIZMEF PERSPECTIVES ON THE NEGOTIATION OF A POST-2020 AGREEMENT

Attributes of the agreement: BizMEF members share the view that a successful post-2020 agreement should reflect the following attributes:

- Be comprehensive, balanced, and realistic, involving all Parties;
- Provides a clear framework for international cooperative action, committing all large economies to the measurement, monitoring, reporting, control and reduction of greenhouse gas emissions;
- Address mitigation, adaptation, and means of implementation, including finance and capacity building;
- Provide clarity on existing and emerging mechanisms and approaches that can be used to meet commitments;
- Promote effective actions aligned with national priorities, circumstances, and capabilities in accordance with UNFCCC principles;
- Include credible, effective and efficient measuring, reporting, and verification (MRV) for all commitments to ensure transparency and to assess progress going forward;
- Develop more effective, recognized ways to engage the business community, so that the UNFCCC can benefit from our experience and skills and expertise in designing efficient, effective and practical ways to address climate change;
- Utilize the Technology Executive Committee (TEC) and the Climate Technology Centre and Network

(CTCN) to help identify technological needs of developing countries and to encourage efforts aimed at reducing their emissions through technology commerce;

- Work in synergy with existing, well-established processes and emerging new ones, to promote more resilient and effective development while addressing environmental and social challenges—achieving ambitious goals will require mainstreaming investment and finance for climate actions.

Reflect national priorities and

circumstances: To be effective, implementing tools for comparable commitments should reflect national circumstances, capabilities, and priorities consistent with UNFCCC principle on common but differentiated responsibilities. A one-size-fits-all approach is neither appropriate nor desirable. Proposals also may require development of procedures for MRV that are tailored in part to national circumstances. The priority need not be for one, single, comprehensive set of all-encompassing rules and approaches to MRV. Rather, MRV needs to be efficient and effective in judging results and progress in achieving national commitments.

Clarify approaches to mitigation: We hope that the negotiation will provide far more clarity on the range of approaches that might be used to address mitigation. Currently it is unclear, even bewildering, to understand how CDM, Nationally Appropriate Mitigation Actions, new market mechanisms, nonmarket mechanisms, various approaches, sectoral approaches, and means to utilize agriculture, forests and land use will work, either singly or in

combination with one another. BizMEF intends to share views on which approaches and processes might be most effective and efficient in allowing business to contribute to solutions, and which may prove to be inefficient. BizMEF has provided governments with consensus views on a broad array of topics, including in recent issue papers on *Carbon Pricing* (2014) and *New Mitigation Options* (2013).

Build capability in emerging technology

mechanism: BizMEF members are encouraged by the interfaces for business to work with new institutions including the Green Climate Fund, CTCN, and TEC, and we are participating in those activities (see the 2015 issue paper *Expectations to the Green Climate Fund*). As part of the post-2020 agreement BizMEF believes that it would be more efficient and effective to evolve towards a single business channel. The fundamental concept is that business itself would establish a forum based on national affiliates open to all business groups involved in the international climate process. This would provide means to develop responsible, representative business views across the full range of relevant issues, and to provide and exchange business views more efficiently and comprehensively with the many actors and activities within the UNFCCC, including parties, regional groups and the Secretariat, as well as associated institutions.

Work with existing processes to promote

more resilient development: Existing domestic and international processes already provide capabilities and support that can help in achieving the objectives of the UNFCCC in both mitigation and adaptation. Overall, the agreement should not try to build a separate, comprehensive

framework that encompasses every aspect of dealing with climate change. Rather, it should work to complement and leverage ongoing mainstream approaches that are already used by business and governments every day to address environmental protection and development needs.

Simplify and encourage flexibility: Business is concerned that the negotiating process has become far too complex. We hope it will be possible to simplify by focusing less on details and more on the top-line objectives of generating effective mechanisms to mitigate and adapt to climate change. We believe that flexibility will be essential. Circumstances have changed considerably since the 1990s and continue to evolve. The global economy and roles of various nations have shifted dramatically. The ongoing financial crisis continues to constrain the resources that governments have available to address climate change. Unanticipated changes in technologies and resource availability have made clear our limited ability to forecast changes and the need for flexibility so that we can evolve to take advantage of real-world developments. Certainly, in coming decades innovation, evolving scientific understanding, and experience with policies will provide us new insights in ways to address climate change.

Consideration of INDCs: Development and consideration of INDCs will be fundamental to the 2015 negotiations. In the period

leading to the Kyoto Protocol, policy analysts, academics, government officials and political interest groups engaged in producing detailed analyses and vigorous debate regarding national proposals, their domestic and international implications and aggregate global consequences. To date few nations have provided information on their proposed commitments, so information is unavailable to conduct the type of analyses needed to understand their implications. BizMEF members encourage all nations to develop INDCs with informed input from relevant national constituencies, notably business, and to submit them as soon as possible. We intend to participate in forums to help inform national and international processes, especially regarding the domestic and international implications of INDCs (see our 2014 issue paper on Intended Nationally Determined Commitments).

Agree on Rules of Procedure: Members continue to believe that it would be an important and useful development, perhaps an essential development, for Parties to agree at last on Rules of Procedure and decision-making processes as we approach potentially contentious decisions on the post-2020 agreement. Residual and accumulating concerns surround the manner in which decisions are ultimately taken at COPs. We hope that Parties will create clear rules ahead of COP-21 to avoid contentious outcomes on what is proposed as a durable agreement.

BIZMEF ISSUE PAPERS

The papers listed below are available at the BizMEF website at:
<http://www.majoreconomiesbusinessforum.org/issuepapers.html>.

Business Engagement with the UNFCCC

- [Business Engagement with UNFCCC and Emerging International Climate Change Institutions](#)
- [A Business Consultative Channel to the UNFCCC](#)
- [Business Engagement with the Technology Mechanism](#)
- [Business Engagement with the Green Climate Fund](#)
- [BizMEF submits comments on the participation of business in the proceedings of the Board of the Green Climate Fund](#)

COP-20, Lima, Peru, December 2014

- Perspectives on COP-20/CMP-10, Lima Peru
- Business in the UNFCCC—A Proposal for the Paris 2015 Outcome
- Examining the Effectiveness of Carbon Pricing as an Approach to Emissions Mitigation
- Intended Nationally Determined Contributions: From Good Intentions to Implementation
- Expectations for the Green Climate Fund

COP-19, Warsaw, Poland, December 2013

- [Enhancing Business's Role in the UNFCCC-A Proposal and Roadmap to 2020](#)
- [Climate Investment & Finance](#)
- [New Mitigation Options](#)
- [Perspectives on the Upcoming UN Framework Convention on Climate Change COP-19/CMP-9 Meetings in Warsaw, Poland and Development of a Post-2020 agreement](#)

COP-18, Doha, Qatar, December 2012

- [Perspectives on the Upcoming UN Framework Convention on Climate Change COP-18/CMP-8 Meetings in Doha, Qatar](#)
- [Predictable Regulation](#)
- [Enhancing Business Role in UNFCCC — A post-2020 Vision](#)
- [Adaptation](#)

COP-17, Durban, South Africa. December 2011

- [Green Climate Fund and the Role of Business](#)
- [International Offsets](#)
- [Technology Mechanism](#)
- [Trade, Investment & Competitiveness](#)
- [Enhancing the Role of Business in Climate Change and Energy Security Policymaking](#)

- [Perspectives on the Upcoming UN Framework Convention on Climate Change COP-17/CMP-7 Meetings in Durban, South Africa](#)

COP-16, Cancun, Mexico. December 2010

- [Perspectives on Technology](#)
- [Perspectives on Low-Carbon Pathways](#)
- [Perspectives on the Role of Markets](#)
- [Perspectives on Measuring, Reporting, and Verification](#)
- Issue Summaries (available in [English](#), [German](#), and [Japanese](#))

Declarations and Statements

- [The Major Economies Business Forum Urges Negotiators to Commit to a Clear and Predictable Strategy that Enables Business Solutions](#) (December 2009)
- [Declaration Of The Major Economies Business Forum On Energy Security And Climate Change](#) (September 2009)
- [Expectations for the International Climate Conference \(COP15\)](#) (February 2009)

ABOUT BizMEF

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.