Intervention to the Tenth Conference of the Parties to the UNFCCC

The US Business Council for Sustainable Energy (BCSE)
The European Business Council for a Sustainable Energy Future (e5)
The UK Business Council for Sustainable Energy (UKBCSE)
The Australian Business Council for Sustainable Energy (ABCSE)

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Distinguished delegates: thank you for this opportunity to present the Business Councils views at this important time in the process. My name is Jim Wolf with the American Standard Companies and Chairman of the US Business Council’s Climate Change Task Force. I am speaking on behalf of the US, UK and Australian Business Councils for Sustainable Energy and the European Business Council for a Sustainable Energy Future. Our global alliance represents renewable energy, natural gas, energy efficiency and electric utility businesses in the United States, Europe and Australia -- with subsidiaries in developed and developing countries worldwide. The Councils advance the use of clean energy technologies as solutions to environmental challenges and encourage the adoption of market-based programs to reduce greenhouse gas emissions.

At this COP, we recognize three key events – the tenth anniversary of the Framework Convention on Climate Change, Kyoto Protocol ratification in 2005 and the start of discussions on a post-2012 future.

In this context, the Councils continue to be leading industry voices advocating for responsible climate change mitigation. We support the model of a legally binding, international treaty that requires developed countries to reduce emissions and market-based mechanisms to enable cost-effective emission reduction.

Our pre-Kyoto message, “start early, start small” continues as a call to action today. Business leadership to address climate change is mounting, as more companies see the environmental and financial advantages of action. This direction enhances economic competitiveness and energy security.

It is important for policymakers to understand that businesses need clear, stable and consistent policy frameworks to guide their investments. We urge the Parties to provide clear and early signals that the future discussions on climate change will build on the current framework.

Reflecting on the past decade, the Convention process has accomplished many key objectives. Most notably:

- Clean energy technologies are recognized as a vital solution to greenhouse gas mitigation and sustainable development
- Market-based mechanisms such as emissions trading, the Clean Development Mechanism (CDM) and Joint Implementation are important compliance tools under the Kyoto Protocol – enabling more efficient and cost-effective treaty compliance
- Vehicles such as the CDM expand clean energy markets and facilitate technology transfer – key sustainable development objectives of the Convention, the United Nations and the business community
Looking forward, we still have significant work in front of us. We must:

- Complete the rules and institutional framework for the CDM to ensure clear and simple procedures that result in the approval of projects that provide real environmental and development benefits
- Establish the review bodies and institutions to facilitate Joint Implementation
- Create opportunities for companies from non-signatory countries to participate in the global response to climate change
- Look beyond 2012 and develop consistent pathways to meet the long-term global challenges of climate change

At this Ministerial, the Councils wish to express our support for the launch of post-2012 discussions. We support the concept of seminars, and urge the opportunity for business participation in them.

With regard to the CDM, we applaud the significant progress and dedicated work of the CDM Executive Board to help eliminate market uncertainties.

- Per the Kyoto Protocol and the Marrakech Accords, all prospective CDM projects must prove that they are additional. We are pleased that the Executive Board has clarified the origination and purpose of the CDM additionality tool. The Board has stated clearly that additionality is important, but use of the tool is optional.

- We have appreciated the transparent operation of CDM and particularly the ability of the business community to provide input and to participate as observers to its Executive Board meetings. We strongly urge the Parties to re-consider the decision to close Executive Board meetings to observers until the next COP. Given the tremendous tasks the CDM Executive Board faces, more open exchange from all stakeholders is needed to make the promise of the CDM a reality.

In closing, we have been honored to participate constructively in the Convention process over the past decade. As businesses, we stand ready to support the Parties as the Kyoto Protocol enters into force and as we consider a longer-term, global strategy to address climate change.

Thank you.