

## Business and Industry NGOs (BINGOs)

### UNFCCC 22<sup>nd</sup> Conference of the Parties (COP22)

#### Opening statement COP/CMP

7 November 2016

Business marks COP22 and entry into force of the Paris Agreement as dual calls to action. Parties, business and society as a whole must work even faster, more efficiently, and together to bring clarity to important areas of the Paris Agreement to maintain that momentum and get to work.

Marrakesh signals a new, more practical and collaborative chapter in the UNFCCC process. We are confident that the promise of Paris can and will be delivered in partnership with business, and that will depend on the right institutional infrastructure at national and international levels to support that cooperation. In our view, and in light of the challenging evolution ahead, the entry points currently provided through the Champions and High Level Events will need to be supplemented with a broader and ongoing interface to business that functions throughout the year, and not only at COP meetings. It is only with broader, more substantive and inclusive business engagement that the Paris Agreement can meet its potential.

Other recent developments related to the reduction of GHGs, such as the Kigali amendment to the Montreal Protocol and the ICAO Carbon Offset and Reduction Scheme for International Aviation (CORSIA) will be possible because business entities are brought to the table to inform the policy discussions and assist in designing deliverable outcomes. We are confident that a similar relationship on technical, practical and economic aspects of the Paris Agreement will yield similar benefits, and in Marrakesh, governments have the opportunity to begin to design in this important success factor – recognized representative business consultation.

For business, priority areas for your immediate attention include:

- **Transparency** – Defining common rules on monitoring, reporting and verification of commitments and their implementation is of utmost importance for business predictability that is key for the needed long term private sector planning and investments, as well as to avoid competitiveness distortions.
- **Innovation** – Paris Agreement outcomes must facilitate technology deployment and cooperation, and related capacity building. All countries and business sectors need to support developing new skills to respond to climate change challenges, enabling energy transitions and shaping public policies for sustainable economies. Enabling frameworks for innovation and its dissemination, such as protecting IP and pursuing multilateral trade, are essential. Predictable and transparent policy conditions, open trade and investment and a level playing field in global markets are a prerequisite for effective climate protection.

- **Investment and Markets** - We welcome Article 6. In our view, all markets -- including for carbon, goods or financial -- should be enlisted to support and deliver the Paris Accord. The Paris Agreement should recognize and support the opportunity for nations to utilize mutually agreeable cooperative approaches to fulfill their NDCs and other actions to mitigate and adapt to climate change. Any transfers of emissions outcomes through cooperative approaches should be quantified, assure that transfers have environmental integrity and will be applied to satisfy only one NDC without double crediting under the Paris Agreement. Market-based approaches should synergize with international trade rules and other existing policies and options such as international standards, voluntary agreements or other regulatory instruments.

As a starting point, we have to strengthen current NDCs. In light of assessments of INDCs suggesting that current pledges are only a first step to deliver the Paris Agreement targets, governments, business and society as a whole must redouble their efforts working together. **The business community has a vital role here, with essential expertise to strengthen NDCs and make them deliver ambitious results cost-effectively; this depends on engaging representative business groups at national and international levels. This recognized and regular engagement must be a given not only at high level events, but in all working aspects of the UNFCCC. In our view, an institutionalized channel for UNFCCC for private sector consultation and engagement would provide the institutional infrastructure to support this needed dialogue, partnership and action in short and long term.**

As a final point, we would observe that the most effective business-IGO relationships are those that have been engineered into institutions, such as the OECD or the ILO. Entry into force of the Paris Agreement affords just such an opportunity to build business into its many work streams and vehicles. Business across all sectors brings solutions through innovation and technologies relevant to mitigation and adaptation, in the context of energy access and security. Business develops and provides sustainable solutions in energy production and consumption, industry, building, transport, energy efficiency, smart cities, water and food security, industrial processes and others that will be needed as part of the ambitious and effective global strategy we have embarked on together.

Thank you.