

**U.S. Department of Commerce  
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# **Private Sector Engagement in UNFCCC**

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# United States Council for International Business (USCIB)

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- **Unique role: advocacy group for international business issues**
  - 300 members: companies, law firms and associations
  - Issues: trade, environment, tax, energy, standards
  - International Institutions: UNGA, UNEP, UN FCCC, CBD, OECD, ISO, ..
  - US Agencies, Congress
- **Affiliations as US National Member:**
  - International Chamber of Commerce (ICC)
  - International Organization of Employers (IOE)
  - Business and Industry Advisory Committee to OECD (BIAC)
- **USCIB brings:**
  - Multisectoral constituency
  - Multi-disciplinary expertise – IPR, trade, competition, technology, finance, ...
  - Multiple forums of engagement – linkages
- **Engagement with UN FCCC since ~Rio Conference**



# Business Engagement with UNFCCC

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- **Business NGOs a recognized “constituency” (one of several observer groups)**
- **BINGOs organize through “facilitation” of International Chamber of Commerce**
  - Daily morning briefings for business
  - Briefings with Secretariat and Chairs at meetings
  - Disseminate information from Secretariat
- **Multiple business associations, each act on behalf of their members**
  - Many interact as appropriate with national and regional governments in capitals
    - + Sharing expertise, lobbying, Public private partnerships, e.g. APP,
  - Organize sidebar events at UN FCCC
  - Interact with delegations
  - Few, if any, international business associations have comprehensive enough membership or constituted authority to represent an international sector
- **Tentative steps at more formal role for business**
  - Mid 1990s exploration of NZ proposal for Business Consultative Mechanism
    - + Business responded favorably, noted the ability to provide technical expertise, likelihood that view would be diverse not unified
    - + Opposition from some parties and ENGOs
    - + Calls for multiple or merged mechanisms
  - Occasional discussions with Experts Group on Technology Transfer
    - + Semi-formal all day workshop Milan: stressed FDI, enabling frameworks

# Ongoing and Emerging Business Issues

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## Competitiveness

- **Differentiated national obligations and implementation policies**
- **Some developing countries call to relax Intellectual Property Rights**
  - Compulsory licensing
  - Expropriation
- **Role of companies and business groups in:**
  - Sectoral approaches
  - Sector crediting mechanisms where allowances accrue to nation for sectoral performance
- **Financial flows to developing country governments that may preferentially aid state-run companies**
- **Company obligations arising from MRV processes**

## Future processes for interactions with business

- **Discussion/consideration of establishing formal advisory processes under UN FCCC for recognized business input**
- **Institutions: regional centers, technology assessment, ...**



# A Business Advisory Process to UNFCCC ?

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- **Recent calls by many governments to find ways to tap into business**
  - G77-China: Technical panels
  - Japan: regional centers of excellence
  - Possibility of Standing Subsidiary Body on *Technology*
- **EU tender for a consultant**

*TITLE: Sectoral approaches to fostering international action on climate change.*  
*Sub-Title: Study on the design of a business and government consultative body as part of the future international climate change framework*
- **UNEP DTIE hints at acting as a channel for industry input**
- **Beginning preliminary discussions in Bonn of industry self-built mechanism, perhaps through a stand-alone ICC initiative**
  - Would require acceptance by major business groups
  - Would require recognition by UN FCCC
  - Would need to address membership and funding
  - Business and Industry Advisory Committee (BIAC) to OECD... could be a model: business organized, recognized by OECD

# Areas of Expertise from Business

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- **Technology research, development and deployment**
  - Research and technology assessment
  - Deployment: through FDI and public projects
  - Enablers and barriers to deployment: policy, infrastructure, regulation, education, ...
- **Management Systems for environment and energy efficiency**
- **Finance, investment and risk management**
- **Adaptation:**
  - Planning,
  - Risk management,
  - Disaster preparedness and response

## Challenges

- **Anticipate that there will be multiple views from industry**
- **Need to design for an extremely diverse multinational forum**
- **Recognize the importance of national circumstances**
- **Account for economy-wide interactions through supply and value chains**