

G8 Environment Ministers Meeting: Dialogue with Stakeholders

May 24, 2008

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Introduction:

The World Business Council for Sustainable Development (WBCSD) is a unique, CEO-led, global association of some 200 companies. It is the leading voice on business and sustainable development. Together, WBCSD members have a stock market value of 8,000 billion USD, and supply products and services to half of the world's population every day.

We have launched our “Copenhagen Roadmap” – an ambitious plan based on 9 building blocks – the totality of which demonstrates business' commitment to being part of the solution. The three blue boxes, at left, illustrate both the content that will feed into the UNFCCC process, as well as who is leading it. Likewise, there are three supporting policy processes that contribute to the UNFCCC process to ultimately shape the post-2012 framework, and taking this opportunity I would like to stress the importance of this G8 ministerial and, on behalf of the organization, deliver the appreciation for the opportunity of stakeholder dialogue today.

The science on climate change is clear and well-accepted by business. At the same time, we know that energy is the fuel for growth: an essential requirement for economic and social development. Our focus then must be on dramatically improving energy efficiency within the global economy and managing emissions from the energy we use.

Climate change can only be resolved in cooperation that includes all parts of society, in particular between governments and business. Business' role in society is the efficient provision of goods and services. The private sector is the major source of capital, innovation and technology, as well as of the investments that can transform the global energy system. We would like to do the right thing, but we need clarity on the policy framework within which we do our business. We must get way from the “you first” mentality. We need leadership and action by both governments and business.

Technology:

There is no body who objects the importance of technologies for the future mitigation actions. We, however, must remember that the technologies and policies go hand in hand. We need policies that are adapted to the respective type of technologies we want to see developed and deployed.

This involves, for example:

- Simplifying the red tape inherent in planning and permitting associated with hydro and nuclear facilities
- Extending product standards for appliances
- Establishing building codes that are more carbon-neutral
- Creating subsidies that accelerate market penetration of renewable energy (and get these technologies to scale and thereby reduce costs)
- Sharing R&D costs between governments and business for new technologies like carbon capture and storage or next generation nuclear
- Developing risk guarantees for these new major technologies
- Reversing the trend in R&D spending, which for energy has been halved over the past 25 years.

Technology Cooperation & Transfer:

The private sector thrives on investment opportunities; selling technologies at low or no cost is simply not viable nor is it sustainable. If there is a legislated mandate to “give-away” IPR, business loses its incentive to invest further in research and development. We expect the governments to facilitate and create the policy frameworks that encourage the private sector to engage in technology cooperation – to work with their partners in developing countries to invest in clean energy and low-carbon technologies. The international carbon markets, which already exist with CDM transactions, as well as emerging cooperative sectoral approaches are important tools to help this movement in addition to competitive business-to-business framework for transactions. Managing the intellectual property rights regime in balancing the need to incentivize innovation and the dissemination of technologies is also a crucial issue for future movement.

Sectoral Approach:

Sectoral approach is an emerging agenda in the international climate discussion but, from our perspective, it is not new but rather familiar in concept. The WBCSD has engaged for more than a decade in the sector projects to address sustainability in the fields of Cement, Electricity Utilities, Mobility, Forest Products Industry, Buildings and so on, with the vision for tomorrow's society. We researched the facts and trends of technological development, worked on the agenda for concerted action and explored the possible policies and measures that enhance these technological developments. We valued those sectoral discussion to generate practical solutions. What is needed is the interpretation of our findings into the language which constitutes the future international frameworks, and we are working on that.

Business Input to the Gleneagles Dialogue:

Finally, let me touch upon the Business Input to the Gleneagles Dialogue, which the World Economic Forum coordinates in collaboration with the WBCSD. It is a comprehensive CEO Statement of recommendations on the post 2012 international framework, which contains messages on mitigation, technology finance, adaptation, ideas for long term and intermediate milestones. Endorsements are currently being invited from an estimated 150 CEOs from diverse geographic locations and business sectors to create a bold statement. The statement will be presented to the Prime Minister of Japan and circulated to G8 leaders and environment ministers prior to the summit.

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