

Christiana Figueres
Executive Secretary
UNFCCC
Haus Carstanjen
D 53153, Bonn, Germany

Monday, July. 30, 2012

Attn.: Jayant Moreshver Mauskar and Harald Dovland, Co-Chairs Ad hoc Working Group on the Durban Platform for Enhanced Action

Dear Ms Figueres,

Further to the request from the co-Chairs of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) for contributions on how the ADP can advance its work under both work streams, in Bangkok and for remainder of 2012, WBCSD and IETA would like provide the following input.

WBCSD and IETA have recently provided a joint submission to the AWG LCA on “Market mechanisms as the central pillar of a climate policy framework”, which argues that to reach the level of GHG reductions needed, new market mechanisms, building on existing market approaches, will be critical. (see attached).

Our members support the development of a global framework, within which key developed and developing countries are actively involved, respecting the principle of common but differentiated responsibilities. As part of the global framework, the optional use of new market-based mechanisms will increase the cost-effectiveness of mitigation and enable ambitious mitigation action. We strongly support a smooth, well managed transition from the current UNFCCC market mechanisms to new market-based mechanisms, building on the existing capacities and institutions, and continuing to provide incentives for private sector investment in low-carbon technologies.

To this end, WBCSD and IETA welcome the continued work under the ADP for all Parties, both formally and informally, building on the work under the AWG LCA and the subsidiary bodies to the Convention, to allow the progressive development of approaches for all Parties to contribute through national actions, supported by a global framework. As a practical matter, in order for business and industry to effectively address and provide inputs efficiently, we would like to see the discussions on market mechanisms and emissions trading eventually move under one negotiating body to reduce confusion and duplication of effort.

WBCSD and IETA stress the importance of the private sector in implementing the decisions made by Parties. In this context our members, are ready to share expertise and knowledge with the ADP on areas of mutual interest, including mitigation, adaptation, finance and, technology development and transfer, to inform decision-making and their technical underpinnings for a successful outcome.

Yours sincerely,



Dirk Forrister

President and CEO

International Emissions Trading Association



Peter Bakker

President

World Business Council for Sustainable
Development

cc Halldor Thorgeirsson, Director, Implementation Strategy Unit, UNFCCC

Attachment: Market mechanisms as the central pillar of a climate policy framework