



The Business Council for Sustainable Energy

1620 Eye Street NW, Suite 501, Washington DC 20006

(p) 202-785-0507 (f) 202-785-0514

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To: Ms. Christiana Figueres Executive Secretary United Nations Framework Convention on Climate Change	Date: September 1, 2010 Fax: (49-228) 815-1999
From: Lisa Jacobson, President	For Information Call: 1-202-785-0507
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September 1, 2010

Mr. Robert Owen-Jones, Chair
Mr. Samuel Ortiz Basualdo, Vice-Chair
Subsidiary Body on Implementation (SBI)
United Nations Framework Convention on Climate Change (UNFCCC)
Haus Carstanjen, Martin-Luther-King Strasse 8
P.O. Box 260 124
Bonn, Germany 53175

Dear Chairs:

As the UNFCCC Subsidiary Body on Implementation solicits input on "ways to enhance the engagement of observer organizations," our coalition of clean energy and climate solutions businesses would like to share the following suggestions on how engagement with the business community can be enhanced. We support an overall approach that embodies the United Nations spirit of inclusivity and one that recognizes the diversity of voices within the private sector.

On the Role of the Private Sector

As the Parties proceed with the negotiations for a post-2012 international agreement, a more permanent and formal role for the business sector in the design and implementation of the agreement is needed. Given the scale of private capital required and existing technologies available to address the challenge of climate change for mitigation and adaptation, it is important that Parties understand the full range of positive contributions that business can provide to assist countries in meeting their national low-carbon goals. Parties can actualize these contributions through an international agreement that includes decisions that: sustain existing and establish new market mechanisms, set ambitious emission reduction targets needed to send clear price signals to investors and create policy incentives to facilitate the diffusion of existing low-carbon technologies.

These needs call for innovative leadership by policy-makers who are open to engaging the private sector in new ways. Our coalition recognizes that not all Parties share the same view of the private sector. This is precisely why a more open and formalized channel for dialogue between the private sector and Parties should be considered, so that information can be shared openly and in both directions.

On Possible Mechanisms

The process will benefit greatly from the creation of a standing mechanism(s) that allows for parties to access private sector expertise. We identify two primary areas of need that the private sector could help serve:

1. **Consultation on design of a post-2012 agreement** – A high-level body/mechanism that could serve as a resource for negotiators as they draft the agreement and subsequent decisions; and
2. **Implementation & technical assistance** – A working-level consultative body of experts to provide technical assistance in response to country-driven requests during the implementation phase of an agreement, and to consult on the formulation and execution of standards.

A high-level consultative body could provide feedback to negotiators on proposed language, for example, on a draft text's potential impact on private sector investment decisions or elements that

are needed to accelerate deployment of clean energy technologies. The consultative body could also advise on how different policy choices might either encourage or discourage private sector action. We recognize the proposals by other business groups for the establishment of a standing consultative body to fulfill this role.

To address the second need, the same mechanism or a separate one could be created. The purpose of this mechanism would be to establish an infrastructure that would connect the right people by matching private sector expertise with country need. For example, the negotiations are currently considering the design of a Technology Center + Network, which could be home to this type of implementation & technical assistance mechanism.

On Guiding Principles

While the form of a mechanism that draws upon private sector expertise matters, whether it is an advisory body, consultative mechanism or expert committee, it is more important that the Parties decide upon a form that embodies the following guiding principles:

- Inclusivity and recognition of diversity;
- Openness and transparency; and
- Flexibility and adaptability.

The Business & Industry (BINGO) community is comprised of companies and organizations that represent a diverse range of business interests, goods and services, expertise, and financial size. Equal access to information and the opportunity to comment should be open, transparent and regular, for example through a website or another regular communication tool. It should also be acknowledged that the ability for BINGO members to travel to UNFCCC meetings varies. Constraints such as these should not limit an observer's access or ability to contribute vis-à-vis a potential mechanism. Lastly, the mechanism should be nimble and able to adapt and respond to the pace of the negotiations, as it moves from design to implementation of an agreement.

As an observer to the UNFCCC negotiations since 1992, our organizations understand the substantive and administrative challenges that lie before the Secretariat, Parties and civil society to build the architecture for a post-2012 agreement. We remain optimistic and committed to building sustainable solutions and approaches to address the global challenge of climate change. We speak for businesses that seek an ambitious global treaty; and that can deploy existing clean energy technologies and services to reduce greenhouse gas emissions in the immediate future.

Our organizations look forward to working with the Secretariat and Parties to design a framework where the engagement of observers can grow and best serve the needs of the international community.

Sincerely,

Business Council for Sustainable Energy (BCSE)
Carbon Markets & Investors Association (CMIA)
Global Wind Energy Council (GWEC)
International Council for Sustainable Energy (ICSE)
International Emissions Trading Association (IETA)

cc: Ms. Christiana Figueres, Executive Secretary, UNFCCC