



**6th Australia-New Zealand Climate Change & Business Conference
Sydney, Australia 10-12 August**

**Address by Christiana Figueres, Executive Secretary
United Nations Framework Convention on Climate Change**

Ladies and gentlemen,

Thank you for the flexibility in allowing me to address you by video link. It will no doubt have a positive impact on the carbon neutrality goals of your conference.

Your conference is timely, because real action and progress in climate change abatement is almost inconceivable without the strong involvement of business, and without significantly increased cooperation within and between the public and the private sectors.

Business innovates, business implements and business drives trends. In the context of climate change, it is the sustainability and green growth trend that holds the promise of real action. But it needs to be increased, expanded and built upon.

The question you as business representatives may have is: “will governments provide us with a clear longer-term policy framework so that we can expand the green growth trend with confidence?” The short answer is: current signs point towards it, but governments are still working it out. Let me expand on that.

I have heard in business circles that the UN Climate Change Conference in Copenhagen was a disappointment because it did not yield the policy clarity that had been hoped for. This may be true, but while Copenhagen may have been a bend in the road, it certainly wasn't the end of the road. Copenhagen didn't leave the business world empty-handed.

The conference produced a number of results:

1. The Copenhagen Accord, which includes a 2 degrees Celsius temperature limit and a provision to review this by 2015.

Under the accord, all developed countries have submitted their 2020 targets with various base years. In addition, 39 developing countries have communicated information on their mitigation plans, either in economy-wide terms or in specific actions. While governments are still in the process of deciding how to take the Copenhagen Accord forward, it nonetheless represents a solid policy intention to constrain carbon and respond to climate change, both in the short and in the long term.

2. Copenhagen also paved the road towards agreeing on concrete action in all key areas, including adaptation, technology cooperation, finance and capacity-building.
3. The conference also decided key improvements to the Kyoto Protocol's clean development mechanism (CDM).

In 2008, governments indicated their strong desire that the CDM should continue beyond 2012, when the first commitment period of the protocol expires. Building on this, governments decided a number of improvements to the CDM at Copenhagen, including how to increase its geographical scope and improve registration and issuance procedures.

This is important because the CDM has helped to identify cost-effective opportunities for emission reductions, while providing an important source of financial flows for mitigation action. There are currently 2310 registered projects in 68 countries. Additionally, the CDM feeds an adaptation fund through a 2 percent levy on mitigation projects, and it has transferred environmentally sound technologies to developing countries.

Time has not stood still since Copenhagen. The road towards completing the negotiations continues.

Three negotiating sessions have taken place since Copenhagen, and many governments feel that the discussions have re-established trust and confidence in the UNFCCC process.

Completing negotiations may be a process that turns out to be incremental in nature - one road marker at a time. However, the last negotiating session, which ended four days ago, clearly showed that governments want to see cooperation and action on a practical level.

This intent will be taken up at the next negotiating session in Tianjing, China, in October, in preparation for the next UN Climate Change Conference to be held in Cancún, Mexico, at the end of the year.

There seems to be convergence that Cancún should produce a balanced package of decisions that would operationalize the key elements of the Bali Action Plan. This would mean concrete implementation in the areas of adaptation, mitigation, technology, finance and capacity-building.

Another priority of work at Cancún will centre on avoiding a gap between the end of the Kyoto Protocol's first commitment period in 2012 and mitigation action beyond that.

All of this may seem rather vague to business, but both the desire to see action implemented, as well as the work towards the continuation of the CDM beyond 2012, point to the fact that action to abate climate change is poised to grow, step-by-step.

This is important from a business point of view because it means that the sustainable and green growth trend will increasingly define the global economy.

Of course this trend is as relevant in the context of the negotiations as it is in the context of sound economics. Companies that base their supply chains on sustainability or increase their energy efficiency will, in the long run, save money and have an early advantage compared to companies that carry on with business as usual. In fact, sustainability actions can be undertaken in advance of international policy, with clear economic advantages.

It is thus worrying that latest reports find that worldwide, 63 percent of businesses do not yet monitor their energy consumption and 81 percent of businesses do not monitor their carbon footprint.

It may come as a surprise to you that the same reports find that companies in China and India are taking green measures most seriously and are among the most attentive to monitoring their emissions. In a globalized world, such growing trends are key to maintaining the green momentum.

In the context of the negotiations, the contours of how and where business can become involved are becoming clearer.

Next to the CDM, a new technology mechanism will provide new opportunities for business to act. Nationally appropriate mitigation actions by developing countries may also open up new possibilities for mitigation action that is broader than the current CDM. In adaptation too, opportunities are emerging where the private sector can meaningfully participate.

But let me be clear: successful climate change action will necessitate an unprecedented level of cooperation, not only among governments, but also between business and governments - and among businesses.

In this sense, I urge you to continue these dialogues and to continue driving the sustainability and green growth trend. I urge you to stay actively involved in the negotiations to ensure that increased cooperation leads to real results.

Let us not forget: a bend in the road is not the end of the road unless you fail to make the turn. And that turn is green growth.

Thank you.

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