

PRESS RELEASE
BUSINESS CALLS FOR A BALANCED OUTCOME TO CLIMATE CHANGE
NEGOTIATIONS

BUSA recognises the imperative for the current round of climate change negotiations to succeed. However greater recognition should be given to the positive role that business can play in creating a new agreement that is sustainable and more successful than the Kyoto Protocol.

In this regard BUSA believes a successful agreement needs to be built on the following principles:

1. Climate change is a fundamental issue for South Africa and will have major impacts on the South African society
2. Action is required urgently at a global level
3. Business as usual is not an option for any country
4. Actions on climate change can distort competition across country borders
5. Both market mechanisms and sound regulation will be required to achieve a low-carbon economy scenario in practice
6. Climate change must be solved in an integrated manner with other key issues in society such as: economic development to alleviate poverty; energy security; and affordable access to energy, job creation as well as protection of biodiversity
7. All sectors of society and Government have a role to play in moving to a low carbon economy
8. A mix of policy instruments will be required
9. Developing countries suffer the effects of climate change most acutely
10. There has to be a fair balance between what historical large emitters should do and what emerging emitters like South Africa should be expected to do

On the basis of these, BUSA believes that there are key issues for a successful outcome that would enhance the role of South African business in achieving international climate change objectives whilst at the same time achieving economic growth, job creation and alleviation of poverty, and these are:

- **Level of mitigation effort appropriate for South Africa**

It is clear that a new climate change deal will require some commitment from developing countries - and that South Africa is facing significant pressure in this regard. Key areas in South Africa for transition to a low-carbon economy centres on: energy efficiency, more effective deployment of existing technologies like solar water heating; technology innovation such as carbon capture and storage; technology transfer through foreign investment; and credible and more effective carbon trading credit markets.

Business accepts the need for a range of national policy instruments to address the historically high national carbon growth path, with international backing. Therefore three key issues are proposed for implementing mitigation measures:

i) Global trading market

To encourage emissions reductions in a cost effective way, and determine finance for developing countries, we need to consider the establishment of new sectoral carbon trading systems for economically advanced developing countries to access finance and cost effective emission reduction strategies in key sectors. Reform of the CDM is needed for a much more efficient and effective instrument, which includes considering it not being managed in the UN system.

ii) Technology transfer

Against the background to ensure technology transfer from developed to developing countries, the challenge of intellectual property rights needs to be acknowledged. Innovative ways should be identified to ensure that low carbon technologies are integral to investment. International support can enhance the scale, scope and speed on local implementation if undertaken within the national development strategy. Additionally, the potential for SA to make a significant contribution to research into carbon capture and storage should be explored.

iii) Measurement, reporting and verification

In addition to being a key element of a successful agreement, this should also build on existing international approaches to conformity assessment in the environmental field as the basis of monitoring and verification measures for greenhouse gas emissions, rather than building on the current verification approach used for the Clean Development Mechanism that has proved very costly for developing countries.

- **Adaptation**

National studies have already shown that South Africa will face significant challenges as a result of climate change in the areas of agriculture, biodiversity, health and water supply. International support for adaptation will be essential for a successful deal.

In summary BUSA believes that a balanced agreement will contain recognition of the developmental challenges still facing developing countries whilst at the same time addressing business commitments to a low carbon growth path without being prescriptive, but still supportive, of the adaptation initiative.

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