

## BUSINESS ORGANIZATIONS STATEMENT

DECEMBER 17, 2004

UNFCCC COP10 CLOSING PLENARY

Thank you Mr. Chairman

My name is Arturo Acevedo, and I am Chief Executive Officer of the Argentine company, Acindar. I am speaking on behalf of many of the business and industry organizations attending this 10<sup>th</sup> COP, a diverse group with many shades of opinion.

Businesses all over the world recognize that the climate challenge is serious. My and many other companies in Latin America and throughout the world have dedicated our resources and knowhow to developing better processes, technologies, and products that bring value to our customers, shareholders and communities and contribute to global efforts to mitigate, adapt to and respond to potential climate change.

Governments agreed in Rio and Johannesburg on the need for cooperative action that marries environmental, social and economic realities. For developed and developing countries, it is essential to integrate climate change policies into the context of other urgent priorities – energy, economic development, and job creation, both in the near and longer terms. In this context, all energy options will be necessary and play an important role in fueling development and improving quality of life. We call upon governments to think of the pressing needs in Latin America and other developing countries for investment, market access and economic development that will address environmental issues and enable our societies to flourish.

We should continue to assess and improve climate policy under the international framework of the UNFCCC, reflecting those broader social, economic and environmental issues. As governments consider longer term approaches, their choices will inevitably impact economies, competitiveness, development pathways and lifestyles as well as the environment, and should consider how to balance these priorities.

With such potential for far-reaching, broad and fundamental consequences, the international community must find effective ways to proceed that include all countries and regions. Business remains concerned that current implementation approaches have the potential to impose high costs on business and society, exacerbate tensions in international trade, and to damage economic prospects, competitiveness and investment, while doing little to address increasing global greenhouse gas emissions.

What must we do now?

We believe that longer-term international climate policy approaches under the UNFCCC should:

- Take into account the experiences, impacts and effectiveness of implementation of climate policies in different countries and regions;
- Ensure that the full range of business views and actors are engaged in both shorter and longer term discussions

- Reflect a full international consensus to address these risks,
- Encourage investments in, and access to, a full range of energy and energy efficiency options and technologies that are needed to promote economic growth and cleaner development in the context of addressing climate risks.

We must ensure that the Clean Development Mechanism stimulates projects in developing countries, as soon as possible, with all types and sizes of projects encouraged. The CDM must become much more business friendly and transparent to enable greater numbers of projects. In its current form, it may be bypassed, or simply slow down and discourage cleaner investments from the private sector that are so vital for Argentina and other developing countries.

Cooperation, transparency, technological innovation and sustainable development must characterize the next chapter of the UNFCCC. We have seen that considering longer term options has to be complementary to near term activity. Action to pursue longer term options is vital, and much is already underway in business, governments, academia and elsewhere. Discussions here have highlighted the need for interactions among sectors of society and among sectors of business in addressing climate change risks, mindful of the contexts and linkages among business sectors and markets in the value chain.

The business community stands ready to continue our interactions with these important international discussions so that they will lead us to cooperative, long-term approaches to address climate change in the context of economic growth and sustainable development, in accordance with the UNFCCC.