

INTERNATIONAL BUSINESS

Green Economies: Dialogue Needed

By Peter M. Robinson
President and CEO, USCIB



While everyone agrees on the need for greener growth, there is less consensus on how we get there.

The **Green Economies Dialogue**, a project of the United States Council Foundation, brings together the policy and business communities for intensive discussion of the best paths forward – mobilizing experts from the public and private sectors, along with leading academics and NGOs, with the goal of providing a clear road forward on green growth, greener jobs and a host of related issues.

Over the past year, the project has informed international policy deliberation in the lead-up to Rio+20, with industry, government and other actors working together to map the transition to a global framework where the private sector and the marketplace have bottom-line motivations to drive improvements in technology and business practices.

Through intensive dialogue sessions in Washington, Paris, Beijing, Tokyo and Brasilia, the Green Economies Dialogue has provided a platform to discuss key international policy questions, with the goal of ensuring that economic growth and the pursuit of environmental objectives go hand-in-hand. These include:

- *How can environmental innovation in such areas as energy use or agriculture best be shared around the world, providing opportunities to promote sustainability while maintaining competitiveness?*
- *What role should international institutions like the G20, the United Nations and the OECD have in coordinating policies among national governments?*
- *How can the logjam of trade and climate negotiations be broken, to foster integrated policies that incentivize innovation, broadly deploy solutions and mobilize financial resources?*
- *Are subsidies an effective way to encourage start-ups and investment in new technologies, and what other options can governments pursue to help nurture as yet non-commercial options?*

As part of the Green Economies Dialogue, academic research has been commissioned for publication in the influential publication **Energy Economics**, with research papers by highly regarded experts exploring a variety of aspects of green growth and green jobs.

The Green Economies Dialogue website (www.green-dialogue.org) has gathered informative materials from numerous points of view, including summaries, statements and papers from the various workshops, as well as summaries of the *Energy Economics* research.



We encourage you to engage with us as we drive international debate and consensus on issues critical to global business, the world economy and the health of the planet, in Rio and beyond.

Inside

Highlights of the Green Economies Dialogue sessions held around the world

Overview of new green economy policy research to be published in *Energy Economics*

Focus on access to environmental information: balancing protection and transparency





The UN Conference on Sustainable Development (Rio+20) provides a once in a decade opportunity to set a course for greener growth and strengthened institutions through international cooperative action on economic, environmental and social fronts. It also gives the global community to “update” the means to implement sustainability and engage stakeholders of all kinds, and one critical example of this is possible through access to information.

Since the U.N. Earth Summit in 1992, technological innovation and the emergence of the Internet as a vehicle both for commerce and public information has meant new opportunities to communicate and cooperate, but has also raised questions about the implications of the trend toward a “carte blanche” approach to availability of information.

Business supports transparent access to the specifics of regulations, public-public and public-private collaboration in environmental matters and sharing of relevant scientific information. Business has also welcomed voluntary reporting and disclosure as part of its necessary communication with customers, investors and society.



However, Rio+20 discussions to advance transparency and access to environmental information could be counter-productive if they lack:

- clear definitions of what kinds of information are intended,
- explicit protections and safeguards for commercially important information and
- information stewardship principles to help provide this information reliably and responsibly.

Many governments recognize that proprietary information, including certain regulatory data and other confidential business information, must be protected from disclosure. We hope the Rio+20 negotiations will acknowledge the need to balance transparency and access to information as critical to sustainability, development and the economy. In our view, any international policy or initiative providing access to environmental information must take

into account public and state security and the need to protect the integrity of decision-making processes, as well as privacy interests of individuals.

Good information stewardship practices should be part of Rio+20 outcomes so that information is presented to the intended audiences in a rigorous and trustworthy fashion, and not taken out of context or distorted. Information made more broadly available should not damage business competitiveness. To avoid this, Rio+20 outcomes should provide explicit protections for commercially important information, such as confidential information, trade secrets and intellectual property.

Business seeks clear and strong protection for and stewardship of information in the Rio+20 outcomes. Transparency, democratic practices and institutions and dialogue are fundamental to implementing and improving environmental practices and promoting synergies across the contributions of the private and public sectors. This can and should move forward while enabling business innovation and competitiveness through the safeguarding of critical commercial information.

The Dialogues

Washington

On October 12, 2011, Resources for the Future hosted the first Green Economies Dialogue. The goal of this and other dialogues was to foster discussion of green economy topics among business, government, inter-governmental organizations and other stakeholders, with a focus on international cooperation and market-based approaches that will enhance prospects for greening growth.



Shalini Vajjhala, U.S. Environmental Protection Agency (left); United Nations Environment Programme North American Regional Office (center); **Jan Corfee-Morlot**, Organisation for Economic Co-operation and Development (OECD) (far right). Moderated by **Brian P. Flannery**, Chair of the International Business Green Economies Dialogue (far left).

Government, business and NGO representatives engaged with economists and academics in wide-ranging discussions. These focused on a review of experiences, possibilities and unknowns associated with the pursuit of a

greener economy, efforts to better understand one another’s perspectives on how economic and environmental policy approaches can be promoted effectively in North America, and, in particular, the role that international market-places and regulatory frameworks could play in taking greening global marketplaces.

Participants shared U.S. experiences, and looked ahead to how public and private sector resources could be deployed most effectively to speed the evolution to greener economic growth that is meaningful both in the U.S. and globally.

Paris



Paul Collier, University of Oxford, and **Ann Condon**, General Electric, on the “Green growth for development and job creation” panel

On November 14, 2011, BIAC welcomed close to 100 experts from business, governments, OECD, UNEP and key academics at the OECD's headquarters.

The Paris Dialogue was organized as the second part of a business-led series of discussions in North America, Europe, Asia and South America, in the run-up to the Rio+20 Earth Summit in June 2012.

The Paris conference drew on the work on green growth carried out by the OECD and actively engaged representatives from different parts of the Organisation in the discussions.

Specific sessions focused on green growth for development and job creation; policy instruments; energy; and resource efficiency. Sessions were introduced by presentations of key academics, followed by reactions from experts from business, national governments and international organisations as well as an interactive discussion with all participants around the table.

Among others, it was highlighted that green growth policies should consider how to maximize growth across the economy, which underlines the need for credible and sustained public policies so that the necessary investments come forward.

While there is a wealth of information on climate change, participants underlined that resource efficiency deserves increased attention in the context of greener growth. Integrated policy approaches to address interrelated challenges will require specific attention in the Rio+20 discussions. Many governments highlighted the importance of cooperation with the private sector, which underlines the importance of flexible bottom-up approaches and partnerships as part of the way forward.

Beijing

The Beijing Dialogue, held on March 21, 2012 was jointly organized with USCIB's China Committee and with strong input from the Business and Industry Advisory Committee to the OECD, assessed conditions to promote a greener economy in China, key opportunities for industry to enhance China's efforts, and issues related to competitiveness in global markets. The meeting also served as a platform to discuss areas for improvement and cooperation within the private sector, and private/public partnerships.



Keynote Speaker, Dr. Zhou Hongchun, Director of the Department of Social Development Research Center (DRC) of the State Council, gives his keynote speech.

The event was highlighted by a keynote address from Zhou Hongchun, one of the Chinese government's leading advisors and experts on green industry development policy, including structural adjustment, "circular economy" promotion, and industrial energy efficiency. The event also featured a panel of industry experts and representatives, including Joerg Wuttke (BASF), chair of BIAC's China Committee.

Tokyo

The Tokyo Dialogue, which took place at Keidanren's headquarters on April 4, 2012, brought together over 80 participants from international business and government, as well as key academic experts, in a constructive discussion on opportunities and challenges in realizing a green economy. The conference highlighted a series of business initiatives that make a pro-active contribution to sustainable development, including on the role of innovation and technology in building a sustainable society on a global scale.



Scott Williams, Sustainability Network Leader, PwC Japan gives his presentation on "Internalizing Externalities to Drive the Sustainable Development Transformation."

A prominent part of the discussion was the improvement of energy efficiency as well as the development and global deployment of innovative technologies to promote a low-carbon society. The meeting also highlighted promising approaches to foster more efficient use of resources, the role of sustainable consumption and production, the importance of involving consumers as well as public-private partnerships, highlighting both challenges and opportunities for the business community.

Brasilia

The Brasilia day-long dialogue session, hosted by CNI on April 16, 2012, engaged over 70 participants from Brazil along with international participation from government, industry, academia and the UN. Sessions focused on green growth issues of importance to Brazil and developing countries, including: perspectives on Rio+20, green growth in emerging, developing countries, sustainable use of tropical forests, and implications of a low-carbon economy for food, fuels and forests.



Brian Flannery, Chair of the Green Economies Dialogue, listens as **Shelley Carneiro** (CNI) makes a point.

Discussions highlighted the importance and challenges of moving towards greener outcomes in rapidly growing nations where development remains crucial. As in previous events, speakers noted the need to account for national circumstances and priorities. Former Environment Minister Carvalho stated that sustainable consumption solutions require domestic political decisions with a more comprehensive debate involving social and economic implications, not just environmental perspective, most especially in emerging, developing nations where poverty eradication is a priority.

Other observations cited the need for stable policies to encourage business to invest and innovate. Executive Secretary Gaetano (Environment Ministry) noted that views were diverse, even within business, so dialogue was of value to articulate attitudes and reasons underlying diversity. Several speakers indicated that while command and control policies had significantly diminished deforestation rates, they might have reached a point of diminishing returns.

Progress would require more sustainable approaches based on the integration of social and economic dimensions. In particular, corruption and poor enforcement were serious barriers when returns to illegal activities far exceed legal uses.

Business Events in Rio

June 13

ICC Creativity 4 Innovation Forum
co-hosted with ICC Brazil and CNC

June 17

Green Economies Dialogue event
12:20 pm-1:50 pm
at the Japan Government center

June 18

Green Economies Dialogue event
11:00 am
at U.S. Government Center

June 19

BASD2012 Business Day
(registration required)
ICC/UNDP/IBLF World Business
and Development Award Ceremony

June 20

ICC high-level side event: "Making a green economy
happen"
ICC side event: "Business's Contribution to Rio+20"

June 21

USCIB webinar: Report on outcomes of Rio+20, business
perspectives and issues for U.S. companies

June 22

BASD side event:
"Collaborating beyond Rio+20"

Green Perspectives

The Green Perspectives papers will appear in the journal Energy Economics (Elsevier) published as a special edition contemporaneous with Rio+20. The editors of Energy Economics appointed a selection committee to identify and recruit authors for the project, and utilize their normal review process to assure quality and integrity of final papers. Topics include:



- Defining objectives, especially the direction, scale and pace of change
- Monetizing or otherwise valuing "green" growth and outcomes
- The role of the government in industrial and economic policy
- Mobilizing and deploying potentially significant funding to achieve objectives
- Implications for competitiveness, employment, trade and investment in a globalized economy
- Meeting the development challenges of the poorest nations where access to energy and utilization of natural resources are critical
- The role of green growth may play in recovery from the recent recession
- Information and the role of consumers
- Implications for supply chains
- Policy instruments and their intended and unintended effects.

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