inside:

How to involve business in climate change?

A wealth of untapped potential: How low-carbon innovation can fuel economic growth

a daily multi-stakeholder magazine on climate change and sustainable development

outreach.

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About Stakeholder Forum
Stakeholder Forum is an international organisation working to advance sustainable development and promote democracy at a global level. Our work aims to enhance open, accountable and participatory international decision-making on sustainable development through enhancing the involvement of stakeholders in intergovernmental processes. For more information, visit: www.stakeholderforum.org

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It is often said that business and industry, or “the private sector”, is a key actor in addressing climate change. The private sector is where much of the incremental innovation - leading to cost reductions in low-carbon and adaptation technologies - is taking place. The private sector has the capital to make the necessary investments to transform our climate-unfriendly energy system. And if the private sector does not transform its production processes, reaching the 2°C target will be impossible.

If it is key to involve the private sector, how can it be done in a party-driven process like the United Nations Framework Convention on Climate Change (UNFCCC)? Currently, as in earlier meetings, COP20 is struggling to respond to the needs of the private sector without compromising the public interest of addressing climate change, while at the same time finding more meaningful ways to engage businesses than just having businesses in these meeting rooms.

This question is particularly relevant for new institutions such as the Green Climate Fund and the Technology Mechanism. The Kyoto Protocol's Clean Development Mechanism (CDM) has been successful in engaging the private sector and financial sectors in climate change mitigation and could provide lessons to be learned. But the big draw of the CDM was its carbon price; and notwithstanding the calls for carbon pricing and some national initiatives, it seems unlikely that the success of the CDM can be replicated in the institutions that will be formed under a Paris agreement.

One of the problems that the UN climate negotiations face when engaging the private sector is the heterogeneity of the business community. Although treated as one voice in the climate negotiations, the private sector in fact represents numerous actors with very different interests. Specific to mitigation, it is clear that some business actors have an existential interest for delaying action on climate change. Clear examples are the coal and oil industries. While other business actors, such as renewable energy technology manufacturers, actually depend on a sustainable energy transition happening.

However, most companies are relatively oblivious to the outcome of the climate negotiations, even when the outcome determines the way they do business. The finance sector and project developers are willing to invest in climate-friendly projects, but they will only do so if risks are manageable and revenues are good. Energy-intensive industries use fossil fuels, but could switch to other sources of energy, as long as their competitors – especially those in other countries under different regulatory regimes – are also told to do so. Car manufacturers would like to see rising car ownership, but are willing to invest in low-carbon technology as long as competitors face similar challenges. Such industries just need a strong and globally consistent push.

It is evident that each business actor should be approached with appropriate policies. Companies with business interests aligned with climate change action need to be enabled, for instance by lowering investment risks so that capital can be more readily accessed against favourable conditions. Energy-intensive industry and manufacturing will need a level-playing field and a strong push for radical, climate-friendly innovation. If this is not provided through carbon pricing, then sectoral agreements, for instance through industry-specific standards and regulation, in combination with public-sector support for new technology, could be considered.

The fossil fuel industry, with interests diametrically opposed to reducing fossil fuel use, will have to be lured into action through investment in CO2 capture and storage (CCS), potentially in combination with regulation. CCS is the only option that makes this industry part of the solution to climate change and not only part of the problem. The petrochemical sector could be stimulated to do CCS as well, and transition towards using bio-fuels rather than fossil-based resources to produce their products.

A one-size-fits-all solution to involving business in low-carbon innovation is bound to fail. The continued treatment of business as a homogeneous entity is exactly why the debates on how to involve business in climate change action have delivered little more than talk. The UN climate negotiations should use its critical mass to make a strong push to those companies that need it to do more, and should enable those that have an inherent drive for action. It is key that the Parties are aware of specific interests of specific sectors in business and respond to them, but without letting them off the hook when action hurts.
Innovation is the driving force of modern economies. In today’s world: the companies, cities and countries that thrive are those that keep moving forward, developing new products, materials, services and business models.

Low-carbon innovation is occurring at a rapid pace. Digital technologies are reshaping entire industries and enabling us to use our time and resources far more efficiently. Advances in materials science have enabled us to build wind turbines that are four times larger and can generate 25 times as much power as they did in 1995. They have also given us more fuel-efficient cars, versatile LED lights, and better-insulated, far more energy-efficient buildings.

In the coming decades, we will need to make the most of this potential, because the challenges we face are enormous. Not only do greenhouse gas emissions continue to rise, but 2.4 billion people still live in extreme poverty, and urbanisation, rising consumption and population growth are putting pressure on natural resources. The choices we make in the next 15 years can put us on a path to low-carbon prosperity, or lead us far astray.

How do we move forward?
A key first step is to recognise that “business as usual” is an illusion. In our report Better Growth, Better Climate, we note that major structural and technological changes are already unfolding around the world. The global economy is expected to grow by half by 2030, and an estimated US$90 trillion will be invested in urban, land use and energy infrastructure alone over the next 15 years. Technology continues to advance rapidly, transforming our lives and businesses.

Thus, the choice we face is not between “business as usual” and a low-carbon future, but between alternative pathways of growth: one that exacerbates climate risk, and another that reduces it. Extensive evidence suggests that a low-carbon growth path can lead to as much prosperity as a high-carbon one, especially if we consider its multiple additional benefits like cleaner air and more habitable, vibrant cities.

But the world will not automatically move in a low-carbon direction; there are real barriers. Fossil-fuel technologies, for example, are deeply entrenched in most countries’ economies, with huge amounts of capital invested and policies that support them. Building standards often discourage the use of low-carbon materials. A key task ahead is to change policies, standards and regulations that now favour incumbent technologies and practices, to create a more level playing field.

Governments also need to invest in low-carbon research and development (R&D), particularly in energy. Energy-sector public R&D is now half what it was in late 1970s. Yet we know that clean-tech innovations have very high spillover benefits for societies, comparable to those from robotics, information technology, and nanotechnology. We have recommended that the major economies at least triple their public energy-related R&D by the mid-2020s, to well over US$100 billion a year.

Policy interventions are also needed to help build demand for low-carbon innovation. Commonly used tools include carbon prices or taxes, regulatory standards (such as for vehicle fuel-efficiency or appliance energy-efficiency); in some cases, encouraging demand requires removing barriers such as regulations that inhibit the shared use of capital-intensive goods. Public procurement can also play a key role; US innovation in semi-conductors, for example, was driven by military procurement.

International-scale efforts, meanwhile, will be crucial for bringing the benefits of low-carbon innovation to the world’s poorest people. Strong intellectual property rights are essential to promote low-carbon entrepreneurship, but greater efforts are needed to ensure that poor countries can still access those technologies. Patent pools may offer a potential solution: consortia created by owners of similar technologies pull together, and sometimes cross-license, common or complementary technologies. The poorest countries will also need technical capacity-building and support for adapting and adopting new technologies; to address costs, a mechanism could be set up in conjunction with the Global Environment Facility or the new Green Climate Fund.

Low-carbon innovation holds enormous promise not only for the climate, but for economic prosperity. As we come together in Lima this week, let’s work to ensure we make the most of it.

MORE INFO
This article is drawn from the work of the Global Commission on the Economy and Climate. Their report, Better Growth, Better Climate: The New Climate Economy Report can be found at www.newclimateeconomy.report.
Sustainable agriculture: Make climate change your business

Nicolas Mounard
Twin and Twin Trading

When some attention grabbing headlines picked up on threats to coffee production in the most recent Intergovernmental Panel on Climate Change (IPCC) report, climate change was suddenly transported from distant melting ice caps to much closer to home. Here at Twin, the ethical trading organisation specialising in coffee, we are acutely aware that business is waking up to this reality.

Smart businesses are investing within their value chains today to ensure that they are climate resilient. Without investment now, productivity and quality is likely to be compromised in the medium, not long-term.

The future of farming – lessons from the IPCC
The IPCC report finds that profound climate effects are already being felt around the world, something our team is witnessing in coffee communities day to day. Poor, marginalised and rural communities are likely to be the hardest hit, and shortages in climate sensitive crops will cause global hunger and drive up food prices. The report also finds that shifts in production areas, water stress and increases in agricultural pests and diseases will result in a “loss of productivity of high-value crops such as tea, coffee and cocoa [which] would have detrimental impacts on export earnings.”

Despite all this, the IPCC says there’s still time to avoid the most catastrophic impacts of climate change. In fact, it cites local and traditional knowledge systems and practices, including indigenous peoples’ holistic view of community and environment, as a major resource for adapting to climate change. This idea is central to Twin’s approach to development, which is why all of our adaptation projects begin with farmer consultation. Besides, there is no ‘one size fits all’ answer. As the report says, we need local insight to tailor interventions to the stresses, vulnerabilities and resources on the ground.

The power of partnerships – a value chain approach
Engaging producers is not enough, however. Meeting this enormous global challenge requires us to work together, but making change has to be in everyone’s interest if it’s to be sustained. That’s why Twin is engaged throughout the value chain to make the business case for adaptation with all actors in the chain. Our approach is to foster partnerships from farm to fork, to bring together skills, knowledge and resources and build something greater than the sum of its parts.

Climate change adaptation includes a broad range of interventions that impact quality, productivity, and food security. These interventions could cover anything from water conservation, farm renovation, and soil conservation to farmer training on organic agriculture and good practices. Businesses and farmers alike should therefore view adaptation not in isolation, but as an integral to any sustainable business model.

Communicating sustainability – what businesses want
The business case goes beyond building resilience to safeguard a consistent, quality supply of essential ingredients; it’s also about building a credible, sustainable brand. We wanted to gain a better understanding of the business needs around sustainability in order to unlock the marketing potential of climate smart investments and add further value for producers. To do this, we conducted a survey of the coffee buyers sourcing from five producer organisations taking part in our Big Lottery Fund (BLF) climate initiative in Nicaragua – a project which uses climate field schools as spaces for farmers to share knowledge and learn good practices.

Strikingly, the survey results revealed little appetite for a new climate consumer label. Buyers expressed low interest from their customers in ‘climate-marketing’. Instead, what they are interested in is information. They want to know what action producers are taking to improve good agricultural practices and build climate resilience. Comprehensive Monitoring and Evaluation systems are therefore crucial, as buyers want to understand how new practices impact productivity and quality, as well as seeing the breakdown of costs and savings.

Based on these insights, Twin has supported BLF project partner Cafenica, an association of smallholder coffee producer organisations, in building an online platform (http://web.cafenica.net/en). The next step is to link back to the producer organisations’ own websites and use the platform as a marketing hub for sending out newsletters to buyers. Two years in, the BLF project has resulted in community action plans being drawn up in each region based on the location-specific findings from climate field schools. Buyers are able to find out more about such activities via the website, and invest in those which meet their business needs and resonate with their customers.
Carbon offsetting enables businesses and other actors in developed countries to ‘compensate’ for their greenhouse gas (GHG) emissions by supporting GHG mitigation projects elsewhere, notably in developing countries. But is ‘compensation’ enough by itself? Here, ENERGIES 2050 proposes a different take on carbon offsetting through its ethiCarbon initiative, which applies a more holistic and long-term approach, encouraging climate solidarity between actors in developed and developing countries.

Businesses have an important role to play in developed countries’ efforts to achieve their emissions reduction commitments. Depending on the country, this role may be driven by mandatory targets and/or voluntary initiatives. Mitigation activities include those implemented at their sources, and those using carbon offsetting as an additional option to make up for a part of their residual emissions. Carbon offsetting occurs through the purchase of credits generated by GHG mitigation projects, which are sold on the voluntary or mandatory carbon markets. For example, the Voluntary Carbon Standard (VCS) and the Clean Development Mechanism (CDM) which is governed by the United Nations Framework Convention for Climate Change (UNFCCC). At COP20 in Lima, revisions to the CDM will continue to be discussed, along with the creation of new instruments such as a New Market Mechanism, which could facilitate GHG mitigation projects/programmes on a wider scale.

A key issue is that carbon offsetting projects, even if they support national sustainable development strategies, are often implemented on a project by project basis, generally without plans to connect the ‘offsetter’ and the beneficiary in a long-term partnership. Indeed, this can create a very detached relationship between these two actors, thus missing a great opportunity to create a form of ‘climate solidarity’. In response, the non-governmental organisation (NGO) ENERGIES 2050, has founded an innovative global carbon initiative called ethiCarbon. This initiative provides a comprehensive and ethical approach to reducing GHG emissions through a combination of carbon offset projects, and solidarity and sustainable development activities. The ethiCarbon initiative concerns all types of stakeholders - including from the private sector and civil society – that need or wish to compensate some of their GHG emissions, whilst simultaneously engaging in a long-term vision that puts solidarity at the heart of tackling climate change.

For carbon offsetting projects – as for all climate change mitigation efforts – careful monitoring, verification and reporting are crucial for ensuring a transparent process. Transparency helps build confidence and avoid double-counting of GHG emission reduction activities. Taking this into account, ethiCarbon has developed a carbon calculator to assess the GHG emissions of many activities, including business activities, travel, households, events, tourism and consumption, amongst others. Through the ethiCarbon initiative, an actor can choose to ‘offset’ its impact through the purchase of certified carbon credits (e.g. CDM, VCS, Gold Standard), and then go one step further to ‘balance’ its impact by supporting carbon solidarity activities. Meanwhile, all credits purchased and all support received are tracked and transparently reported.

The innovation of ethiCarbon lays in the willingness to create a personal link between the ‘offsetters’ and the beneficiaries of the carbon solidarity projects. Indeed, the aim is to encourage participants to take on board the concept of ‘real concern – real care’, as part of a collaborative approach to tackling climate change. It is also a case of re-thinking ‘carbon’ as an opportunity for generating financial flows of high quality, particularly in terms of ethics and solidarity.

While governments may be leading the climate negotiations, business has an undeniably important role to play in the implementation of climate change mitigation and adaptation. It is time to go beyond ‘compensation’ by accompanying carbon offsets with capacity building for host communities, in an effort to help provide everyone with the tools and knowledge to act in the long term. Interested parties are more than welcome to participate in the launch of ethiCarbon in 2015, and beyond.

MORE INFO
ENERGIES 2050 is a non-profit non-governmental organisation (NGO) working on the ‘Great Transition’ towards a more humane, plural and united society, bringing peace and respecting the common goods of humanity. Website: www.energies2050.org Email: contact@energies2050.org
Seven ways businesses can accelerate climate progress in the US

Mark Tercek
The Nature Conservancy

November’s historic US-China climate agreement sends an important signal of momentum and progress. It serves as an indication by two of the most important players in the climate challenge that we are starting down the path to a low carbon economy.

Now is the time for the private sector to step up and do more to accelerate progress toward a low-carbon, prosperous future.

Many companies recognise the reality of human-caused climate change and the need for a price on carbon. Likewise, many have significantly reduced their own emissions to achieve both better financial results and to contribute to environmental progress. These are positive steps that have been helping to build overall momentum, and the drumbeat of action is growing. Yet there is an opportunity for much broader and more visible business leadership.

1. Share your successes
Last year, the White House recognised over 120 companies that saved $1 billion, and reduced CO2 emissions by 11 million tons through energy efficiency. To companies like these: please speak up. Be more vocal about how you are making your business more resilient and your bottom line more robust.

2. Champion internal carbon pricing
Over 150 major companies now use an internal price on carbon to guide their decisions. To these companies, again I say: speak up. Your example can influence other businesses. To other companies, I say: imitate. Pricing your own carbon can result in more efficient business operations and economic savings, as well as reduced emissions.

3. Influence your business associations
Business should be on the side of climate action for its own good. Which is why it is even more troubling when business-friendly groups, such as Chambers of Commerce, release statements opposing action on climate change.

Members of these organisations should speak up when they, in fact, disagree with such positions. Clear messages from corporate leaders that climate action is good for business will help to reframe the policy debate.

4. Invest in carbon capture and storage
The arguments against Carbon Capture and Storage (CCS) are familiar: it’s too expensive and the technology is too far off.

Yet remember, in 1970, the auto industry railed against the US Clean Air Act. It would destroy millions of jobs, they said, and would cost consumers billions of dollars. The US Congress enacted the bill anyway. Today, cars are 99.5 per cent cleaner than they were in 1970 at a cost of only about $1,500 per car.

CCS is the newest round of pollution control that we need – it is an imperative. We need to make every investment necessary to bring it along, and businesses can lead the way.

5. Invest in biosequestration – natural carbon storage
Opportunities for carbon sequestration go well beyond forests. Experiments are under way to use cow manure for energy, to use biotechnology to produce algae as biofuels, to implement farming practices that put more carbon into soils and reduce nitrogen pollution. These are business opportunities that could help us save the planet – we need more forward-looking investment in this research.

6. Invest in renewables
Two-thirds of US states have adopted policies mandating renewable electricity generation. This has stimulated investment in new technologies, created jobs and made wind and solar power cost-competitive. With China’s pledge to achieve 20 per cent renewable power by 2030, it’s time for the US Congress to enact a comparable national clean energy goal.

7. Partner with environmental NGOs – and push them to do more
Just as I challenge companies to step up their leadership on climate, I encourage them to challenge Non-Governmental Organisations (NGOs) right back.

At The Nature Conservancy (TNC), we are a leader in reducing global deforestation and in demonstrating that investments in natural infrastructure are cost-effective ways to reduce climate-related risks such as coastal storms, flooding and sea level rise.

However, we can’t stop there – and we can’t do it alone. We will rely on forward-thinking business leaders to work together with organisations like TNC to mobilise new constituencies in support of clean energy and climate policies.

Tackling climate change will require strong action from governments, as well as NGOs, engaged citizens and local communities. But companies can be important allies in building the low-carbon future that will benefit our businesses, economies and health and safety around the world.
Ecological Enterprise Zones: A pain free solution to a high carbon economy or fool’s gold?

Philip Monaghan
Infrangilis

As world leaders gather in Lima for the latest round of climate negotiations, one hot topic of conversation will surely centre around how the private sector can come to the world’s rescue through technological innovation. Some policymakers believe the dawn of a new wave of Enterprise Zone (EZ) is one big ticket solution.

The EZ is a policy of deploying spatially targeted fiscal and deregulatory incentives for development, such as tax relief, planning simplification, or removal of social rights. There are estimated to be over 3,500 EZs in 130 countries around the world, which account for more than $200 billion in exports, and directly employ at least 40 million workers. An examination of the history of EZ theory shows that the concept has been around for centuries and continues to thrive in different forms to the present day. More recently, in the 2000s, EZs have evolved to accelerate low-carbon growth in the guise of Ecological Enterprise Zones (EEZ).

But what evidence is there that EZs deliver lasting benefits for local communities in the form of social mobility? Or that EZ policies will also help to tackle climate chaos? There appears to be an inverse pyramid to support the case for the blanket application of EZs, whereby theory is stacked on top of little evidence. Yes, there is compelling evidence to suggest that different versions of EZs do contribute to growth or regeneration. Yet a distillation of various studies by Infrangilis finds the rationale for EZ policy over other types of economic instruments, such as education, place-making, or community enterprise, to be inconclusive, particularly given that there are many examples of failure too, on a number of fronts. The process of policy mobility is important in explaining why EZ remains politically popular: the spread of a neoliberal idea to remove the dead hand of the state and unleash market forces to tackle unemployment; and ill-conceived state implementation whereby a policy label is adopted without proper consideration for clear definition or special measures.

As an emergent phenomenon, there are sparse empirical studies on the impact of EEZs, compared to their high-carbon cousins. Despite this, a global mapping exercise by Infrangilis suggests that they are on the rise, with 52 EEZs in operation in over 23 countries around the world. Examples range from Sunderland’s A19 ultra low carbon vehicle corridor (UK) to Chittagong’s low-carbon garments export processing area (Bangladesh) and Cape Town’s Atlantis green manufacturing zone (South Africa).

It can be argued however that there may be inherent contradictions for an EEZ between unabated growth and abated emissions. In the case of Baoding, in China, the economic boom from its solar panel industry means its carbon intensity – the amount of emissions per unit of GDP – appears to be higher than peer city equivalents. That is, Baoding may not actually be a green EZ on the basis that, whilst it is manufacturing low carbon products, in the absence of a decarbonised national power grid it is doing so in a carbon-intensive way. It has also been suggested there may be limitations to what a city can do by itself when it comes to green growth, because without a national strategy for EEZs, they may be inappropriately selected, non-complimentary, fail to build trust and create unnecessary competition. For instance, in England, 15 of its 24 EZs have an explicit focus on exploiting some form of green technology, ranging from marine energy to electric vehicles; and in November 2014 the Communities Secretary, Eric Pickles, proposed plans for a second wave of EZs. But without clarity on an English vision for national green growth which dovetails with local development plans it is unclear whether this is gold dust or fool’s good.

These insights highlight the important need for a better understanding of the potentially significant contribution of EEZs to next generation industrial strategy around the world. This can help to make a big shift to inclusive and sustainable growth by promoting commerce that is socially mobile and ecologically restorative. Consequently, the next phase of Infrangilis’ work aims to: understand why and how the policy is being transferred in different contexts, identify good (and bad) practice examples from around the globe, and distil a set of practical recommendations for the benefit of the policy community.

Seize the moment: Private finance for clean energy

Ingo Bordon
German Development Institute (DIE)

Leah Worrall
Overseas Development Institute (ODI)

Through smart planning and allocation of investment, developing countries have an opportunity to ‘leapfrog’ developed countries in promoting clean energy systems, avoiding carbon-intensive lock-in and building on developed countries’ experience.

Thus far, financing models for climate-friendly technologies have focused on the role of international public funding in developing countries. Recent analysis however finds that Official Development Assistance (ODA) has not been catalytic in leveraging private investment, and may even crowd out private investors. ODA can be catalytic when applied to public sector reforms that create an enabling environment for private clean energy investment (e.g. Buntaine and Pizer, 2014. “Encouraging clean energy investment in developing countries: what role for aid?”)

The European Report on Development (ERD) 2014/15 focusing on financing and other means of implementation in the post-2015 context, presents evidence on the importance of governance and a conducive regulatory environment for clean energy investment. For example, Kenya’s achievements in scaling up clean energy technology to eight per cent of total energy use, were feasible thanks to Government efforts in creating decentralised energy bodies across the energy supply chain, and conducive policies including tax incentives and Feed-in-Tariffs (FiT). In Tanzania, stakeholders have argued that Tanesco – the centralised government energy agency responsible for generation, transmission and distribution across the energy supply chain – suffers from reduced effectiveness under conflicts of interest and bureaucratic delays. The Tanzanian Commissioner for Energy and Petroleum has outlined the Government’s development of a FiT policy, which will be an important factor in allowing clean energy technologies to compete with traditional fossil fuels. Despite this, recent energy sector corruption charges have stalled ODA from coming in to the country, which will in turn have a negative impact on energy investment, especially in the short-term until resolved. This risky investment environment has prevented Tanzania from scaling up its clean energy contribution in its energy mix.

These examples highlight the crucial importance of an appropriate institutional and regulatory framework set-up for clean energy. The ERD 2014/15 argues for the catalytic use of ODA in leveraging finance and promoting domestic reform, accompanying (non-financial) means of implementation – including well-functioning governance systems, effective policies and institutions that deliver a conducive enabling environment.

Based on risk-return valuations, private capital is directionally-selective and can completely bypass many poorer economies – a fact further exacerbated by the effects of the global economic downturn, which is still being felt through increased regulatory measures that impact on debt and equity providers. Bank lending will remain reduced until overall market conditions and bank liquidity recover. Private investors are hesitant to commit to long-term investments that require high upfront outlays – common of clean energy and infrastructure projects. Since the economies of scale for a large portion of green energy technologies have yet to be realised, financial institutions and private actors might overestimate the risk of operating in a policy-driven market. Therefore, it is particularly important for developing countries to put effective long-term policies and incentive mechanisms in place. Both national and international public finance has an important role to play, including in capacity building, to ease conditions for private investment and shift the risk-reward profile of clean energy projects that otherwise might have been shelved.

Within this context, urgent mitigation action remains essential to reduce the impacts from climate change. Why is the moment right? Firstly, the wide economic spill-overs of clean energy investments in productivity and growth bring about a social return in an effective policy environment. Moreover, under-valued market projects require the catalytic use of public funds for domestic reform. An ambitious international climate agenda in 2015 needs to push for a large-scale deployment of clean energy, and reduced international fossil fuel subsidies to level the playing field. A new financing for development framework in 2015 needs to promote long-term vision and effective, accountable institutions, as well as the use of public funds to leverage private investment, while recognising the role of complementary policies. Political and regulatory investment risk needs to be improved to facilitate market access, providing a safe environment for private actors to develop business continuity to scale up private clean energy technology investment. The time is right for catalytic use of ODA to for private investment in developing countries clean energy potential.
All major cities in India are now witnessing major infrastructure growth and expansion of their boundaries. With this massive infrastructure construction underway, the resources of cities are put under stress. Energy requirements are skyrocketing, which places a huge burden on the already stressed power sector.

Energy stress is not the only by-product of growth. Water availability and waste management has grown to cause more serious problems to cities. Ground water has reached alarmingly low levels in several places and disposal of waste generated from both residential and commercial buildings is fast becoming an environmental hazard.

The green building space is growing at an exponential rate, and by 2020 India will host 10 billion sq. ft. of green building space, worth an estimated $250 billion. The market for green products is huge, and greening this enormous market is what Green Product Certification is trying to achieve. The Green Product Rating Standard for ‘Green Market Transformation’ is a voluntary and innovative step initiated by Confederation of Indian Industry (CII) - Godrej Green Business Centre in Hyderabad, India. The vision of the ‘Green Product and Services Council’ is to build an environment-centric certification system which would empower customers and society at large.

**Green Product Certification**

Green Product Rating (GPR) for Green Certification aims at promoting responsible and sustainable production and consumption of green products in India. By certifying the ‘greenness’ of products, the visibility of green products in the market would increase simultaneously, providing transparency about the environmental responsibility fulfilled by the producer.

**Why Green Product Certification**

Traditionally, Indian product manufacturers have been relying on international ratings for certifying their products as green. Since the cost associated with an international certification is high, product manufacturers generally shy away from these rating standards. Also, since there is no existing certification system for Indian situations, and instead customers had to rely only on the claims of the manufacturers, which leaves little space for transparency.

To bring in transparency, credibility and customer empowerment, CII-Godrej GBC is launching the Green Product Certification in early 2015.

**Benefits of Green Product Certification**

- A system to measure and certify “green-ness” of a product
- Organising the green market and maintaining product transparency
- Customer empowerment
- Differentiate the environmentally friendly manufacturers from less sustainable commercial manufacturers
- Spur the demand for green products
- Encourage manufacturers to produce in environment friendly manner and contribute into ‘green growth’ of the country.

Green Product Certification will follow a ‘cradle to cradle’ approach and is being initiated with the construction sector. Soon it will expand to other sectors including the service sector. Green Product Certification will be awarded to the products which are produced with environment and health protection and have consumer and societal benefit at their core. GPR is also starting with the construction sector and will expand to other manufacturing sectors and services very soon. All product manufacturers in construction sector and consumers are interested and enthusiastic to welcome this Green Product Rating Standard, which will be ready for implementation from January 2015.

**MORE INFO**

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## Side events calendar

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<tr>
<td>THURSDAY 4th DECEMBER</td>
<td>11:30—13:00</td>
<td>Maranga</td>
<td>Provisions for market mechanisms in the 2015 agreement</td>
<td>Centre for European Policy Studies (CEPS), Project Developer Forum Ltd. (PD-Forum)</td>
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<tr>
<td>11:30—13:00</td>
<td>Caral</td>
<td>Indigenous peoples: Mitigation and Adaptation in practice in the Amazonia</td>
<td>Confederación de Nacionalidades Amazónicas del Perú (CONAP), Fundación Amigos de la Naturaleza (FAN Bolivia)</td>
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<td>11:30—13:00</td>
<td>Sipan</td>
<td>How does Article 6 contribute to the design and implementation of the 2015 climate change agreement?</td>
<td>Earth Child Institute (ECI), Green Club</td>
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<td>11:30—13:00</td>
<td>Machu-Pichu</td>
<td>On the road to COP21 and beyond – Discover the Youth Climate Action project</td>
<td>P3 Foundation (P3F), Association Actions Vitales Pour Le Développement Durable (AVD)</td>
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<td>13:15—14:45</td>
<td>Maranga</td>
<td>The NAMA Registry: Current Operational Status and Its Role in Future</td>
<td>Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC)</td>
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<tr>
<td>13:15—14:45</td>
<td>Sipan</td>
<td>Intergenerational Inquiry</td>
<td>Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC)</td>
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<tr>
<td>13:15—14:45</td>
<td>Caral</td>
<td>Data, Knowledge and Innovation for Climate Action</td>
<td>United Nations (UN)</td>
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<tr>
<td>15:00—16:30</td>
<td>Maranga</td>
<td>Mitigation Potential of Urban Sustainable Low-Carbon Transport: Priorities for INDCs, NAMAs, SDGs</td>
<td>International Transport Forum (ITF), Institute for Transportation and Development Policy (ITDP)</td>
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<tr>
<td>15:00—16:30</td>
<td>Caral</td>
<td>Indigenous Traditional Agricultural Technology: A mechanism for adaptation in Latin America’s Andean</td>
<td>Confederación Nacional Agraria (CNA), Asociación Civil Oikos (OIKOS), Welthungerhilfe</td>
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<tr>
<td>15:00—16:30</td>
<td>Sipan</td>
<td>Who does the future belong to? Children and young people leading the way on climate change</td>
<td>Plan International (Plan), Save the Children International</td>
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<tr>
<td>15:00—16:30</td>
<td>Machu-Pichu</td>
<td>Promoting Climate Technology Investment: Practice and Experience</td>
<td>Asian Development Bank (ADB), The Energy and Resources Institute (TERI)</td>
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<tr>
<td>16:45—18:15</td>
<td>Sipan</td>
<td>Youth Proposals for the 2015 Agreement: Intergenerational Equity and Bypassing US Ratification</td>
<td>SustainUS, Australian National University (ANU)</td>
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<tr>
<td>16:45—18:15</td>
<td>Caral</td>
<td>REDD &amp; Beyond: Lessons from Alternatives and Indigenous Strategies for Climate &amp; Forest Protection</td>
<td>Climate Alliance (Klima-Bündnis), Lund University</td>
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<tr>
<td>16:45—18:15</td>
<td>Maranga</td>
<td>Climate Change and Carbon Stocks in Amazon Indigenous Territories and Protected Areas</td>
<td>Environmental Defence Fund (EDF), Amazon Environmental Research Institute (IPAM)</td>
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Bridging the gap between scientific knowledge and community awareness is one of the challenging tasks of COP20. The common feeling is that often scientific results are so complex and difficult that there is a strong need for training and translation: not only amongst civil society, but also media representatives, politicians and the academic community. The Intergovernmental Panel on Climate Change (IPCC) is aware of these difficulties, which is why it is pushing for a better dissemination of its Fifth Assessment Report (AR5), including via their most recent initiatives, the launch of a new website and Wednesday’s side event, where diverse stakeholders gave their feedback.

A crucial issue is that the AR5 is not translated in local languages, and this deeply undermines a comprehensive understanding of it, especially in non-English speaking countries.

“Scientific brain drain and shortage of financial resources are often the main causes of an inadequate preparation of our national focal points” says John Kekana, national representative for the Republic of South Africa. The dissemination process should start from politicians, then. A good practice in this regard has been the launch of national outreach two weeks before the release of the AR5 report. According to Kekana, this practice was “very instrumental in building capacity” among civil servants, as well as among media representatives in South Africa. At the end of the debate, a politician expressed his concerns about how the Carbon Capture & Storage (CCS) Mechanism could affect underground water networks. A clear example of lack of knowledge of engineering procedures, since CCS, being a gas storage mechanism, is an in-depth process that in no way can affect pollution.

Reflections from COP20, Day 3
Serena Boccardo and Edoardo Quatrale
Youth Press Agency

At a side event on Wednesday The Green Climate Fund (GCF) announced triumphantly that they are open for business and very nearly fully operational. The long awaited financial flows will be available by June next year at the earliest, providing the National Designated Authorities (NDAs) – the bodies designated to administer funds – have passed the accreditation process and have submitted applications by mid January 2015. The UNFCCC’s stated target of matching the political parity of adaptation with mitigation is certainly reflected in the GCF, as the funds have been split 50/50 for these two approaches. Crucially, of the 50 per cent allocated to adaptation, half of it is to go to Small Island Developing States, Least Developed Countries and the African Group.

Within the mitigation funds, NDAs can apply for a $15 million “readiness fund” in order to improve infrastructure, such as smart grids, to attract private investment. Furthermore, NDAs who have already been accredited by the Global Environment Facility (GEF), Adaptation Fund or the Directorate General for Development and Cooperation – EuropeAid of the European Commission (EU DEVCO) can have their proposals accelerated under the fast track stream.

However it was revealed today, that Japan used what was meant to be climate finance to fund a coal plant in Indonesia, prompting a letter signed by 250 non-governmental organisations (NGOs) to the GCF board demanding it make it clear in its policy that it will not directly or indirectly fund “fossil fuels and other harmful energy projects or programmes”.

With the question of how this was allowed to happen left unanswered, I moved onto the IPCC’s side event on its Fifth Assessment Report (AR5) and its use by a range of stakeholders. Messages were restated: human induced climate change is undeniable; lack of short-term action will be very costly in future, nothing new there. However Nebojsa “Naki” Nikicenovic of the International Institute for Applied Systems Analysis seemed to suggest in his presentation that, having run the numbers, the recently announced US-China deal could be in line with a 2°C target.

Still reeling from this revelation, Shell’s David Hone went on to steal the show with his presentation, in which he at once acknowledged the achievements of AR5 but stated that a massive up scaling of carbon capture and storage (CCS) would be essential to achieving the 2°C target. With so many highs and lows, Lima is going to be tricky one.

Image: Nakicenovic & Kolp 2014