

EU-CELAC Business Summit
eucelac-bizsummit2015.eu

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Concept Note for Workshop 2

Sustainable business cooperation

1. Workshop Background: The Rationale

Sustainable Development stands for meeting the needs of present generations without jeopardizing the ability of future generations to meet their own needs – in other words, a better quality of life for everyone, now and for generations to come. It offers a vision of progress that integrates immediate and longer-term objectives, local and global action, and regards social, economic and environmental issues as inseparable and interdependent components of human progress.

Sustainable development will not be brought about by policies only: it must be taken up by society at large with businesses playing a key role.

Political leaders as well as businesses in the EU and LAC countries have recognized the need to ensure sustainable development and growth strategies as a way to respond to societal changes by promoting better living conditions for their citizens but also developing new business opportunities.

During the 4th EU-CELAC Summit in Santiago the business community committed to work together with Governments in implementing policies and goals that promote more environmentally friendly solutions at the same time ensuring economic growth.

The 2015 Summit will be an opportunity to take stock of EU-CELAC joint initiatives in the field of sustainable development, communicate best practices but also discuss how to promote more sustainable investments and cooperation with active participation of SMEs.

Regarding environmental issues and, in particular, the reduction of greenhouse gases emissions, the United Nations Climate conference in Paris in December 2015 should deliver an ambitious agreement, which reflects the long-term objective of limiting global warming below 2°C. Ensuring a successful outcome of the COP21 for all parties should be a common objective shared by the public and private actors in the EU and in CELAC countries. This should also be seen as an opportunity to enhance competitiveness and generate opportunities for EU-CELAC companies to invest and work together to reach the defined targets.

However such and other opportunities - arising from existing or new and innovative value chains - should be entitled to benefit to and not leave aside social and economic factors that are much needed for businesses and EU-CELAC countries to ensure sustainable growth.

Out of those are human capital, social inclusion and public private partnership to enhance the business climate, that were already discussed in Santiago in 2013 but require long-term action and coordination.

In this regard a series of steps were taken at EU-CELAC level on CSR and countries from both regions have engaged into the question of professional and vocational training.

2. Workshop Focus: The Agenda

Among the topics for discussion:

- 1. How can EU-CELAC businesses contribute jointly to a more sustainable growth?*
- 2. What public and private initiatives can be explored to enhance investment and trade in more efficient and sustainable projects?*
- 3. How to ensure EU-CELAC SMEs will be active players in the joint sustainability and climate change efforts while retaining their competitiveness?*

A bi-regional challenge

The recent economic and financial crisis has shown that sustainability is a key factor to promote a sound economic growth. The EU is still struggling with low growth rates 1,3% in 2014 and inequalities among the Member States.

Latin America and the Caribbean growth rates slowed to 0.8 percent in 2014 but with diverging trends across the region. South America registered the lowest growth rates while in Central America the growth was boosted by increased activity in the United States. The World Bank estimates an average GDP growth of around 2.6 percent in 2015–17.

Joint opportunities in the energy sector

However, Latin America and the Caribbean are rich in energy resources including hydroelectricity and biofuels. LAC countries are expected to see their energy demand increase by 75 percent by 2030, and renewable energy could account for half of that total demand. Furthermore, the Inter-American Development Bank has approved a \$30 million loan for the Emerging Energy Latin America Fund II, designed to boost the private sector as a driving force in clean technologies and renewable energy in the region.

As to the EU, our energy supply is steadily changing from wood and fossil fuel- based to renewable. New technologies have been developed during the last 50 years, since security of supply and a low-carbon economy have become - and still are - strategic priorities for Europe. Furthermore Sustainable development remains a fundamental objective of the European Union under the Lisbon Treaty.

LAC countries have many natural and environmental resources that are still relatively untapped. The way this wealth potential will be managed is critical for the future economic development but also to promote more social inclusiveness and better leaving conditions in the region.

The use of technologies and processes that promote environmentally friendly and resource efficient objectives will ensure that economic growth objectives can be achieved while protecting natural resources.

Many European companies, including SMEs, have taken the leadership in the implementation of more environmentally-friendly and sustainable technologies in their processes. Their experience and know-how can help to develop new business opportunities and joint projects with an active participation of LAC companies.

A conducive framework

The regulatory framework plays a key role in ensuring that businesses have a stable and conducive environment in the region that promotes long term investments in sustainable and resource efficient technologies. The interests of SMEs in particular should be considered when developing public policies with potential impact on business competitiveness. This is the case for instance of Corporate Social Responsibility.

2015 will be a decisive year to tackle global warming and climate change. COP21 in Paris should set ambitious but also workable emission targets. Business will play an active role in developing technologies that could better meet the defined targets. This is also a chance to strengthen cooperation between EU and CELAC companies and together develop new investment and businesses opportunities.

Public-Private partnerships can be a good vehicle to develop flagship projects in the area of cleaner technologies, energy and resource efficiency. Sharing risks and responsibilities can also be conducive to more active participation from SMEs.

Closing the abilities gap

Both in Europe and Latin America and the Caribbean the question of the adaptation of the human capital to the job market is an acute problem in economies that are fast moving. The necessity to better adequate the two is pressing, to reinforce productivity, to allow for more innovation, to make the business environment better and more stable thanks to higher social inclusion and well-being. While European countries are permanently seeking to adapt their job markets, Latin America and the Caribbean still face a high level of informality where micro companies and uncovered basic education needs hamper sustainable growth, innovation and to a wider extend social inclusion.

Closing this abilities gap through professional, vocational and lifelong learning is an opportunity for public and private partnership and dialogue. It is also an opportunity to raise the level of awareness about the urge to weigh on climate change while at the same time producing new qualified jobs in such crucial sectors as energy or food.

3. Workshop Results: The Expected Recommendations

In order to respond to a changing international environment and the need for ambitious commitments in the area of sustainable growth and climate change, the EU-LAC business community calls on Political Leaders to work towards:

- Promoting a low-carbon, innovation-based, resource-efficient economy while taking into account economic growth and competitiveness needs;
- Creating a regulatory framework that is stable and conducive to long term cooperative investments in sustainable and resource efficient technologies;
- Creating a regulatory framework that promote entrepreneurship while stimulating social inclusion and innovation;
- Promoting public-private partnerships to develop flagship projects in the area of cleaner technologies, energy and resource efficiency;
- Ensuring a successful outcome of the COP21 in Paris by delivering an ambitious agreement.

4. Contacts

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