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International Chamber of Commerce

The world business organization

**The United Nations Framework Convention on Climate Change (UNFCCC)
Conference of the Parties: Seventh Session (COP7)**

Statement on behalf of the International Chamber of Commerce, 8 November 2001

Mr. President, Honourable Ministers, Distinguished Delegates, Ladies and Gentlemen.

My name is Naima Belkouch, representing the International Chamber of Commerce National Committee here in Morocco. I appreciate this opportunity to address you on behalf of companies and business associations from all over the world.

While many of the world's companies and business associations may have different views regarding the current negotiations, I want to convey to you that we are united in taking steps to address climate change.

And I would like to add, as a representative of Moroccan business, that our community is particularly engaged in this issue, especially knowing the vulnerability of Morocco in connection with water and desertification.

We recognize the importance of the political agreement reached in Bonn. This represents a major step in the elaboration of the Kyoto Protocol — as it will drive businesses and industries to orient their long-term investments with a view to minimizing greenhouse gas emissions.

The 'Bonn Agreement' has helped to clarify some aspects of mechanisms in the Kyoto Protocol. However, what has been agreed so far requires far more detail to enable business to understand how it might participate in the mechanisms and make long-term investment decisions. Key elements of the Bonn Agreement remain unclear, including the compliance structure, the use of flexibility mechanisms, land use change and carbon sinks, and the sources and level of funding for developing countries. And we continue to be concerned about the creation of slow and overly bureaucratic systems.

I would like to emphasize that further attention needs to be paid to:

- Clarifying the role of business entities and the effect of the compliance regime on credits acquired or sold by businesses with respect to emissions trading;
- Minimizing and simplifying the project cycle and the bureaucratic requirements in the Clean Development Mechanism, and allowing transfer and use of credits acquired through investment in CDM projects;
- Reviewing the limitation of only allowing the smallest of projects under 'Fast Track' CDM; and
- Defining and providing simple, practical procedures and early action in Joint Implementation.

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We all realise that climate change is a long-term issue. We believe that the most economically feasible way to meet the challenge of climate change is through the development, commercialization and implementation of technologies and services to help reduce greenhouse gas emissions.

In particular, the CDM is interesting for Morocco because it could encourage investment in projects that benefit the environment and the economy. However, to be effective, it must not be made too restrictive or complicated. There are companies in developing countries like ours, committed to adopting a clean development strategy. However, it is a difficult challenge to balance environmental concerns with employment and prosperity. The CDM should encourage all projects that meet sustainable development needs as determined by the host countries and that reduce or avoid greenhouse gas emissions. We expect this meeting to take decisions that will advance our ability to utilize the CDM.

The International Chamber of Commerce urges Ministers to use the guidance provided by the Bonn Agreement to complete the work detailed in the Buenos Aires Plan of Action. This will enable governments to make decisions concerning ratification of the Kyoto Protocol.

The ultimate strength of the UNFCCC process will depend on public acceptance and the political viability of decisions taken here in Marrakech. Therefore, this meeting's outcomes should establish procedures that allow society to meet emission reduction obligations at least cost, while ensuring environmental integrity.

Looking beyond COP 7, Business recommends continued progress and decisions on the following:

- Early negotiations on second and third commitment periods. This will in turn allow business and society to properly assess implications for long-term investments;
- The effective implementation of the Framework Convention on Climate Change in a way that will allow full participation of business by improving their processes and proposing new technologies, products and services.

Such an approach will acknowledge that business is part of the solution and will allow us to work together towards our common economic, environmental and social goals of sustainable development.

Thank you.