



International Chamber of Commerce

The world business organization

Policy and Business Practices

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International Chamber of Commerce Input to SBI on: *ways to enhance the engagement of observer organizations*

The International Chamber of Commerce (ICC) welcomes this opportunity to provide the UNFCCC Subsidiary Body on Implementation (SBI) with views “on ways to enhance the engagement of observer organizations.” As the focal point for the business constituency at UNFCCC, ICC has gained experience over many years working with Parties, the Secretariat and existing Convention Bodies. We appreciate the opportunities that have allowed us to help develop and extend important informal channels for discussion and dialogue. These have evolved over the past years, and have included a dialogue with the Experts Group on Technology Transfer, participation in in-session workshops, co-organizing COP “Business Days” with the World Business Council for Sustainable Development (WBCSD) among others.

However, we agree that in light of Article 1.b. vii of the Bali Action Plan, and recent developments in the post Bali negotiations relating to critical features of a post 2012 framework (such as the technology and finance mechanisms, among others), it is timely to consider how to improve the engagement of business organizations in the process going forward, including through consideration of establishing a recognized business consultative mechanism (BCM) to the UNFCCC. Moreover, enhanced business engagement could help accelerate progress in the negotiation of an effective post 2012 framework agreement.

We believe this consideration should be launched with an in-session workshop of the SBI in 2011 on this topic, building on the public-private sector dialogues sponsored by the Government of Mexico.

Our submission will focus on two important areas:

- I. improving engagement of observer constituencies, with a particular focus on business,
- II. the potential structure, activities and benefits of improving interactions with business observer organizations by creating a recognized *Business Consultative Mechanism* (BCM) that would interact with the UNFCCC, and complement existing informal channels.

International Chamber of Commerce

38 Cours Albert 1er, 75008 Paris, France

Tel +33 (0)1 49 53 28 28 Fax +33 (0)1 49 53 28 59

E-mail icc@iccwbo.org Website www.iccwbo.org



I. Improving the engagement of Observer Organizations, with a particular focus on Business

While the opening of the UNFCCC to observer organizations is a real success story, the difficult experiences of COP-15 and growing interest by an ever-widening group of observer organizations does raise practical questions about how to manage and accommodate this growing interest, while maintaining an appropriate working arrangement for governments in the UNFCCC, and providing quality access of observer organizations to UNFCCC meetings going forward. We welcome this opportunity to provide business comments on what has worked well in the progressive opening of UNFCCC process to observer organizations, and to suggest how to improve it to deliver the greatest value to the UNFCCC process both in its present state and as it continues to evolve, for governments and observers alike.

In our view, consideration of how to enhance the engagement of observer organizations in the UNFCCC can be organized as:

- Preserving and strengthening what has worked well
- Understanding and responding to challenges and strains
- Continuing progress to increase value and effectiveness for government delegations AND observer groups
- Ensuring that business from around the world can participate and be heard

First, we appreciate the support of parties and the high degree of professionalism that we have always experienced from the Secretariat, and in particular from the NGO liaison team. We also believe that the Guidelines for Observer organizations have stood us in good stead, and should be strengthened.

We are encouraged by the improvements for observer organizations that have already been launched, including on-line registration (which ICC utilized successfully in its pilot phase for the August Bonn sessions) better information sharing, and the efforts by COP host countries – most recently Mexico – to provide adequate and high quality facilities for observer organizations. We encourage the continuation of these efforts.

Continuing challenges for engagement of observer organizations are:

- A. Improving access
- B. Enhancing Information
- C. Recognizing and strengthening diversity
- D. Maintaining flexibility



A. Improving Access

The issue at hand is not just the quantity of “access,” but also the quality. *For business*, this means adequate space to go into and be seated in meeting rooms, and avoiding wherever possible, the arbitrary use of secondary badges. Where space limitations become an issue, we encourage early notification to the focal points for the observer constituency, and in that regard, permitting constituencies to manage the allocation of available space amongst them, rather than imposing arbitrary caps or quotas on individual delegation sizes. Moreover we would also encourage improved access for business messages to inform the process i.e. longer than two minute general interventions.

B. Enhancing Information

Enhancing information is a two-way street. The business community needs to do more to provide targeted and useful information to government representatives and the Secretariat. *For business*, this could include designing more effective side events, increased use of webcasts, and inter-active discussions with government representatives. We would also recommend consideration to improve the interface between the UNFCCC and relevant informal dialogues involving business and public private sector partnerships. Especially important, we urge countries to return to the practice of inviting views from observer organizations on matters under discussion and including those in an INF. Document available for delegations’ information. Formally recognized in-sessions workshops could also greatly benefit the process.

As for information to observer organizations, where meetings (such as drafting groups) are closed to observer organizations, we have appreciated the willingness of group chairs and facilitators to provide briefings to observer organizations. *As business*, we encourage negotiators to have fewer closed sessions and in the case that sessions must be closed we encourage group facilitators to provide substantive briefings to observer organizations as frequently as their schedules permit, and consider providing periodic separate briefings for BINGOs which would encourage input on the issues at hand by sharing business views on the potential impacts of decisions under consideration by governments. Finally we would also encourage greater access to documents for observer organizations.

C. Recognizing diversity between/within constituencies

Each of the nine observer constituencies is unique, bringing varied capabilities, networks and structures to the process. Different constituencies have different roles at the meetings, and their members participate in many ways, ranging from groups that report to larger networks, to those that can offer technical expertise and resources salient for



implementation. This diversity is a resource and should be maintained, as it reflects the complexity and relevance of the UNFCCC to all sectors of society.

For business, we underscore the need for distinguishing those opportunities where business expertise, for example on technical or financial matters, would be valuable to inform deliberations, analysis or implementation and providing a substantive channel for us to contribute those views in a timely fashion for governments. One size does not fit all. Recognizing diversity also includes diversity within the business community, a key challenge is to increase engagement from developing country business, a task ICC is ready to engage in.

D. Maintaining flexibility

One of the good practices that characterize arrangements for observer organizations in the UNFCCC is the degree of self-nomination and management that has been afforded to the observer organization constituencies. As business, we recommend that this be retained to the maximum extent possible. While we support common practices and rules as embodied in the Guidelines for Observer Organizations, we encourage continuing to allow flexibility to observer organizations to design their own management and structure. We do not support setting criteria and constraints on observer organizations beyond those currently in place.

II. Proposal for a recognized Business Consultative Mechanism (BCM) to the UNFCCC

Since Bali, discussions at the UNFCCC have increasingly touched on the role of business in responding to climate risks and the expertise business can provide. These roles include, for example, creation and deployment of technology, finance, investment, trade and capacity building, participating in international mechanisms and other approaches to promote mitigation and adaptation. Recently, ICC and other business groups have worked with the SBSTA EGTT to provide such input and encourage greater engagement as a resource to the Parties.

ICC believes that a recognized Business Consultative Mechanism to the UNFCCC would provide value to Parties and Secretariat, and would improve the engagement of business organizations.

Our views on this matter are informed by our experience and longstanding role in the UNFCCC and the United Nations on behalf of business. ICC has been engaged on behalf of its members as an observer organization to the UNFCCC since its inception. For over a decade, ICC has had the privilege to serve the broader business community.



ICC enjoys Category 1 consultative status to the U.N. Economic and Social Council and has a similar facilitating function for business and industry within the U.N. Commission on Sustainable Development, the U.N. Environment Programme and other inter-governmental economic, environmental and social processes.

Over the past two years, ICC initiated and conducted a broad discussion about the shape and substance of business engagement with the UNFCCC. These discussions took place both among our members at regular Commission Meetings and also in informal discussions with other business associations at UNFCCC meetings. Our goal was to consider and develop consensus on potential activities and structure of a Business Consultative Mechanism to the UNFCCC that would provide a resource and be viewed as beneficial by Parties and the Secretariat to the UNFCCC, as well as by business. Our discussions have been informed by sharing extensive, direct experience of business in a range of formal and informal consultative processes, including the public-private sector dialogue under the aegis of the Government of Mexico, and in numerous international forums, as mentioned above.

Existing recognized consultative arrangements for business elsewhere have proven themselves to be of value to governments and business. Moreover, they have engaged companies from developed and developing countries, and have functioned in a transparent fashion with good governance – examples include the Business and Industry Advisory Committee (BIAC) to the OECD and the International Organization of Employers (IOE) to the ILO, among others, where companies participate through national committees.

The SBI request provides a timely opportunity to share the principle conclusions we have reached through the ICC Environment and Energy Commission on key features of a BCM:

- A BCM would not be a direct actor in the negotiating process nor do we see BCM as a means to have *a seat at the table* in the negotiation process— that is the role of governments.
- To engage in-depth, consistent, committed participation and support from a wide range of key business groups and interests, BCM would require recognition by the UNFCCC as a formal channel for business input and dialog.
- Business sees value and opportunity for BCM to create and share relevant, practical, technical input on a wide range of issues before the UNFCCC.
- Business should be responsible to create, organize, administer and fund its activities in BCM.
- There is no one-size fits all approach for business. Business interests and roles are diverse, reflecting differing national and market circumstances. While BCM would seek consensus where possible, we believe there is real value in presenting views and input from a range of relevant perspectives.



- To function effectively, business would need to develop a structure that would provide input from all regions including both developed and developing countries, from small and medium sized enterprises, as well as major companies, and from sectoral and other international business associations. We are prepared as ICC to work to create and support such capacity.

A recognized BCM would draw on input from a variety of existing, competent sources for business expertise and for technological and economic assessments including:

- National and international associations
- Sectoral and multi-sectoral national and international business associations
- Companies
- Professional societies
- Academia
- National academies
- National agencies and International Agencies

BCM could serve as a clearinghouse for requests for information from the Secretariat, Parties and other institutions engaged in UNFCCC matters, and could actively solicit input and participation tailored for specific purposes in a variety of ways.

For example:

- Regional centers might be appropriate means to create clearinghouses with information on application of existing technologies to national circumstances;
- Sector-based expert teams might be the best means to identify opportunities to optimize efficiency of existing plant and facilities;
- Special Topic Forums with input from multiple sources might be appropriate to assess existing and currently non-commercial technologies from various perspectives;
- Exchanges among robust national sectoral associations and governments might be a means to identify and share best practices;
- Discussions with governments might serve to identify barriers to technology development and deployment, and opportunities to promote essential capacity building and infrastructure;
- Formal reviews with input from a wide range of business groups might be a means to provide comment on draft technical papers, issues and proposals.
- Review of proposed processes and procedures in terms of their practicality and consequences for utilization by the private sector
- Provide expertise on the establishment and working of funds.

In providing input on technology needs and assessment, we believe that information will be most valuable when tailored to national and regional circumstances, as they function in domestic and global markets. Because sectors do not operate independently, technology and policy assessments should consider supply and value chain linkages in an economy-wide framework. In dealing with global issues of such economic, social and



environmental consequence, representative participation spanning the full range of affected interests will be essential.

Within the BCM, we believe that efforts and initiatives should:

- Allow business to define its own consensus, or range of views, as appropriate.
- Provide a comprehensive, multidisciplinary view (i.e. offering a “full horizon”) taking into account economic, consumer, and social perspectives, as well as environmental/climate aspects, as appropriate, and examining implications, e.g. for employment, trade, investment, competitiveness and energy security.
- Bring together multi-sector experiences across a range of regions, reflecting the diversity of the business community in terms of size, sector and nationality, and the complexity and interconnections of global markets.

We do not believe that creation of a BCM is the only way to improve and enhance business participation as observers in the UNFCCC. BCM would work with existing informal dialogue processes wherever possible. BCM would not preclude particular business organizations that are accredited to UNFCCC from coming forward with their independent views. Also, we anticipate that Parties would continue to solicit and utilize input from whatever business sources they felt to be of value.

ICC fully recognizes that related similar arrangements could be beneficial for other observer groups. As noted in Section I, each of the nine observer constituencies are unique, bringing varied capability, networks and structures to the process. Hence, we have reached the conclusion that consultative procedures should be designed to benefit from the unique expertise and experience each constituency can bring to the considerations of the UNFCCC.

For our part, ICC and its members stand ready to engage in dialogue with Parties, the Secretariat, and other business organizations to pursue means to improve business input to the UNFCCC. We are prepared to support and contribute to an inclusive, business-led, recognized BCM to bring value to Parties, the Secretariat and business around the globe.

To consider how to embark on that process, we recommend that SBI convene an in-session workshop in 2011 to address the creation of a recognized BCM. This workshop could review the areas in which private sector engagement would be of most utility to Party deliberations, Secretariat activities, existing informal and formal arrangements for business consultative arrangements in other venues, and options for a business consultative arrangement with the UNFCCC. We are ready to assist in designing the in-session workshop with Parties, the Secretariat, and other business organizations and in presenting our views therein.



In association with:

CropLife International

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The International Petroleum Industry Environmental Conservation Association

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The International Chamber of Commerce (ICC)

ICC is the world business organization, a representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world.

ICC has three main activities: rules-setting, dispute resolution and policy. Because its member companies and associations are themselves engaged in international business, ICC has unrivalled authority in making rules that govern the conduct of business across borders.

Business leaders and experts drawn from the ICC membership establish the business stance on broad issues as well as on vital technical and sectoral subjects. These include financial services, information technologies, telecommunications, marketing ethics, the environment, transportation, competition law and intellectual property, among others.

ICC was founded in 1919. Today it groups hundreds of thousands of member companies and associations from over 130 countries. National committees work with their members to address the concerns of business in their countries and convey to their governments the business views formulated by ICC.

ICC enjoys a close working relationship with the United Nations and other intergovernmental organizations, including the World Trade Organization and the G8.

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38 Cours Albert 1er, 75008 Paris, France

Tel +33 (0)1 49 53 28 28 Fax +33 (0)1 49 53 28 59

E-mail icc@iccwbo.org Website www.iccwbo.org