

# **ICC INPUT TO THE HIGH-LEVEL CHAMPIONS' INVITATION FOR SUBMISSIONS ON THE ROAD MAP FOR GLOBAL CLIMATE ACTION**

Prepared by the ICC Commission on Environment and Energy

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Present in over 130 countries through its global network, ICC – the world business organization - is a representative body that speaks on behalf of enterprises of all sizes and from all sectors in every part of the world. As the focal point for the business and industry constituency (BINGO) to the UNFCCC, and one of the conveners of the Business Climate Summits (BCS), ICC welcomes this opportunity to submit input to the UNFCCC High-Level Champions on the “Roadmap for Global Climate Action”.

## Introduction

More institutional evolution in the UNFCCC and at national levels will be needed to support the Paris Agreement towards and after its entry into force, in particular to engage with non-governmental entities, especially business and its representative entities. ICC would like to underscore the private sector's vital role with its many sectors, value chains, and different national contexts in contributing a majority of investments essential to greening economies, and developing and diffusing innovative products, processes, technologies, and services that generate and will continue to generate solutions for mitigation and adaptation, essential to succeed the implementation of the ambitious global strategy.

As the international climate process seeks to mobilize action, resources and partnerships, it will have to adjust its means of working with business and other non-state actors to a more collaborative and mainstreamed mode. This has implications for both the public sector as well as for representative business groups. Many governments have stated their intention to move to entry into force for the Paris Agreement by the end of this year, which makes developing the institutional structures to work with business and others an immediate task. In our view, to be successful and effective, these interfaces should avoid “siloed” approaches that separate “implementation” from “policy elaboration and dialogue.” In light of that, ICC's suggestions seek to discuss the Roadmap for Global Action alongside its broader context: the UNFCCC and the Paris Agreement.

With considerable requests and expectations of business across all areas of the Paris Agreement and Decision, added to those already existing in elements of the UNFCCC at national and global levels, the UN institutional frameworks must adjust and evolve to animate and mobilize business in substantive dialogue and engagement across all sectors, sizes and nationalities of business and at every point in the process – agenda setting, policy discussion and consultation, technical advice, and implementation (in response to government rules, through markets and in voluntary efforts and partnerships). The Global Action Agenda is a first step to address the final area in this list, but it is not enough in itself, nor can it be expected to catalyze the broader forces and resources of business in all its diversity.

For the broad business community to be involved and feel ownership, the UNFCCC will need to consider and accommodate a recognized institutional interface for business built on representative business organizations.

In this regard, ICC offers the following comments and suggestions:

## 1) The current situations

- **The Paris Agreement is built on the foundation of Nationally Determined Contributions (NDCs). Several governments did seek and include business consultation in preparation of Intended NDCs prior to COP21 in diverse ways, while others will need to include and involve business more.** This should come through the cycle of NDC review and updates. Business representatives should be included in reviewing and strengthening NDCs as part of the five-year cycle at national and international levels. Closer business engagement is critical for continuity and consistency. Part of the five-year review cycle should include examination of ways to support innovation, technology, trade and investment – all areas where business should be part of the dialogue. A successful implementation of the Paris Agreement will require state policies applicable to the global industry. Furthermore, policy tools could for example be categorized by different industrial sectors to take into account their distinct implementation roadmaps.
- **Voluntary initiatives and pledges are valuable elements of an international approach involving all business and civil society constituencies, but next steps have to mobilize the entire society and economy.** The Global Action Agenda is commendable, yet it is just one element of a much wider mobilization of business that will be needed across domestic economies and the global economy.
- **Representative business groups should be given priority recognition and access** - such groups include energy intensive sectors, consumer facing entities such as retailer and financial services. **It is essential that all business sectors have an equal ability to observe, inform and support the UNFCCC process.** These business groups should also be transparent in terms of the sectors and groups that they include within their representation. In that regard, there is a critical need to involve developing and emerging country business communities and SMEs. ICC is ready to work with the UNFCCC and Champions to assist in engaging a wider range of business organizations and representatives from developing and emerging countries, and across sectors.

## 2) The Role of the Champions

The Champions can provide an important role to catalyze the necessary dialogue between self-determined and representative business constituencies and the UNFCCC process. Business is a broad constituency encompassing many viewpoints, so it is essential that there are opportunities for Parties to hear a wide variety of views, actions undertaken and planned, as well as expectations from the process and barriers impeding further actions. Some ideas include:

- **Champions should hold bilateral consultations with individual constituencies organized through the respective UNFCCC focal point** – for business, this is necessary to enable a broad participation from a wide range of businesses through representative business groups in developing, emerging, and industrialized countries. Those consultations should be summarized and conveyed to member States in an informational document as part of COP documentation. In that connection, there should also be an agenda item for each COP in which the Champions present the inputs from the constituency consultations after the Opening Plenary.
- **Champions should moderate an annual “pre-COP” with constituencies.** The Constituencies’ pre-COP should be co-organized with UNFCCC secretariat and focal points– and feed into the High-Level event(s) - please see also number 4 below.

- **The UNFCCC should create an internet forum for the Champions and constituencies' focal points** to raise and discuss relevant issues relating to the Paris Agreement and the Global Action Agenda.

### 3) Transparency and Tracking

Actions undertaken by constituencies are already included to a substantial degree within the NDCs of individual Parties to the Paris Agreement. It is essential that they are seen as an important contribution towards a low-emission future but should not be double-counted within the global stocktake.

Actions by companies should be transparently reported at a national level and, where appropriate, aggregated at a global level. Today, a harmonized framework - that would allow a comparable evaluation of initiatives' results across the industry - does not yet exist.

It should be stressed that:

- **Transparency and tracking of voluntary pledges and commitments by business should be voluntary**, and be carried out **utilizing existing frameworks and standards for company reporting** (existing national legislation, GRI, sectoral guides, etc.). **It is essential that duplicate reporting processes are not created.**
- **In addition, the level of “challenge” could be considered as a criterion in the assessment of business initiatives.** In certain industries, such as for the steel sector, there are scientific limitations on the scale of results that can be achieved compared to other industries.
- **Voluntary reporting out and facilitative review of pledges should feed into the “facilitative dialogue”** that governments will pursue as part of the five-year cycle around NDCs. For business, efficient, effective, credible reports and reviews of progress from governments (including robust analysis and transparency on calculation methods) is of fundamental importance, and will likely be synergistic with voluntary reporting from business and its voluntary initiatives.

### 4) The High-level Event

**We support the idea to hold the 2018 Climate Action Summit in the summer of 2018**, prior to COP24 in November 2018. Such a high-level event can be an effective platform to share the main climate action initiatives' accomplishment that can be replicated. Given the tight timing between the two events in 2018, initiatives that can be more easily transposed globally should be prioritized to show achievements at COP24 and to encourage more players to join and/or launch their own projects. Cross-cutting topics such as the “trade-climate nexus” should also figure on the agenda.

**Furthermore, like other aspects of institutional structure post-Paris, the high-level event should evolve to assist in building stronger recognized engagement by key constituencies**, including business across all aspects for further elaborating the Paris Agreement and its implementation.

**The current high-level segments of “one-off” events should evolve towards a structure with a clear and continued narrative to the UNFCCC and focus on informed input and problem solving in priority areas.** A good example of a collaborative high-level event was held at COP9 in Milan. It enabled the interaction between governments and business at a high-level, and provided a formal report back to the COP (please see also point 2 above).

## 5) Role of the Technical Expert Meetings (TEMs) vis a vis the Action Agenda

**In general, a more formal follow-up process should be established for the TEMs** to enable continued interaction with experts from the constituencies, whether in connection with the Action Agenda, or otherwise.

**Business and industry groups should be asked to offer comments and suggestions** on agendas for TEMs, as well as being invited to nominate experts to participate in TEMs. This could be through a web-based system via constituency focal points, as an extension of the current system used to invite constituencies to UNFCCC special events.

Furthermore:

- **It is vital that discussions on TEMs are initiated well in advance of the events to allow for the availability of the appropriate experts**, especially of
  - “real hands-on experts” who are actively inserted in the operations of a company and can convey an actual portrayal of the technical and/or financial feasibility, constraints and opportunities, as well as
  - experts from/being aware of implementation challenges and solutions approaches in vulnerable countries.
- **TEMs focused on innovation that will be needed after the Paris Agreement's entry into force should encourage broad innovation** - not only of technology, but also finance and business models, as well as motivating governments' support to universities and schools to encourage skill and capacity development in science, technology, engineering and mathematics (STEM). STEM abilities will be crucial to enable businesses to deploy the low carbon technologies society needs to meet the Paris Agreement's aims.
- **TEMs should also foster exchanges on the many existing technological innovations and solutions for climate mitigation and adaptation**, which have not yet been implemented at the scale and pace required to achieve emissions reductions and climate resilience.
- TEMs could furthermore structure meetings according to the implementation of **sectoral or cross-sectoral roadmaps**, or **share information among the industry's large carbon emitters** facing similar challenges on mitigation and consider opportunities where scaling up and mainstreaming of a solution to all markets would result in a larger common impact.
- **Overall, the link between TEMs and the Technology Mechanisms (TEC, CTCN) should be strengthened.**
- **Empirical evidence of proposed technologies should be presented to assure credibility.**

Global business encourages the UNFCCC High-Level Champions to be open to practical, effective, and substantive ways of drawing on business's expertise across all sectors and throughout the process. We are willing to go further and work within our ranks to provide more structured, consolidated input and expertise wherever the Champions and Parties believe it can provide a resource.

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## The International Chamber of Commerce (ICC)

ICC is the world business organization, whose mission is to promote open trade and investment and help business meet the challenges and opportunities of an increasingly integrated world economy. With interests spanning every sector of private enterprise, ICC's global network comprises over 6 million companies, chambers of commerce and business associations in more than 130 countries. ICC members work through national committees in their countries to address business concerns and convey ICC views to their respective governments.

ICC conveys international business views and priorities through active engagement with the United Nations, the World Trade Organization, the G20 and other intergovernmental forums. Close to 3,000 experts drawn from ICC member companies feed their knowledge and experience into crafting the ICC stance on specific business issues.

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