

UNFCCC / climate change messages¹

Global Business Positions

- Urgency to act: The International Chamber of Commerce (ICC) emphasizes the urgency to address climate change and the impact of a growing population on finite resources as the world economy faces a slowdown in several major economic regions. ICC wishes to underline the fundamental importance of climate change for business in its role not only as innovator, financier, and investor but also as a societal partner and employer.
- Opportunities and challenges: Greener economies offer opportunities for all of us. This is not only good for the climate and the environment, but essential for generating growth and creating jobs. Movement towards a low-emissions future has witnessed growth in portfolios that include, for example, energy efficiency, resource usage, greening supply chains. The commercial potential offered by sustainable solutions in the natural resources sector – energy, mining, forest, and agriculture – alone is valued at between \$2.1 and \$6.3 trillion.
- Shared responsibility: The private sector has already contributed substantially to tackle challenges associated with climate change and global sustainability. However, addressing these challenges requires collective action among governments, business and society. COP18 in Doha is an opportunity for governments to work together and make commitments to address barriers that hold businesses back from trading and investing in more sustainable goods and services.
- Trade, technology, and investment for green growth: Throughout ICC's long-standing engagement in the climate arena, and the UNFCCC and the Climate Investment Funds in particular, we have underscored that open trade and investment policies are critical for stimulating the extent and speed of technology development, dissemination, deployment, and financing necessary for inclusive green growth. There are already many efficient and environmental-effective technologies and products on the market, whose trade could be bolstered by alleviating market access and bringing down policy barriers that give rise to uncertainty and an unfavourable business environment.

UNFCCC COP 18

Business expectation and participation

With the 18th Conference of the UN Framework Convention on Climate Change (UNFCCC) in Doha this year, we have a chance to take important steps to build climate resilient, low-emissions societies. ICC welcomes the opportunity to take part in COP18 with the hope that new momentum will be created to move forward on a new global climate agreement.

- Predictability: We support efforts towards outcomes in Doha that provide more clarity on the international climate regime under existing frameworks and the emerging agreement post 2020. A predictable global agreement is critical to give certainty to businesses of all sizes to scale up investments, innovation, and deploy existing and advanced technologies at the necessary scale to build low-emissions societies. We hope that the Conference in Doha will conclude a package of decisions that will lay the foundation for a comprehensive post-2020 agreement on climate change, including by streamlining complex discussions under the different work streams, such as the Ad Hoc Working Group on the Kyoto Protocol (AWG-KP), the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA), the Ad Hoc Working Group on the Durban Platform for Enhanced Action (AWG-ADP).

¹ Based on ICC positions available at : www.iccwbo.org

- **Business – part of the solution:** This global agreement and its related emerging architecture should enable business to play its crucial role as a key actor for finance, implementation of adaptation and mitigation actions, and scaling up of climate solutions by enhancing their participation in a transparent, fair, and balanced manner in bodies such as the Technology Executive Committee, Green Climate Fund or the Standing Committee. In our view, substantive engagement of business observer organizations in the UNFCCC can be enabled through:
 - Preserving and strengthening what has worked well and learning from existing practices and experiences gained e.g. in the Climate Investment Funds (CIFs)
 - Understanding the issues, responding to challenges and strains
 - Continuing progress to increase value and effectiveness for both government delegations and business observer groups
 - Ensuring that business from around the world can participate and be heard
- ICC believes a global long-term post-2020 agreement should furthermore:
 - Continue to promote economic recovery and employment as essential steps to respond to climate challenges;
 - Ensure global participation and collective actions and commitments by all major greenhouse gas (GHG) emitting countries, towards achieving a transition to low-emissions economies;
 - Encourage governments to develop workable, efficient and cost-effective institutional arrangements, using existing bodies to the utmost that support international cooperative actions;
 - Promote global level playing field: Any new international agreement should promote sustainable and inclusive economic development, competitive business communities, and a level playing field for business. The international climate negotiations should work to facilitate open trade and investment, and we encourage governments to work within the World Trade Organization to eliminate tariff and non-tariff barriers and avoid protectionism linked to climate change;
 - Strengthen multilateral trade and investment vital to economic and technological flows as well as avoid potential competitive distortions in international trade;
 - Create effective enabling environments, including technology cooperation models and strong Intellectual Property Rights (IPR) protection consistent with existing international rules;
 - Keep all energy options open, recognizing that innovation can overcome existing limitations and avoid placing restrictions on technologies critical to ensuring a transition to low-emissions economies;
 - Ensure that adaptation to climate change action is promoted and facilitated. The issue of adaptation is a critical one and business has it firmly on its agenda. Impacts will affect not only business operations but also the markets in which business participates and the communities where employees and customers live. Adaptation will be essential both in developed and developing countries. Enhancing adaptive capacity will require innovative collaboration with all levels of government, communities and business.
 - Pursue public-private partnerships and other collaborative arrangements and mechanisms involving business, such as for mitigation, adaptation, technology and financing solutions;
 - Allow efficient interaction with other inter-governmental initiatives and partnerships such as the G20.

Urgency to act – way forward

We are clearly at a turning point. In a time of multiple and interlocking crisis – climate change, food, water, energy and of course the global economic crisis, there is urgency to work collectively to solve global issues. ICC as the voice of world business, drawing on over 90 years of experience, working in more than 120 countries via an extensive network of companies, chambers, and national committees, remains committed to making green economies a reality. More than 2,000 experts drawn from ICC's constituencies feed their knowledge and experience into crafting the ICC stance on specific business issues.

As we look upon the Doha conference, the issues at stake are complex, but not unconquerable. If there is sufficient political will, a few key milestones could be set in Doha that would clear the way for a new global climate change agreement. ICC stands ready for constructive and positive engagement in Doha and beyond, and we are encouraging policymakers to put aside paralyzing strategies and take bolder steps to foster an international environment more conducive to a true collaboration on climate action.

Over the years, ICC has developed an extensive set of papers covering climate change in the bigger picture of green economy and sustainable development that remain pertinent to discussions at COP-18. These papers are available at <http://www.iccwbo.org/advocacy-codes-and-rules/areas-of-work/environment-and-energy/documents-environment-and-energy/>

Energy

Energy today and options for tomorrow

Access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy is fundamental to economic growth and sustainable development. Energy contributes to meeting basic needs, such as clean water, food preservation, transportation, healthcare, sanitation, education and communications. In light of expected growth in world population and energy demand, long-term energy access and security are critical priorities.

To facilitate and encourage new energy development, access to modern energy services and the rapid deployment of more efficient, cleaner and lower carbon emitting technologies, global business recognizes the following key issues:

- It is critically important to strike a balance among stability of supply, affordability and environmental soundness when considering energy issues in today's world.
- All energy options are important and should be open as no one-size-fits-all solution exists.
- Sector-wide changes can take decades.
- Coordinated international effort is needed to ensure an enabling framework and markets.
- National policies have to take current realities and international agreements into account.
- Long-term investments and public-private partnerships should be facilitated.
- Energy efficiency should be a key focus and needs to be further promoted.
- Technology cooperation and deployment should be fostered.
- A variety of market based approaches fit for national/local circumstances have to be identified.

Business has a crucial and important role to play in shaping how energy is developed and utilized today, as well as the future energy options for tomorrow. There are many challenges facing the sector and it will require concerted and collaborative effort on all fronts to change the future energy mix and accelerate the pace of change. Business is willing and able to work together with all stakeholders to find appropriate solutions whilst meeting growing demand for energy.

Energy Efficiency

Energy efficiency is a fundamental element in the progression towards a more sustainable energy future and has been on the business agenda for years with significant strides already achieved.

Key messages

- Energy efficiency is a fundamental element in the progression towards a future low-carbon economy. Actions to increase energy efficiency can make a significant impact in squaring the circle between an increased demand for energy and environmental protection.
- Improvements in energy efficiency have played a key role in limiting global increases in energy consumption of resources and greenhouse gas emissions over the past three decades, while maintaining the quality of the energy service. However, considering future trends in world energy use, increasing concerns about access to energy and energy security, significant challenges need to be addressed, for which energy efficiency will be part of the solution.
- There is a strong business case for energy efficiency, it enables companies to save costs, improve their competitiveness and overall productivity. Moreover there are also opportunities to develop new businesses that enhance efficiency across countries and sectors. However, several barriers remain to energy efficiency improvements.

- In order to overcome these barriers, governments need to create a policy environment that rewards energy-efficient choices and encourages innovation. Economic and financial incentives and government support for professional training and consulting, research, development and deployment are a first step.
- Reinforcing the market for energy efficiency through innovative mechanisms, such as standards, labels, public-private partnerships and energy performance contracting, may lead to increased certainty and demand for energy efficiency which will foster private sector initiatives.
- The buildings and residential/commercial energy-using equipment sectors in particular has a high potential for large cost-effective energy savings.
- International cooperation on energy efficiency policies helps trigger synergies fostering technology improvements, through the removal of barriers to the deployment of better technologies in the market place. Coordinated policies and standards, the sharing of information on energy efficiency tools and best practices, are critical for enhancing global trade and diffusing energy efficiency improvements.
- Businesses should develop new management approaches at senior management levels in order to fully exploit opportunities for increased energy efficiency, especially by increasing awareness of their energy consumption and savings in the long term, as well as planning and implementing actions such as demand side management.

Energy security

Ensuring geographical and resource diversity of energy supplies strengthens economies and overall energy security through energy interdependence. Removing trade barriers, improving access to natural resources, and opening markets to free competition will help minimize potential disruptions. The most effective policies create a legal and regulatory framework that attracts investment, encourages technology transfer, stimulates open competition, and capitalizes on the force of the free markets. Advancements in technology will continue to improve global energy security and will also lessen the impact of energy-related activities on the environment.

Energy is an essential input for businesses of every size, whether domestic or international, for energy suppliers, the transport industries, energy-intensive industry and service providers. To business, energy security means confidence in its ongoing ability to access reliable and affordable energy wherever it operates. Secure and reliable energy supply and infrastructure impacts the feasibility and costs of doing business from perspectives of competitiveness and productivity. Energy security is a vital consideration, not only for day-to-day operations, but also for long-term investment.

Key issues include:

- In today's globalized world, with a highly non-uniform distribution of energy resources and market demands, diversity of supply, open markets and political interdependence are essential for energy security at the global level.
- Energy security, economic growth and development are interwoven, so energy and development policies should be addressed in an integrated way.
- Governments should establish stable, long-term energy policy, recognizing the need for open, competitive markets supported by reliable legal, fiscal and regulatory frameworks to encourage energy investment and innovation that responds to and marshals market forces.
- Reliable infrastructure and transfer systems, such as electricity transmission networks and gas pipeline networks are indispensable to energy security.

- To meet growing demand, all energy options should be kept open. Public policy should establish criteria and guidelines for safe, cleaner energy supply and responsible use of resources.
- Policy should support market-based innovation to promote energy security through diversification of supply and introduction of more efficient supply and end-use technologies. Strong research, development and deployment policies and programmes must be fostered and maintained.
- National and international governance infrastructure should enable a global open market trading system in energy, energy feedstock's, and energy intensive goods.
- In addition to governments' inter-relationships and policies, cooperation between governments and the private sector is important to energy in security

Business' role in energy security

The private sector provides significant investment and produces, transports and distributes energy to end users, and is a significant energy user itself. Business' ability to generate economic growth and its associated benefits depends on access to reliable, affordable energy. Business provides solutions to energy security challenges through research and development of new energy-relevant technologies and subsequent commercialization, deployment and transfer.

Decades of investment may be required before new technologies can be implemented at a scale that significantly impacts the global energy base. Fostering diversity of supply and energy interdependence in open market economies across the world is the most effective and efficient way to marshal business investment to promote secure and reliable energy supplies.

About the International Chamber of Commerce (ICC)

ICC is the world business organisation, a representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world. The fundamental mission of ICC is to promote trade and investment across frontiers and help business corporations meet the challenges and opportunities of globalization. The small group of far-sighted business leaders who founded ICC in 1919 called themselves “the merchants of peace”. Today ICC groups hundreds of thousands of member companies and associations from over 120 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 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. Although these rules are voluntary, they are observed in countless thousands of transactions every day and have become part of the fabric of international trade. ICC also provides essential services, foremost among them the ICC International Court of Arbitration, the world’s leading arbitral institution. Another service is the World Chambers Federation, ICC’s worldwide network of chambers of commerce, fostering interaction and exchange of chamber best practice. ICC enjoys a close working relationship with the United Nations and other intergovernmental organizations, including the World Trade Organization and the G8/G20.

About the ICC Commission on Environment and Energy

The ICC Commission on Environment and Energy, including the Task Force on Green Economy working under the auspices of the Commission, develops policy and technical guidance on a wide range of issues including technology development and deployment, climate change, financing, adaptation, water, sustainable consumption and production, green economy and growth. In addition, it also facilitates business participation at UN processes and works in other multilateral fora as well as with senior government officials on environmental issues.