



**International Chamber of Commerce**

*The world business organization*

**The Secretary General**

**ICC letter on behalf of world business to Environment Ministers attending the G8 Environment Ministers Meeting, 24-26 May 2008, Kobe, Japan**

Environmental concerns are at the forefront of international leaders' agenda and solving them requires cooperative and shared visions and actions between governments and the private sector, not only within the G8, but also in countries throughout the world. In your deliberations leading up to the G8 Hokkaido Toyako Summit, business stands ready to work collaboratively to define comprehensive and viable solutions.

On behalf of the International Chamber of Commerce (ICC), the world business organisation and a representative body that speaks on behalf of enterprises from all sectors in every part of the world, I would like to stress that there is no contradiction between economic growth, trade liberalization, environmental protection and sustainable development.

Economic growth and open trade provide the conditions in which protection of the environment can best be achieved. Businesses have taken and are taking action to address key environmental issues such as climate change, biodiversity and resource efficiency. Attached to this letter are three annexes on those specific issues which provide building blocks on how governments and business can cooperatively address these concerns.

ICC stands ready to work with policy-makers in G8 Countries and all over the world to effectively address environmental risks while promoting growth, access to energy and sustainable development. While the current environmental challenges are difficult, they are also an opportunity for business along with governments and civil society partners to address environmental risks now and for future generations.

Yours Sincerely,

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## ANNEX 1

### Climate change

ICC and its members are encouraged by the progress made under the umbrella of the United Nations Framework Convention on Climate Change (UNFCCC), and the adoption of the Bali Action Plan for negotiating a new global framework to address climate change by the end of 2009. The Plan paves the way for a fresh focus on what can be done, the resources needed, and the role of different parties including governments, business and civil society. Business is united in a strong common desire and ability to be part of an immediate contribution to identifying and deploying effective solutions to climate change. We believe that the building blocks of a new comprehensive global post-2012 framework should:

- Address climate change risks in the context of advancing cleaner development and access to energy alongside other priorities such as economic development, poverty and disease eradication;
- Promote global participation by all nations and key stakeholders;
- Focus on objectives to limit climate change risks and encourage mitigation and adaptation through a combination of incentives and other market-oriented initiatives enabling business to maintain and strengthen competitiveness;
- Consider adaptation approaches that could provide resilience and adaptive capacity;
- Stimulate development of an international carbon market and carbon value - among countries and regions that choose to utilize that approach to encourage mitigation - through integration of, and transferability between, carbon markets;
- Encourage the continuing development of an international sector approach, where appropriate, for those sectors in internationally competitive markets;
- Provide incentives for efficient energy use, sustainable energy generation and emissions reduction, taking advantage of existing low carbon technologies;
- Stimulate research and development to more rapidly create innovative, affordable and reliable, low greenhouse gas emitting technologies, and eliminate or reduce regulatory and trade barriers to the development, utilisation and dispersion of new technology;
- Include business in the dialogue on technology cooperation and subsequent implementation.

Informed and integrated discussions with direct business input will help policymakers reach agreement on a practicable, long-term, global and pragmatic approach to address the concerns about, and adaptation to the impacts of climate change. The private sector can be a critical enabler for cost-effective climate solutions and plays a central role in the development and global utilisation of both existing and new, efficient energy technologies with low greenhouse gas emissions in all sectors.

## **ANNEX II**

### **Biodiversity**

Increasing world population, changing consumption patterns, and impacts of a changing climate are all placing strains on the planet's biodiversity. It is in this challenging context of escalating demands placed on agriculture, that we must consider and ensure sustainability. The essential role of the private sector to help achieve the goals of the United Nations Convention on Biological Diversity (UNCBD) was recognized in the 2006 Eighth Conference of the Parties (COP) meeting in Curitiba, Brazil. Business stands ready to contribute constructively to the discussions on biodiversity and to work together with key stakeholders. The private sector is a vital player in the development and promotion of practices and technologies that can make sustainable agriculture a reality for more countries, local communities, and farmers. Agriculture is the basis for feeding the world. Many of the solutions to ensure that it does so sustainably are known. Business is convinced that there is no rational alternative to increasing yields per hectare, as land is finite, and we are optimistic that this can be achieved in a sustainable way. Agricultural productivity has enormous potential. Recovering only half of the existing yield gap in some regions would revolutionise the relationship between agriculture and biodiversity and address food security concerns.

Given the private sector's critical role in continuing to advance sustainable agriculture, including through scientific research, creation of new products, technologies, approaches and technology transfer and cooperation, ICC looks forward, working in partnership, to concretely contribute towards sustainable agricultural development and activity while conserving biodiversity. ICC will be present at the Ninth meeting of the UNCBD in Bonn from 19-30 May with recommendations, business expertise and examples of positive contributions from the business community through an exhibit, a side event and other activities, which will also be part of the celebration around the International Biodiversity Day on 22 May.

## **ANNEX III**

### **Resource efficiency**









Businesses understand the challenge of resource efficiency arising from the growing demand for resources, increasing trade flows, rising energy costs, volatile raw material prices and risks of supply disruptions. Moreover business is actively engaged in a variety of international initiatives to address these concerns including the 3R Initiative and the UN Sustainable Consumption and Production Marrakech process. The challenge ahead is one of supporting the growth of business activities, particularly in developing countries, that contribute to the economic, social and environmental objectives of sustainable development. Companies of all sectors and sizes from all parts of the world can make a contribution and must be engaged in pursuing resource efficiency in the market as a way of improving their competitiveness. There are many components to enhancing resource efficiency including water and energy efficiency.

Water is a vital resource and key concern. Ultimately, the future of every business depends on society's ability to balance growing human demand for land, water and sanitation with ecosystem protection in a way that supports equitable social and economic development. Businesses, as users of water resources and services, as providers of water related technology, equipment and services and drivers of economic development have considerable skills and resources to bring to the table. We must recall the priority need of the poorest populations to have access to potable water, sanitation and other water services.

More efficient use of energy is a critical component of the global evolution towards enhanced resource efficiency. Business has made a significant contribution to enhancing energy efficiency and given the right fiscal and regulatory frameworks can do more to help governments achieve the triple objectives of growth, jobs and environmental improvement while responding to growing energy demand. An important example would be actions such as demand side management (DSM) that influence the quantity or patterns of energy consumed by end users. ICC members are prepared to share experiences and describe the benefits of modern energy management systems.

Sustainable development is largely a function of a vibrant private sector operating in a market-oriented framework. In this regard, the right local market conditions and enabling frameworks are critical both for local business communities and foreign investors. Resource efficiency should not be seen as a zero-sum game, but as a means to improve quality of life, serve wants and needs of consumers and enable effective stewardship of the world's resources.

Measures to make the market more transparent, minimize rigidities and eliminate distortions will facilitate the necessary structural adjustments to production and consumption patterns. Companies are already pursuing resource efficiency through value and supply-chain connections and initiatives. To further international cooperation and ensure the necessary frameworks are put in place to improve resource efficiency, ICC has recommended that policymakers follow certain key principles such as:

-  Tapping market forces;
-  Favouring an open environment for trade and investment;
-  Encouraging voluntary energy labels and standards;
-  Integrating efficiency into other aspects of policy-making;
-  Encouraging the development and implementation of low cost debt financing for water and sanitation projects;
-  Developing reliable metrics;
-  Supporting technological innovation and cooperation that will improve efficiency and minimize waste in resource use;
-  Adopting strategies that evaluate product life cycles.