



International Chamber of Commerce

The world business organization



INTERNATIONAL CHAMBER OF COMMERCE

Discussion Paper



Prepared by ICC Commission on
Environment and Energy

ICC Views on Adaptation to Climate Change

Highlights

- Adaptation is a crucial issue
- Climate change impacts will vary across regions
- UNFCCC has a key role to play
- ICC welcomes the Adaptation Fund

ICC Views on Adaptation to Climate Change

Adaptation is a crucial issue

The issue of adaptation is a critical one and business and industry have it firmly on their agenda. Impacts will affect not only our operations but also the markets in which we participate and the communities where our employees and customers live. Adaptation will be essential both in developed and developing countries and thus business is encouraged by the progress made on adaptation under the United Nations Framework Convention on Climate Change (UNFCCC) Nairobi Work Programme and Bali Action Plan.

Climate change impacts will vary across regions

The impacts of a changing climate will have a myriad of effects on business and result in both opportunities and challenges. They will also vary considerably from one region to another, both in terms of the severity and types of change as well as the capacity of various countries to deal with the impacts. It is important to recognise these short and long term risks and to design and manage our facilities, processes, products and services in a way that increases the resilience of our operations and to have adequate plans in place. This may require a change in the way in which we deal with risk.

UNFCCC has a key role to play

Adaptation is an issue which cuts across many other issues and thus the International Chamber of Commerce (ICC) welcomes the call for the UNFCCC process to play a catalytic role in the mobilising actions of relevant stakeholders. There are many synergies to be had between the various actions of business and other stakeholders including in the conducting of joint research and sharing of data and information, capacity building and planning. We would encourage this stakeholder consultation should include the private sector.

ICC welcomes the Adaptation Fund

ICC welcomes the breakthroughs in Nairobi in 2006 with regards the Adaptation Fund. Adequate financing, together with capacity building and technology support needs to be available for effective assistance to the most vulnerable. In particular those countries whose adaptive capacity is low and who will be most severely impacted by changes in the climate should be a priority. Where possible, funding for development related activities should be leveraged with other sources of finance and market mechanisms to ensure that resilience is built in right up front, as well as ensuring that an integrated approach to development is taken. In many cases this could result in public private partnerships and reduce overall risk.

Businesses dedicate substantial resources in technology advancement and the development of innovation. Business should also be a partner in defining mechanisms to identify, develop, commercialise and transfer technologies aligned with national adaptation priorities and development strategies. Some of the areas where collaborative efforts will be required include early warning systems, predictive modelling and the robustness of new infrastructure development. Others include the deployment of existing technologies and practices in new ways and to new areas. In many cases, technologies already exist and it is essential that appropriate mechanisms are put in place to ensure that capacity is built so that these technologies can be more widely disseminated.

ICC would urge that the Adaptation Fund be structured and streamlined in a way that facilitates the equitable participation of Least Developed Countries. We need to move from identification of risks to the prioritisation and implementation of key projects. Support also needs to be given for the development of NAPAs and national adaptation plans.

Institutional arrangements should be effective and efficient

Should the proposed International Mechanism to Address Loss and Damage Risks be agreed, business would urge that whatever institutional arrangement be put in place, that it is effective and efficient. It should also not hinder progress in this area and should provide adequate provision for the private sector to interact and advise the body regarding the practicalities of the various activities as well as where synergies may be found.

National and regional bodies and focal points important

ICC would welcome the establishment of national and regional bodies and focal points, given the local nature of many adaptation efforts. These bodies and focal points will also need to leverage resources and skills and actively co-ordinate efforts with the proposed technology regional centres of excellence. Regional and National Centres will allow business to engage on a much more detailed level regarding adaptation measures and identify areas for possible collaboration and input. Where business installations could be vulnerable to natural disasters or other catastrophes, coordinated contingency planning and disaster management is vital to governments and business. This will require on-going and extensive discussion with the private sector and in some cases, international cooperation and planning, to leverage efforts, and ensure that recovery is as quick as possible.

Welcomes the integration in a wide variety of relevant policies, strategies and programmes

ICC supports that development of activities to plan and prepare for the implementation of adaptation action and in particular, given the wide impact, the integration of adaptation into a wide variety of relevant policies, strategies and programmes. Business is also willing to share experiences and best practice and would strongly support improving the environment for doing business and in particular for small and medium enterprises. Appropriate long-term policy for adaptation needs to understand all the potential impacts and knock-on effects of national policy as well as regional and international relations. Many adaptation measures will require cross-border and regional co-operation.

CONCLUSION

The issue of adaptation is a critical one and business and industry have it firmly on their agenda. As part of their planning and investment cycles business are already or beginning to account for anticipated changes and seek ways to enhance their resilience. Given the wide range of impacts and interconnectivity of the solutions required, collaborative efforts will be essential in finding a way forward. ICC is committed to working together with governments and civil society to find better ways of understanding the risks and vulnerabilities associated with climate change as well as identifying and implementing the solutions. Concrete steps have already been taken by many sectors in various parts of the world and action will continue to grow as awareness increases.

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.

The fundamental mission of ICC is to promote trade and investment across frontiers and help business corporations meet the challenges and opportunities of globalization. Its conviction that trade is a powerful force for peace and prosperity dates from the organization's origins early in the last century. The small group of far-sighted business leaders who founded ICC called themselves "the merchants of peace".

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.

Business leaders and experts drawn from the ICC membership establish the business stance on broad issues of trade and investment policy 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 enjoys a close working relationship with the United Nations and other intergovernmental organizations, including the World Trade Organization and the G8.

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.



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Policy and Business Practices

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