



International Chamber of Commerce

The world business organization

20 March 2012

International Chamber of Commerce Input to: Green Climate Fund initial consultation on observer participation in the proceedings of the Board of the Green Climate Fund

The International Chamber of Commerce (ICC) welcomes this opportunity to provide input to the Green Climate Fund Board on the modalities of observer participation in the work of the Board. 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. ICC has also served as global business voice in numerous other inter-governmental forums relating to sustainability, including the U.N. Environment Programme and the U.N Commission on Sustainable Development. This long experience has allowed us to help develop and extend important informal channels for discussion and dialogue between business and the UNFCCC. These have evolved over the past years, and have included dialogue with the Experts Group on Technology Transfer and the new Technology Mechanism, participation in in-session workshops, and co-organizing COP “Business Days”.

We agree that in light of Article 1.b. vii of the Bali Action Plan, and recent developments relating to critical features of a post 2012 framework, such as the Green Climate Fund (GCF), it is timely to consider how to improve the engagement of business organizations in the process.

The private sector is indispensable to achieve a low-carbon economy. Through domestic and foreign direct investment (FDI), the private sector is essential in developing and diffusing innovative products, processes, technologies, and services that will continue to generate sustainable solutions. For example, to halve global emissions by 2050, the United Nations and the International Energy Agency (IEA) estimate that the private sector will contribute more than 80% of the predicted \$1 trillion in climate finance required.

Given this role for business, we continue to believe that new channels for input from business via observer organizations are warranted as the GCF moves into implementation and creates new structures that will depend on business connections and partnerships to be effective.

For business, participation is more than short statements in sessions. It involves close participation in the implementation of Parties’ decisions, and we see value in taking part in the design stage to have the ability to utilize the new institutional architecture that is emerging. We would like to highlight in this regard our contributions on enhancing the engagement of observers, particularly from the business community, such as the [“International Chamber of Commerce Input to SBI on: ways to enhance the engagement of observer organizations”](#)

We therefore offer the following suggestions regarding the role of "active observers" from business, and the structure necessary to support them:

- Active observers for business should have the opportunity to provide written input on specific issues in advance of the meeting. This implies that meeting agendas should be prepared and communicated in advance to allow for coordinated business input. At meetings, business observers should be able to intervene as appropriate according to the procedures of the board. They should not play a formal role in any decisions of the board.
- Business should appoint active observers to provide active input into the GCF. One option would be to use existing arrangements that have been useful in engaging business representatives to the UNFCCC, such as by creating a constituency (BINGO) focal point or build upon existing good practice, such as the Climate Investment Funds. Active observers should also communicate broadly with the entire business constituency, ideally through a formal business channel established under the UNFCCC.
- Legitimacy is a key factor in selecting active observers. A formal, comprehensive, recognized channel for business engagement with the UNFCCC and its emerging institutions would provide a legitimate process for the business community to nominate representatives on their behalf to positions with the GCF (and other UNFCCC bodies). In the absence of such a recognized channel, it is important that the GCF establishes a transparent process that provides input for a broad range of business views across business sectors and sizes. GCF will be best served if its business observers can engage with a global business community. Limiting input to one or two individuals or to business groups with a particular view on the issues may undermine the legitimacy of the process and the role of the observer.

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ICC Responses to selected questions

1. Consultation with the GCF Board

a) *Would provisions for consultations with the Board prior to Board meetings be useful?*
Yes.

b) *What should be the mode and duration of any pre-meeting consultations?*
While this would depend on the issues before the Board, it would be useful to receive a minimum of four to eight weeks' time to ensure broad consultation, particularly for issues that are complex, require clarification, and involve business participation.

c) *Would an annual forum for consultations be a useful platform for consultations? Any other ideas for the modalities of consultation?*
Possibly – it would depend on the set-up, objectives, and modes of interactions.

d) *How should the contributions from the broader civil society be channelled to the Board in between its meetings?*
Views should be submitted as by good practice by the UNFCCC - in written form and published accessible for the public.

e) *What should be the mechanism for submission of views?*

We would prefer the same mechanism as in the past by the UNFCCC – electronic submissions, compiled and published by the UNFCCC Secretariat.

2. Availability of relevant information and documents

a) *What is the reasonable timeline for receiving documents for effective consultation before each Board meeting?*

Four to eight weeks in advance would be preferable to prepare adequately.

b) *What are the useful and equitable modes of dissemination of information?*

Materials can be distributed in electronic format and published on the UNFCCC website.

3. Support for observer participation

a) *What kind of institutional and financial support is needed from the GCF for substantive participation and effective representation of observers and how should such funds be raised?*

If structured properly with the broad support of the business community as well as clear modes of interaction with the GCF, business would be self-organized and funded; no institutional support would be needed.

4. Measuring the level of observer involvement in proceedings of the Board

a) *Should there be specific indicators to measure the level of observer participation in proceedings of the Board? What could these indicators be?*

Global business recognizes the value of well-structured meetings and proceedings. Indicators may be difficult to define as for example the quantity of interactions may not be equal to the quality of interactions.

We are willing to go further and work within our ranks to provide more structured, consolidated input and expertise wherever Parties believe it can provide a resource. Global business encourages the Green Climate Fund Board and interim secretariat to be open to practical, effective, and substantive ways of drawing on this expertise and information throughout the process.

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, the G20 and the G8.

ICC was founded in 1919. Today it 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.

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