

ICC Key Messages for COP 20

Lima, Peru

December 1-12, 2014

What is COP?

Held in the framework of the United Nations Framework Convention on Climate Change (UNFCCC) each year, the Conferences of the Parties (COP) meetings assess progress in dealing with climate change, and also negotiate legally binding obligations such as under the Kyoto Protocol (CMP).

What is UNFCCC?

The United Nations Framework Convention on Climate Change (UNFCCC)¹ is an international environmental treaty that entered into force on March 21, 1994 and today comprises 195 parties. UNFCCC sets out a framework for action aimed at preventing “dangerous” human interference with the climate system. The principal “update” of the Convention was the **Kyoto Protocol** which is a legally binding obligation for 37 industrialized countries and the European Union to reduce greenhouse gas emissions. The Kyoto Protocol’s second commitment period will end in 2020.

What happened last year at COP 19?

The 19th session of the Conference of the Parties (COP 19) to the UN Framework Convention on Climate Change (UNFCCC) took place in Warsaw in November 2013.

Small steps on a new agreement on climate change were made, with the outcome keeping governments on a path towards 2015 negotiations. Governments were also invited to intensify domestic preparations for their intended nationally-determined contributions (without prejudice to their legal nature), as well as to accelerate their “pre-2020 ambition”.

Parties also adopted a decision establishing the Warsaw international mechanism on loss and damage, and the “Warsaw REDD+ framework,” a series of seven decisions on REDD+ finance, institutional arrangements and methodological issues.

Who attends COP?

Last year’s conference drew over 8,300 participants, including 4,022 government officials, 3,695 representatives of UN bodies and agencies, intergovernmental organizations and civil society organizations, and 658 members of the media.

What is expected from COP20?

¹ The UNFCCC is a “Rio Convention”, one of three adopted at the “Rio Earth Summit” in 1992. Its sister Rio Conventions are the UN Convention on Biological Diversity and the Convention to Combat Desertification. The three are intrinsically linked. It is in this context that the Joint Liaison Group was set up to boost cooperation among the three Conventions, with the ultimate aim of developing synergies in their activities on issues of mutual concern. It now also incorporates the Ramsar Convention on Wetlands.

The 20th session of the Conference of the Parties (COP20) and the 10th session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP10) will be held from December 1-12 in Lima, Peru.

There is a heightened expectation and urgency for COP20 given that it is the last meeting before COP21 in Paris 2015, where world leaders are expected to conclude a new climate agreement with the aim of being the world's first binding and universal agreement on climate from all nations. COP20 will therefore seek to set the scope of the negotiations for Paris 2015 which is far more comprehensive than the Kyoto Protocol. One key topic is the concept of Intended Nationally Determined Contributions (INDCs), which outline the actions each nation will take to meet the commitments under the Paris Protocol.

ICC believes that to be fully effective, the new agreement should be coherent with other international frameworks on sustainability and development, such as environmental agreements, e.g. the Montreal protocol; trade agreements, such as World Trade Organization agreements; and on-going work under the G20 or the UN General Assembly (e.g. UN Post 2015 Development Agenda and Sustainable Development Goals). Furthermore, consistency with regional, national and sub-national legislation will be critical for businesses of all sizes to act decisively.

How is ICC involved in UNFCCC/COP?

Since the 1970s ICC has taken the lead among business organizations working on environment to support and provide global business input into intergovernmental discussions.

ICC supports an ambitious, worldwide climate agreement that fully engages the private-sector over the short and long-term and is committed to a successful outcome of COP20 and of the milestone COP21 conference in Paris 2015.

Since the early days of the UNFCCC, ICC has been the Business and Industry Non-Governmental Organizations (BINGO) focal point, attending sessions and coordinating the exchange of views with other participants, including government negotiators and delegates.

Each year BINGO hosts a Business Day bringing together business representatives, government leaders and experts in plenary and panel sessions covering industry and issue-specific topics that focus on the role of business in contributing to achieving scale and speed to address climate change. Emphasis of the Business Day is on the need for collaboration and implementation moving forward.

This year BINGO day will take place on December 5 (www.iccwbo.org/bingoday).

For the full programme of ICC activities visit: www.iccwbo.org/cop20

How is business working to meet climate change challenges?

Through investment, research and deploying innovative technologies, processes, products and services, the worldwide business community has been instrumental in coming up with solutions to address climate impacts and lower emissions of greenhouse gases

Businesses worldwide are making significant contributions to help lower greenhouse gas emissions; use resources more efficiently; plan for, build-in and share good practices on adaptation and resilience; invest and undertake research and development into climate-friendly technologies, products and services; and engage and educate the public on climate change

But more needs to be done to mitigate and adapt to global climate change while addressing the lack of access to energy and meeting the growing demand for energy.

Solutions to climate change are best achieved multilaterally.

ICC calls on governments to craft policies that create incentives for private investors to scale up and accelerate investments in low-emission and climate-resilient growth options.

What outcome is ICC looking for?

All countries will benefit from a climate agreement that improves conditions for innovation, trade and investment to facilitate worldwide adoption of environmentally sound technologies and climate-friendly solutions that contribute to sustainable development.

ICC has welcomed recent steps in the UN to augment private-sector participation in climate deliberations and urges all UN members to recognize the essential contributions that business makes in addressing climate change at all levels.

ICC encourages the UNFCCC to strengthen existing channels, and to develop new ones in order to foster substantive engagement of the business community as an integral part of the Paris 2015 UNFCCC agreement.

While the limited business advisory participation in the Green Climate Fund and The Climate Technology Centre and Network is a good starting point, it will not be enough for the broadened ambition of the Paris agreement. The new climate agreement must include a recognized substantive role for representative business organizations and ICC stands ready to work with governments and the UN to develop such a mutually beneficial interface.

ICC looks to the UNFCCC outcomes and to governments to:

1. Work in synergy with global markets to deliver policies that are cost effective:

- **Eliminate tariff and non-tariff barriers on trade in environmental goods and services**, as currently envisaged under WTO and regional trade agreements to facilitate the deployment and development of solutions for climate mitigation and adaptation.
- **Encourage and implement predictable and robust carbon pricing mechanisms** in those countries and regions that choose to use them, recognizing carbon pricing is one important but not the only market-based climate policy tool to enhance financial flows towards climate friendly investments. Carbon prices can be implemented through taxes, markets, or other instruments; carbon pricing should help to achieve global net emission reductions and minimize societal and economic costs for the required large scale mitigation actions. Governments should avoid market distortions for businesses already working with national or regional carbon pricing systems.
- **Remove market distortions such as unilateral barriers to trade and investment or subsidies**, in order to enable more rapid and efficient dissemination of important climate-friendly technologies, goods and services.
- **Establish internationally accepted and rigorous accountability, and standardized systems for measuring, reporting and verification (MRV)** of national emissions.
- **Remove inefficient environmental subsidies.**

2. Foster adaptation and long-term resilience:

- **Create financially efficient and well-targeted support mechanisms** to de-risk and scale up pre-commercial technologies and new financial mechanisms to boost existing technologies.
- **Foster the development and protection of intellectual property - a key driver of innovation.** Policy frameworks should support research and development and the successful commercialization and deployment of promising technologies across borders and at scale.
- **Support energy efficiency uptake** by establishing market-oriented incentives schemes, government led standards and instruments, and partnership approaches, notably in major energy consuming sectors such as industry, buildings, housing and transportation².
- **Support the opening of energy markets** and reform of fiscal and regulatory policies to stimulate cross-border energy infrastructure investment.
- **Utilize the enabling potential of ICT-technologies** by promoting the adoption of advanced emissions-saving technologies.

3. Promote inclusive and mutually reinforcing approaches to address climate change challenges

- **Create new and extend existing platforms for research and education cooperation, and public-private partnerships.**
- **Provide frameworks, processes and tools for capacity building and awareness raising** to enable national governments and businesses to incorporate mitigation and adaptation measures, and to develop necessary climate strategies e.g. on existing technologies.
- **Consult with business to identify priority areas where mitigation action has the greatest net benefit** and help achieve large-scale climate change benefits as well as easy-to-implement small-scale climate action.
- **Provide opportunities for business to inform policymakers about their technical expertise** in mitigation and adaptation options, technology, research and finance.

About ICC

ICC is the world business organization. Our fundamental 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, the ICC global network reaches 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.