INTERNATIONAL CHAMBER OF COMMERCE
The world business organization
Commission on
ENVIRONMENT AND ENERGY

Summary Record

Meeting on 13-14 October 2016

1. Opening and Welcome

Mohamed Berrada, Chair, ICC Morocco, warmly welcomed the Commission on Environment and Energy (EEC) members to Morocco, and thanked ICC for hosting the Commission meeting in Morocco and Banque Crédit Agricole du Maroc for their hosting support. He also highlighted the impressive increase in renewable energies in the country, as well as the need for capacity building and education.

Kersten Karl Barth, Chair, ICC Commission on Environment and Energy thanked ICC Morocco for their kind hosting of the Commission meeting and joined Mr Berrada in welcoming members in Morocco.

He commended Morocco's braveness for hosting the UNFCCC COP22. Some people thought that the pressure is less after the Paris COP21 and the Paris Agreement. However, the momentum is sustained. CEOs of many international companies will participate at COP22 – climate change, energy, environmental topics, and how to adapt and mitigate, are on the top of companies' agendas.

The Chair also mentioned his participation in the local authority Climate Chance Summit. In his interventions at the Summit he highlighted that while business is a key cause for environmental challenges, business is also a key solutions provider – and companies need to generate profit.

Furthermore, he stressed the very dynamic environment the EEC is operating in – from a volatile energy sector, digitalisation (e.g. 'Industrie 4.0') to environmental challenges and the Sustainable Development Goals (SDGs) framework. The EEC has done much work in the last years across many topics which is greatly recognized, including from sustainability business associations that have been asking to use ICC's papers. The EEC is now at a new stage and need to decide on the focus of its future work. The process in this regard has started in the last few months with the aim to find a better balance between environment, energy and green economy topics as well as a stronger focus on each of the topics. The EEC should continue its cooperations, share expertise, and interact in the different fora to have an impact with its work. The key objective of the Marrakech Commission meeting is to determine the main topics and work plan for the next three years.

2. Speaker: Sanaa Bellamine, Director of International Trade, Banque Crédit Agricole du Maroc

Sanaa Bellamine, Director of International Trade, Banque Crédit Agricole du Maroc, introduced the bank's sustainable strategy. Their strategy and strong sustainability record led to the outcome that the bank is referred to as a "green bank" in Morocco because of their focus on green economy in line with economic and social values. (For further details, please see the PPT.)

3. Climate Change working area

- **Carbon Pricing and Market Mechanisms:** Tara Nitz, VCI and lead for the draft working groups on carbon pricing and market mechanisms briefed on both papers which are based on existing ICC positions. After COP21, the EEC decided to update the market mechanisms and carbon pricing papers. She led through the papers and the EEC discussed the positions; final changes were integrated in the papers.

  It was furthermore suggested from some members to develop positions on non-market mechanisms. Following a discussion, members felt that non-market mechanisms should be dealt with in a separate paper.

  Members also exchanged on national progress on carbon markets. China for example is preparing for the start of its carbon market which will be the largest worldwide. Members discussed thereby the importance of ensuring competitiveness, harmonization in markets and carbon pricing, the need of good tools when implementing a carbon market, clarity and predictability on national frameworks to adapt portfolios while at the same time finding solutions to balance demand and supply of electricity -- which is currently often not matched.

- **Key messages COP22:** The Chair led through the different items of the key messages and changes discussed.

- **Climate Finance:** During the meeting, members raised the topic of climate finance and the interlinkage of it to carbon pricing and market mechanisms. Members agreed that the EEC should develop a position on it. A first suggestion for a climate finance paper was presented during the meeting.

- **Climate business events and ICC planning for COP22:** Andrea Bacher, ICC, presented the ICC planning for COP22, including ICC's additional role as focal point for business to the UNFCCC, and gave a briefing on the Business and Climate Summit 2017 and 2018. Members stressed the importance for ICC to keep the UNFCCC business focal point role. (Please see the PPT for further information.)

Decisions

- The ICC carbon pricing principles and market mechanisms papers have been final agreed.
- The development of a new paper on non-market mechanism was in principle supported.
- The Commission reaffirmed the importance for ICC to keep the UNFCCC business focal point role.

Actions

- The ICC policy statement for COP22 will include an additional executive summary and will be sent for a final round of comment.
- The draft climate finance paper developed during the Commission Meeting will be sent to members for comment.

4. G20 2017 Germany

Anne Feldhusen, BDI (Federation of German Industries), provided an overview of the G20 and B20 process. The topics climate change, energy, and resource efficiency will be for the first time a main topic. ICC is a network partner to the B20 which is led by the BDI. (For further information, please see the PPT.)

5. Green Economy working area

- **Green Economy Task Force (GETF):** The Chair gave an overview of the GETF outputs. Members agreed that the Task Force should continue and develop a new work plan.

- **Update on UNEP related activities and engagement opportunities**
  Norine Kennedy, USCIB and Andrea Bacher, ICC, gave an update on UNEP related activities. This included a workshop on the topic "trade and technology" co-organised by UNEP, WTO and WIPO in which the EEC participated and provided input in cooperation with ICC's Trade and Investment, and Intellectual Property (IP) Commissions.

  Furthermore, the new Executive Director of UNEP has stressed his wish to collaborate stronger with business. Norine Kennedy, USCIB, explained the challenge of UNEP for greater business engagement given its many topics and invited members to engage. She also mentioned the development of a new business coalition with the aim to better coordinate business engagement to UNEP. It was suggested that ICC puts forward its candidature to serve in the UNEP major group body.

  Members agreed that UNEP is a key partner for the EEC and it is a good moment to define the topics ICC would like to stronger engage with UNEP. (Please see the PPTs.)

- **Overview on ICC activities at UN Habitat III Conference:** Andrea Bacher, ICC, briefed on Habitat III and presented ICC's activities planned for the conference. (Please see the PPT.)

Decisions

- The GETF should continue and develop a new work plan.
- The GETF's primarily intergovernmental interlocutor should be UNEP.
- Members agreed to postpone new work on corporate sustainability.

6. Cross Commission work

- **Trade and Climate Change:** A discussion has started between the Commissions on Trade and Investment and Environment and Energy to develop a joint position on trade and climate change. Members welcomed the joint work.

- **IP and Climate Change & IP and Sustainable Development:** The IP Commission is updating its IP roadmap. EEC members have provided the texts for the climate change and sustainable development chapters. The related drafts have been sent for comment to members.

- **Arbitration and Climate Change:** At the April 2016 London Commission Meeting, Wendy Miles, Vice President of the ICC Court of Arbitration, highlighted the ICC COP21 Conference on climate change and arbitration. The Commissions on Arbitration and Environment and Energy have also started to exchange on the topic. Members remarked their interest on this topic. Further information on next steps is aimed to be available at the next Commission meeting (spring 2017).

Action

- Trade and Climate Change: A call for volunteers for a joint informal working group on trade and climate change will be sent to members (Commission on Trade and Investment and Commission on Environment and Energy.

7. Energy working area

Hans-Joern Weddige, ThyssenKrupp, outlined suggested energy focus areas for an ICC position paper (please see related draft document). Members supported the outline and proposed to add the topic energy investment security taking into account the planning phase and length of energy investments.

Decisions

- Members agreed on the suggested energy paper outline.
- A call for volunteers will be sent to members.

8. Further environmental topics and working areas

- **Water:** Participants agreed that in principle ICC should produce a position paper on water based on existing positions.

- **Biodiversity:** The Commission agreed that biodiversity should form part of the Commission's work programme as feasible within the resources required for carrying out a new work area. It was recommended that Brazil should lead such an effort.

Actions

- Water: A call for volunteer will be sent to members.
- Biodiversity: In cooperation with ICC Brazil, a working group should be created to develop a work plan suggestion for the next Commission meeting.

9. Commission's strategic priorities

The Commission concluded its discussion on the different work streams and focus areas (please see the annex). Members identified key strategic priorities and agreed on the Programme of Action for 2017-2018, taking into account the need to find a balance between environment, energy, and climate change topics.

The implementation of the different work areas will be pursued, and different implementation possibilities explored. As a next step, a conference call will be hold regarding implementation and resource requirements for the work areas recommended by members. The Chair highlighted that a further focus on the topics is needed to balance the work with the available resources.

10. Closure and Wrap-up

The Chair recapped the main action items of the Commission meeting. He concluded the meeting with thanking members for their active participation and praised their continued strong engagement and hard work.

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Annex

Strategic Priorities and Work Plan

Commission on Environment and Energy Meeting
13-14 October 2016

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Overarching strategic objectives 2016-2019

(As decided at the last Commission Meeting, 20-21 April 2016, London)

1. **Inform policy development and advocacy** on environment and energy, in support of ICC's wider strategy and with specific ICC value adding angles (focus on concrete policy products) aiming to
   - Promote efficient policy frameworks for sustainability solutions;
   - Raise awareness of business as solutions provider for sustainable economic development;
   - Help businesses understand (new) environmental and energy issues arising;
   - Contribute to initiatives to adapt current environment and energy system to new challenges particular towards selected science/policy interfaces
2. Focus and systematize **policy advocacy and outreach activities** in Africa, Asia, Latin America, and West Asia, aiming to
   - Enlarge awareness about ICC work in this area;
   - Enlarge geographical and cross-sectorial representation in Commission membership
3. Build **strategic partnerships** with other organisations to leverage value add of ICC.

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- **Climate Change - Feedback**

• In light of the Paris Agreement, 2018 stock taking, 2020 entry into force, ICC should be active in the UNFCCC process and overall on climate change (policy work and outreach) • Important to keep the focal point role to the UNFCCC	*"…around 75 percent of the commission's time and effort of the staff is concentrated on this issue",*

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- **Energy - Feedback**
  - Overall agreement, work should re-start and considerably increase (policy work and outreach)
    - Questions:
      - Key topics
      - What are the main policy processes to engage ? E.g. SE4ALL

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- **Green Economy - Feedback**
  - Green Economy work should continue.
  - Main international organization for cooperation on the topic : UNEP
    - Question: Which focus areas ?
      E.g. Update of Green Economy Roadmap (GER); work on one specific condition of the GER ?

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- **Corporate Sustainability - Feedback**
  - The Commission has worked over the last 5 years on different sustainability products
    - Green Economy Roadmap
    - Sustainability Reporting
    - Business Charter for Sustainable Development
    - Input to Rio+20 and SDGs/Agenda 2030

"see the advantages of integrating the three dimensions of sustainability as they cannot be really considered separately."	*"it might open the door for offloading additional topics in our commission which already is too overloaded"*

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- **Environment - Feedback**
  - Overall agreement, the Commission is a Commission on **Environment** and **Energy**
    - "Environment" should be a topic of the Commission;
      - Climate change is not the same as environment;
      - Climate change is closely linked to energy – but it is not the same topic;
  - **Main further topics mentioned:**
    - Biodiversity and CBD
    - Water

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- **Intergovernmental processes - Feedback**
  - **UNFCCC**
    - Important in light of the Paris Agreement
    - Focal point role should be continued by ICC
  - **UNEP**
    - Important interlocutor
    - Engagement should be on specific topics
  - **Other**
    - SE4ALL
    - CBD

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Further discussion items:

- **Cross Commission Work**
  - Cross-commission work is appreciated and should continue
  - Cooperation so far with:
    - Corporate Responsibility and Anticorruption
    - Digital Economy
    - Marketing (Sustainable Consumption)
    - Trade and Investment
    - Taxation
    - Trade Facilitation
    - IP
- **Digitalization**
  - Digitalization should to be taken into account across all topics dealt with by the Commission

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Strategic priorities and work programme

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MANDATE

To develop **policy recommendations and tools** to address major global environmental and energy issues, including climate change and green economy within the framework of sustainable development, and make a substantive contribution to key intergovernmental discussions in these areas.

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Energy

- Energy paper
- Implementation: creation of a working group or a task force
- Main process : TBD, suggestions from the working group

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Environment

- **Water**
  - Paper based on existing positions
  - Implementation: working group creation
    - Outline of topic/ work plan suggestion for the next Commission meeting
- **Biodiversity & CBD**
  - Topic(s) TBD
  - Implementation: Creation of working group (recommendation: under Brazilian lead)
    - Outline of topic/ work plan suggestion for the next Commission meeting

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- **Green Economy Task Force - focus UNEP**
  - Aim:
    - input to UNEP on specific topics, e.g. scientific expertise - GEO6 or IRP
    - Reporting back from UNEP
    - Content development - topics TBD
  - Implementation:
    - restart of GETF
      - Suggestion of topics / work plan to the Commission
- **Corporate Sustainability**
  - Later

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Climate Change

- Priorities:
  - Climate finance
  - Market mechanisms
  - Non-market mechanisms
    (paper on non market mechanisms for 2017)
  - Business engagement
- Main intergovernmental process
  - UN/FCCC
- Focal point to UNFCCC
- Implementation: TBD

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Cross-Commission Work

- Project(s):
  - International trade rules and climate change
  - IP Roadmap:
    IP and climate change & IP and sustainable development
  - Follow up with the Arbitration Commission

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- Other
  - Consultation on Climate Chance Declaration

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PROJECTS FOR 2017-2018

- Prepare and promote global business priorities on energy infrastructure investment and technological innovation, business systems, access, efficiency and security, including through public-private partnerships.
- Prepare and advance global business priorities on climate change related to entry into force and implementation of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Climate Agreement, including markets- and non-market mechanisms, climate finance, and developing ICC views on trade and climate change as a joint project with the ICC Commission on Trade and Investment Policy.
- Continue to act as the business and industry focal point in the UNFCCC process, organize activities and events including the Business and Climate Summit and related "Business days", side events, and representation in the technology and finance branches of the UNFCCC as well as the World Bank Climate Investment Funds.
- Develop global business positions and tools on green economy and exchange with United Nations Environment Programme (UNEP), including information exchange; business input and expertise with UNEP, particular to the International Resource Panel, Green Economy Initiative~~, and specific environmental aspects of the SDGs and the UN 2030 Development Agenda.~~
- Develop a global business position on water.
- Prepare and advance global business priorities on biodiversity and provide related input to the Convention on Biodiversity (CBD)

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- **Pre-requisites / resources for implementation**
  - In-kind contribution of members
  - Adequate resources for projects

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