

# COP24

## BUSINESS PERSPECTIVES ON THE PARIS RULEBOOK

The urgency to take transformative action to avoid the worst effects of climate change are in plain evidence in the recent findings of the Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5°C, published on 8 October 2018. That is why the International Chamber of Commerce (ICC)—in its capacity as the UNFCCC Focal Point for business and industry—is calling on all governments to do their part to ensure that we meet the goals of the Paris Agreement. An important step in this regard is delivering the Paris Rulebook at COP24.

We have set out below the perspective of business on the key elements of the Paris Rulebook of particular importance to business, by subsidiary body and alphabetical order. To learn more about our work visit [www.iccwbo.org](http://www.iccwbo.org)

### Paris Rulebook

While more companies are committing to leadership on climate action than at any other time in history, implementing the Paris Agreement would provide greater certainty on long-term climate policies and required investments, thus allowing businesses to increase their investments in innovation, research, infrastructure, and new technologies and solutions that will be essential to achieving the emission targets and ambitions of the Paris Agreement.

### Ad Hoc Working Group on the Paris Agreement (APA)

#### Adaptation, resilience and capacity building

Business sees the urgency of responding to the impacts of climate change that are already being felt and preparing for the future effects of climate change.

Business is responding by developing technologies, products and services to adapt to the effects of climate change and by building resilience into business operations, supply chains, policies and risk management strategies.

Business can be a key partner for adaptation and resilience planning, including for knowledge-sharing; modelling; research; technology development and transfer; finance; insurance; capacity building and public-private partnerships.

#### Global Stocktake

The Global Stocktake must enable a full review of the progress of the Paris Agreement.

The Global Stocktake should be carried out by an external body that will develop a technical assessment of progress based on cited references. This should then be reviewed by all Parties to the Paris Agreement, leading to the development of a summary for policymakers, which will help to inform future Nationally Determined Contributions (NDCs), which each Party is required to prepare, communicate and maintain under Article 4.2.

Input from non-Party stakeholders must be encouraged as part of the primary technical assessment process.

<p><b>Mitigation (Decision 1/ CP.21)</b></p>	<p>Business strongly supports the development of guidance on the features of NDCs.</p> <p>It is essential that NDCs are clear, transparent and understandable to enable the private sector to evaluate and manage their current and future investments. Business can contribute in this regard and help in the elaboration, assessment, improvement and implementation of NDCs.</p> <p>Common timeframes for NDCs should be strongly considered to assist planning, promote greater ambition and enhance the Global Stocktakes.</p>
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<p><b>Transparency</b></p>	<p>The objective of the Transparency Framework must be regular, clear and comprehensive reporting and accounting linked with technical expert review. Some flexibility will be necessary for certain developing countries.</p> <p>It is essential that the Transparency Framework enables the tracking of progress on NDCs.</p> <p>Overlaps between the UNFCCC’s existing measurement, reporting and verification (MRV) system must be minimised to prevent “double-reporting” being required.</p>
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**Subsidiary Body for Implementation (SBI)**

<p><b>Response Measures— Just transition and decent jobs</b></p>	<p>The Paris Agreement takes into account the imperative of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally-defined development priorities. In fulfilling these responsibilities, the optimum outcome will be achieved by effective engagement with business to ensure that policy decisions are tailored to country-specific, sector-specific circumstances, including the skills and re-skilling needed for a green economy. There is no single policy template that can be applied in all circumstances.</p> <p>Just transition and decent jobs should be recognised in the NDCs.</p>
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<p><b>Technology Mechanism Assessment</b></p>	<p>The current UNFCCC technology instruments for adaptation and mitigation of climate change should be expanded and developed further to achieve closer linkage of NDCs and technology needs assessments, develop more practical technology action plans and engage national designated entities more strongly on a global level.</p>
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**Subsidiary Body for Scientific and Technological Advice (SBSTA)**

<p><b>Climate Finance (Article 9)</b></p>	<p>The mitigation and adaptation strategies necessary to transition to a low-carbon economy and manage the impacts of climate change will require access to finance beyond ‘business as usual’.</p> <p>The private sector is a key partner in the development of the cooperative model proposed in Article 9 of the Paris Agreement.</p> <p>It will be necessary to design mechanisms to de-risk flows of private capital into climate change adaptation and mitigation investment opportunities, particularly in developing countries.</p>
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## Market and non-market based approaches (Article 6)

Business strongly supports the use of international market-based approaches and calls on Parties to complete guidance on Article 6 of the Paris Agreement through the Paris Rulebook.

Business stands ready to inform the process of identifying the best ways forward to build-up a framework for Article 6. ICC's recommendations are outlined in "Business Views on Market Mechanisms—Articles 6(1) to 6(7) of the Paris Agreement" and include:

- Building a framework for MRV of emissions that takes into consideration generally accepted existing international and national MRV frameworks<sup>1</sup> and that is linked to the transparency framework being developed under Article 13 of the Paris Agreement.
- Creating ambition and predictability by developing comparable and measurable standards for emission reduction for NDC reviews so as to allow evaluation of mitigation actions, raise ambition and understand and avoid impacts such as carbon leakage.
- Consulting with experts of specific economic activities to establish further global emission reduction approaches on a sectoral basis.
- The rules must be clear and flexible to incentivise business participation while protecting environmental integrity and avoiding double-counting/claiming.
- Transaction costs must be minimised to encourage the involvement of small and medium-sized enterprises.
- It is essential that Article 6 takes into account learnings from the Clean Development Mechanism and Joint Implementation.

## The International Chamber of Commerce (ICC)

The International Chamber of Commerce (ICC) is the world's largest business organisation with a network of over 6 million members in more than 100 countries. We work to promote international trade, responsible business conduct and a global approach to regulation through a unique mix of advocacy and standard setting activities—together with market-leading dispute resolution services. Our members include many of the world's largest companies, SMEs, business associations and local chambers of commerce.

ICC is the UNFCCC global Focal Point for business and industry and in 2016 was granted Observer Status at the UN General Assembly—the first time that a private-sector organisation has been admitted formally into the UN system.

[www.iccwbo.org](http://www.iccwbo.org)

## For further information

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1. e.g. Kyoto mechanisms; Intergovernmental Panel on Climate Change (IPCC) methodologies; and the UNFCCC inventories.