



ICC Global Environment and Energy Commission Meeting

Monday, 25 April 2022, 14:00 – 17:00 (CEST)

Meeting Summary

Welcome Remarks, Announcement of New Commission Vice-Chairs and Objectives for the Meeting

Summary:

- Raelene Martin, Sandra Hanni, Justin Perrettson, Tom Smith, Julia Maris, Keyvan Macedo and Wendy Miles welcomed over 130 participants from 32 countries to the hybrid meeting of the ICC Global Environment and Energy Commission and set out the key objectives for the meeting:
 - Understand ICC's strategic direction and priorities for 2022, in the context of the current social economic and geopolitical challenges;
 - Reaffirm ICC's achievements and important groundwork in 2021;
 - Analyse current and emerging trends and their meaning for business;
 - Identify key international engagement opportunities for ICC and its members; and
 - Highlight key developments in current areas of work on climate, biodiversity and sustainable finance.
- The Commission leadership and the ICC Secretariat highlighted the achievements and very important work done by the ICC and the Commission last year. ICC's successful engagement at COP26 and its targeted approach to the different issues, provides a good foundation to build a distinctive and value-add programme of work in the sustainability space, as well as leveraging ICC's engagement opportunities in key upcoming UN climate and environment meetings and key policy content deliverables.
- Commission officers also referred to potential new areas for discussion, including energy and energy transition, particularly given the current geopolitical context.

ICC's Global Policy Priorities and Economic Outlook for 2022

- *Andrew Wilson, Global Policy Director, ICC*
- *Melanie Laloum, Lead Economist, ICC*
- *Crispin Conroy, Permanent Observer to the United Nations, Geneva, ICC*

Summary:

- Andrew Wilson referred to the successful restructuring and reenergising of ICC Policy Commissions, building a unique focused value proposition in areas where ICC can have a significant impact, with the flexibility to also take on new projects, as needed.

- With regards to current priorities, Andrew mentioned ICC's response to the current conflict in Ukraine, focusing on sanctions and compliance issues as well as ICC engagement in the UN Secretary General Global Crisis Response Group on the critical issue of food supply and food security.
- Melanie Laloum noted that the impact of the crisis in Ukraine will have significant impact on global economic recovery, supply chains and inflation.
- Melanie also highlighted that in the short term, the war in Ukraine is increasing energy security concerns, in particular in Europe, that may delay climate change mitigation efforts but sees that in the longer term there is an opportunity to converge the goals for energy transition with energy security and accelerate the transition towards a net zero emission economy.
- Crispin Conroy provided an update on the current WTO Trade and Environmental Sustainability Structured Discussions, where ICC will contribute to the working groups on climate, environmental goods and services as well as circular economy.
- Crispin also mentioned ICC's important work on [how trade interacts with circular economy](#), the upcoming World Circular Economy Forum in Rwanda in Autumn 2022 as well as the WTO working group on plastics, which is separate from the trade and environment initiative. Crispin finally referred to the open call for interest for the newly established working groups under the ICC Global Trade and Investment Commission that may be of interest to members of the Environment and Energy Commission.

For Action:

- Commission members interested in joining the new working groups under the Trade Commission, are invited to register their interest by **12 May 2022** through the following links: [WG on Supply Chains and Trade Policy](#); [WG on Trade and Environmental Sustainability](#); [WG on Digital Trade](#); and [WG on Investment Policy](#). The objectives and key deliverables of the working groups will be presented and discussed during the first group meetings.

The Road to COP27

- *H.E. Ambassador Wael Aboul Magd, Special Representative of COP27 President Designate, Arab Republic of Egypt*

Summary:

- Ambassador Aboul Magd presented on COP27 that will take place in Sharm-El Sheikh in November 2022 and that will mark a critical milestone for the international community to build on the achievements of Glasgow, drive forward multilevel and multilateral collaboration and set the foundation for credible and effective decarbonisation and financing plans.
- Ambassador Aboul Magd highlighted four general parameters which define the incoming COP27 Presidency's vision, as they prepare for the major climate conference this year:
 - i. Importance of full and complete implementation of the Paris Agreement and follow up on COP26 pledges;
 - ii. Making significant progress across all three pillars of mitigation, adaptation and means for implementation (finance, technology, capacity building) as well as energy transition and addressing the critical issue of loss and damage;

- iii. Engaging the full spectrum of non-State actors, in particular business in the multilateral process, with the support of the High-Level Climate Champions from UK and Egypt.
- iv. Science should be the basis of all work moving forward, the point of departure in dealing with all issues. The road to COP27 is marked by the release of the IPCC WG II and WG III reports as well as its synthesis report due for release in September 2022.
- The Ambassador also mentioned the upcoming Ministerial Meeting that will take place in Copenhagen, Denmark, 12-13 May 2022 that will support Egypt's key priority on implementation and translation of Glasgow commitments into concrete actions. ICC and the Business and Industry Constituency will be present in Copenhagen and actively engage in the Ministerial discussions.

ICC Working Group on Carbon Pricing

- Wendy Miles QC, Vice-Chair, ICC Global Environment and Energy Commission and Co-Chair ICC Working Group on Carbon Pricing
- Anna Theeuwes, Co-Chair, ICC Working Group on Carbon Pricing
- Dominik Kümmerle, Policy Director, Business at OECD

Summary:

- Wendy Miles and Anna Theeuwes presented on the important work of the ICC Working Group on Carbon Pricing that is currently developing best practice guidance on the smart design of carbon pricing systems, building on the existing [ICC Carbon Pricing Principles](#) successfully launched at COP26, as well as taking into account ongoing technical discussions on Article 6 of the Paris Agreement and its implementation. The Working Group aims to present a set of critical design features for carbon pricing at COP27 in November 2022.
- Wendy and Anna explained that the group is currently looking at the following domestic carbon pricing systems – Canada, EU Emissions Trading System (ETS), Indonesia, South Africa, New Zealand – in order to identify key design features that work well, as well as identify any areas for improvement, including testing them against ICC's 10 carbon pricing principles.
- Dominik Kümmerle reported on the OECD initiative on developing an “Inclusive Framework on Carbon Pricing”, which is set to be launched in June 2022. Facing the risk of carbon leakages and the lack of evidence that carbon border adjustments work effectively, OECD considers carbon pricing as a key priority for its work. The framework aims to better measure different decarbonisation efforts, including policies that establish explicit and implicit carbon prices, with the goal of setting a commonly agreed, coherent framework. Dominik noted that Business at OECD released some initial considerations for the discussions and presented these to the OECD Environment Ministerial meeting end of March 2022.
- Dominik also mentioned that a closer collaboration with the ICC Environment Commission in this area could be explored further. The ICC Secretariat and Working Group Co-Chairs are planning to have a follow-up discussion with Business at OECD in the coming weeks.

For action:

- Commission members who have insights or specific knowledge in any of the above carbon pricing systems are welcome to contribute to the work and should reach out to Sophie.talarico@iccwbo.org.
- Commission members and NCs will be invited to participate in the next round of consultation of the revised draft in the coming weeks with a next working group meeting planned to take place end of May.

Sustainable Finance and ICC Working Group on Sustainable Trade Finance

- *Abyd Karmali OBE, Managing Director, Climate Finance, Bank of America*
- *Pamela Mar, Director of Sustainability, Fung Group and ICC Working Group on Sustainable Trade Finance Steering Committee Member*
- *Tomasch Kubiak, Policy Manager, ICC Banking Commission*

Summary:

- Abyd Karmali noted the following key developments and trends related to sustainable finance and investment markets that have been seen in the past months: (i) growing relevance of ESG criteria and linked efforts; (ii) increased interest for disclosure and reporting and the important work of the [International Sustainability Standards Board](#); (iii) effective activity of sector specific alliances under the [Glasgow Financial Alliance for Net Zero](#); (iv) growing momentum around compliance and voluntary carbon markets, currently focusing on addressing critical issues around purpose, integrity and claims; (v) the recent launch of the [beta framework on nature-related financial disclosures](#) to develop and deliver a risk management and disclosure framework for organisations to report on nature-related risks.
- Pamela Mar and Tomasch Kubiak provided insights on the launch of the second phase of work of the ICC Working Group on Sustainable Trade Finance, which focuses on the ways to drive more financing into sustainable trade by developing the first-ever industry taxonomy to define what constitutes a sustainable trade finance transaction. This second phase will incorporate two sub-Working Groups in addition to the Core Group, one focusing on standards and the other one focusing on technology. The objective of the WG is to present the final Minimum Viable Product framework around the UN General Assembly in September 2022, with additional discussions around COP27.

For action:

- Commission members, in particular from Asia, Africa and Latin America regions, interested in contributing to the work of the ICC Working Group on Sustainable Trade Finance through the broader review group, should express their interest to Tomasch.Kubiak@iccwbo.org and Sandra.Hanni@iccwbo.org.

The Road to COP15

- *Basile van Havre, Co-Chair, Open-Ended Working Group on the Post-2020 Global Biodiversity Framework, UN Convention on Biological Diversity*
- *Daphne Yong d'Herve, Director, ICC*

Summary:

- Basile van Havre discussed the outcomes from the CBD preparatory meetings in Geneva and informed members about the current status of negotiation on the Post-2020 Global Biodiversity Framework – set to be adopted together with new targets for biodiversity at the next UN Biodiversity Conference COP15 scheduled to take place later this year (final dates are still to be announced).
- Mr van Havre noted that Parties engaged constructively and did take ownership of the negotiating text. He further stated that the development in the discussions on resource mobilisation as “being pitted” against ambition is not favourable.
- Basile explained that there is a need to conduct negotiations at the upcoming OEWG-4 meeting in Nairobi, 21-26 June 2022 in three parallel streams – focusing on action agenda (goals and targets); measurement, reporting and verification; as well as resources and capacity building. He also called on business to continue to engage in the discussion at international (expressing views) and national level (influencing Parties’ negotiating mandate) and start thinking about implementation.
- Daphne Yong d’Herve emphasised the strong business presence and constructive engagement at the CBD meetings in Geneva and also referred to the important work of ICC under the newly established Working Group on Biodiversity as well as the ICC Task Force on Access and Benefit Sharing that has been very active in the process for many years.

For Action:

- Commission members interested in joining and engaging in ICC work on biodiversity through the [ICC Working on Biodiversity](#) and [ICC Task Force on Access and Benefit Sharing](#) are invited to register their interest through the relevant links.
- The next meeting of the ICC Working Group on Biodiversity will take place on **Monday, 9 May, 14:00-15:00 CEST**.

Resumed Sessions of Fifth UN Environment Assembly (UNEA 5.2) – Key Outcomes

- *Norine Kennedy, Senior Vice President, Policy and Global Strategy USCIB-United States Council for International Business*
- *Raelene Martin, Head of Sustainability, ICC*

Summary:

- Norine Kennedy provided an overview on the key outcomes from UNEA 5.2, that gathered beginning of March 2022 in Nairobi, with a particular focus on the adoption of a mandate for an International Negotiating Committee (INC) to develop a legally binding instrument (LBI) on plastic pollution. She indicated some of the issues that will be at the heart of upcoming discussions, in particular (i) the instrument’s flexibility with regards to national circumstances, (ii) the instrument’s full-life cycle approach; (iii) the binding and non-binding elements that should be included in the final agreement as well as (iv) ways

to engage and consult with non-State actors in particular business that has an essential role in this process.

- Concerning next steps, Norine explained that an Ad hoc Open-ended Working Group meeting to prepare and decide on procedural matters for the first INC in Q4 this year will be convened in Dakar, Senegal from 30 May to 1 June. The INC will start its work in the second half of this year, with the objective to have a LBI finalised by end of 2024. A multi-stakeholder forum will be also convened at INC1.
- Raelene reported on several exchanges that the ICC Secretariat had with governments, business representatives and the UNEP Secretariat to seek their views and suggestions on the negotiation process, critical path issues to be addressed and what contribution from business would be helpful at this stage in the process.
- Governments clearly recognise business' critical role in supporting an ambitious outcome and the successful implementation of the agreement. Government representatives also highlighted some key areas where they will be seeking expert contributions from businesses, including (i) potential work streams to help guide the discussion; (ii) ideas on innovative ways to engage business and other stakeholders; (iii) expectations for the treaty and what is needed to achieve its objectives; (iv) views from businesses across full life-cycle process on opportunities and challenges; (v) perspectives from SMEs – including broader views beyond MNEs; (vi) sustainability criteria for design (focusing on upstream, ways to implement) as well as (vii) common measurement and standards needed.
- Raelene also presented ICC's approach and next steps, mentioning that ICC will be engaging in the process through its independent seat as an IGO under the UN Environment Programme conveying supportive, positive and progressive messages to maximise effective engagement and support an ambitious outcome. ICC will attend and actively contribute to the Open-ended Working Group meeting and Multistakeholder Dialogues in Dakar end of the month.

For action:

- Commission members will be consulted in the coming weeks for their inputs and contributions to a light-touch position paper with some initial guidance that ICC Secretariat plans to bring to the upcoming discussions in Dakar end of May/beginning of June.