

The Secretary General

International Chamber of Commerce

33-43 avenue du Président Wilson, 75116 Paris, France

+33 (0) 1 49 53 28 28 | [iccwbo.org](https://www.iccwbo.org)



Mr Simon Stiell

Executive Secretary

United Nations Framework Convention
on Climate Change (UNFCCC)

P.O. Box 260124 D-53153 Bonn

Germany

By email: Executive-Office@unfccc.int
EKolasa@unfccc.int

Paris, 12 June 2023

Dear Executive Secretary,

I am writing further to your communication of 4 June 2023 regarding the establishment of a UNFCCC Secretariat Recognition and Accountability Framework for non-Party stakeholder climate action.

As discussed at our meeting in February this year, ICC is wholly supportive of greater recognition of, accountability and transparency around climate action by all non-Party stakeholders – both to accelerate the pace of decarbonization across the economy and to give enhanced recognition to actors that are meaningfully delivering on their voluntary commitments.

That said, I felt it important – not least given our role as Business Focal Point to the UNFCCC – to alert you to the significant sense of uncertainty that the publication of the UNFCCC Secretariat Recognition and Accountability Framework has created across a broad cross-section of the business and finance community. The framework appears to be far more prescriptive than earlier briefings from your team had suggested. In particular, a number of important substantive issues have been raised with us by businesses that merit careful consideration at the earliest possible opportunity.

By way of illustration, these include:

- What is the legal basis for verification requirements that go beyond existing net zero standards?
- How will the proposed standardized reporting interact with existing climate-related disclosure methodologies and national laws and regulations? And, by extension, how will the proportionality of any new system be assessed?

- What will be the composition of the various oversight/verification groups envisioned in the framework – and, moreover, how will these be governed transparently?
- Has the UNFCCC fully assessed the resourcing required to implement such a granular system effectively, in addition to the existing Enhanced Transparency Framework?
- What would be required of individual companies – would they be expected to register and report their activities directly or not?

In raising these matters, I am deeply conscious of the – very welcome – commitment outlined in your communication to establish a new dialogue to inform the design of the systems and processes that will be needed to implement the framework. Our ultimate concern is that prevailing uncertainties regarding a new, additional, overlapping UNFCCC accountability mechanism could have a substantially chilling impact on the development of existing essential climate action partnerships.

In this context, I urge you to ensure that the implementation dialogue incorporates deep, meaningful and inclusive engagement with all non-Party stakeholders, including the private sector with the aim of establishing a process and systems in which all stakeholders have full confidence, is proportionate in terms of stakeholder costs and is capable of being adopted at scale in the real economy in developed and developing countries. I hope you will view ICC as a natural partner to achieve just that in the coming weeks and months.

With best wishes.

Yours sincerely,



John W.H. Denton AO
ICC Secretary General