



ICC ECOTERMS

BACKGROUND

In the realm of international policy-making in the area of trade and the environment, the absence of universally agreed-upon definitions is a pressing challenge. As governments seek to introduce new rules and regulations on environmental sustainability, the lack of common global definitions poses a significant barrier to effective cooperation and implementation of cohesive strategies on a global scale. Varying interpretations of terms, such as "reuse" in the circular economy context, hinder consensus-building efforts, impede the formulation of coherent policies and contribute to growing regulatory fragmentation. From a business-to-business perspective, it creates a supply chain risk and the potential for costly misunderstandings between sellers and buyers. This critical gap not only fosters ambiguity and increases complexity but also undermines the collective pursuit of solutions to pressing environmental issues.

ICC ECOTERMS

Drawing inspiration from the successful track record of Incoterms®, ICC aims to create a set of standards known as ICC Ecoterms that can be used in policymaking and as between actors in international and domestic supply chains reflecting business-to-business practice. The goal is to create the global standard for the interpretation of the most common terms used in environmental trade, helping to create a clear basis for shared assumptions and a unified regulatory environment. This initiative will complement existing ICC work in the areas of sustainable trade finance and circular economy.

NEXT STEPS

ICC will form a small working group comprised of experts from the ICC Global Trade & Investment, Customs and Trade Facilitation, and Environment & Energy Policy Commissions and representatives from select ICC National Committees. The working group's initial task will be to examine and validate the concept of the ICC Ecoterms, draw up an initial list of terms requiring global definitions, and propose a roadmap and timeline to publication. Upon completion of this first stage, we will invite broader participation in the working group to draft the Ecoterms.