International Chamber of Commerce Submission
COP30 Presidency Consultation on the Roadmap on the Transition Away from Fossil Fuels in a Just, Orderly and Equitable Manner

The International Chamber of Commerce (ICC) is the institutional representative of 45 million companies in more than 170 countries. Our members include many of the world's largest companies, small and medium-sized enterprises (SMEs), business associations and local chambers of commerce – working across all sectors around the globe. ICC supports the ambitions of the Paris Agreement and has been mobilising business in an effort to create opportunities and pathways towards limiting global warming to 1.5 degrees Celsius and achieving net zero emissions by 2050.

ICC also serves as the United Nations Framework Convention on Climate Change (UNFCCC) Focal Point for Business and Industry NGOs Constituency (BINGO) providing technical expertise and real economy insights to the negotiations, but also exchanging with governments and other civil society groups on opportunities and challenges, with the positive intent of taking learnings into their local contexts and informing the development of strategies to achieve global climate goals.

Context

COP30 outcomes fell significantly short of the clarity and direction needed by the global economy, particularly on mitigation pathways, adaptation finance, high-integrity carbon markets and the enabling conditions for private investment at scale.

Nevertheless, some promising avenues for action and business engagement are emerging – including voluntary efforts outside the UNFCCC negotiation process, such as the COP30 Presidency efforts to develop two roadmaps: one on "transitioning away from fossil fuels in energy systems, in a just, orderly, and equitable manner" (paragraph 28.d of the Global Stocktake (GST) adopted at COP28) and another on "halting and reversing deforestation and forest degradation by 2030" (paragraphs 33 and 34 of the GST).

Bringing governments, business and all stakeholders together to explore practical, implementable and voluntary pathways and solutions to accelerate the energy transition, implement the Dubai promises, while ensuring sustained economic growth are both timely and necessary.

In response to the call for written contributions, and given the central importance of the energy transition in current global discussions, this submission focuses on that area – where ICC believes it can add the most value by providing practical insights from the real economy on the key barriers, the level of ambition possible and critical enabling conditions to accelerate the transition in energy systems.

While achieving global climate goals requires systems transformation across all sectors, the energy transition roadmaps should focus on transitioning away from fossil fuels in the energy systems ensuring alignment with the outcome of the first GST.

A. Critical Barriers

In response to questions (a) "What are the most critical barriers—whether physical, economic, financial, institutional, technological or social—preventing a transition away from fossil fuels?"

From a global business perspective, the energy transition is constrained not only by technological limitations, but increasingly by systemic, regulatory and policy barriers in core areas affecting financing; development, deployment and transfer of energy transition technologies and solutions as well as scale up of effective market-based instruments.

These barriers influence both supply-side and demand-side transformation across energy systems and global value chains – including industrial processes and material choices that are critical to reduce emissions across economic sectors – and must be addressed in ways that preserve energy security and affordability.

1. **Financial and economic barriers:** Access to affordable and scalable financing remains insufficient, particularly in Emerging Markets and Developing Economies (EMDEs), where capital costs are high and investment is perceived as risky. This challenge affects not only traditional energy infrastructure projects, but also industrial transition investments that complement energy decarbonisation, including changes in production processes, materials and feedstocks, which are essential to achieve deeper and more durable emissions reductions.

   Existing regulatory and prudential frameworks can unintentionally discourage long-term infrastructure and transition investment by limiting the ability of financial institutions to allocate capital to complex or cross-border projects. High perceived country risk, combined with limited recognition of credit-enhancement tools, further restricts private capital participation even where projects are economically viable. Fragmented and frequently changing policy environments further increase investment uncertainty, raise financing costs, and delay project deployment, creating economic and financial systemic risks for businesses planning long-term investments. At the same time, the transition needs to proceed in a way that maintains secure, reliable and affordable energy supplies, recognizing that uncertainty over energy availability can itself become an investment barrier.

   These dynamics are particularly relevant given the nature of investment into decarbonization, which requires capital-intensive, long-lived investment where upfront costs are high and revenue certainty depends on future market and policy conditions. While, in many developed markets, clean energy technologies have already achieved market-based profitability and attract private finance, the next stages of the transition, particularly in hard-to-abate industrial sectors, require de-risking to support the scaling and deployment of low and zero emissions technologies.

2. **Lack of clear policy signals, incentives and harmonised metrics:** At the conclusion of the Paris Agreement, much attention was given to aligning market incentives, creating the right demand signals, and driving systems change. From a business perspective, over the past years, much of that essence has been lost. In addition to important political initiatives and partnerships, we must return to the fundamentals: creating the clear incentives and demand signals that unleash the full power and expertise of business.

   Markets require clear, consistent and durable policy signals – including through Nationally Determined Contributions, accompanying national climate strategies and global processes such as the Global Stocktake – to guide long-term investment decisions. In practice, businesses continue to face fragmented and often unpredictable policy environments, with inconsistent carbon pricing, misaligned and contradictory policies, and limited coordination across energy, industrial, financial and trade frameworks.

   At the same time, demand-side incentives remain weak or unclear, reducing the commercial case for deploying low-carbon solutions at scale. Supply-side policies that restrict fossil fuel supply without demand-side changes can lead to an inflationary environment that can erode the social and political support for the transition. Inefficient fossil fuel subsidies, that do not address energy poverty or just transition objectives, can also act as a barrier by affecting the competitiveness of low-emissions alternatives, with implications for investment in clean energy, electrification, energy efficiency and low-emissions materials.

   These challenges are compounded by the lack of harmonised standards, metrics and methodologies for measurement, reporting and verification of GHG emissions, which increases transaction costs, creates uncertainty, and limits comparability across markets. One area of promise is the OECD's work on harmonizing product intensity standards metrics. Overall, product intensity standards show significant promise as a pathway towards both emissions mitigation and economic growth. Reinforcing clear demand signals for low carbon technologies and solutions, aligning policy frameworks, and improving consistency in metrics and standards are essential to unlock investment and fully leverage business capabilities.

   Consumer behaviour also remains a critical – yet under-utilised – lever for decarbonisation, and policy measures must better support behavioural shifts through economic signals, performance standards and incentives.

3. **Trade and technical barriers**: Trade and technical barriers continue to slow the global diffusion of energy transition technologies and services. In some economies, businesses still face tariffs of 20-30 percent on products essential to the energy transition – including components for wind turbines, solar systems, and heat pumps – as well as industrial materials, components and intermediate products that enable low-carbon production pathways across value chains.

   Every additional cost imposed on these technologies delays deployment, slows

innovation, and limits access – particularly in emerging and developing markets where affordability and scale are decisive to enable the energy transition. Enabling trade in solutions and products critical for the energy transition can unlock emissions reductions across multiple sectors, reinforcing and extending the impact of energy system decarbonisation.

The stalled WTO Environmental Goods Agreement demonstrates both the complexity and the potential of international cooperation in this area. Reviving this effort – or pursuing alternative pathways to reduce tariffs and non-tariff barriers on climate-critical goods – should be a priority. Addressing these barriers will require stronger political leadership and coordinated action, including from major economies, to ensure that trade policy supports, rather than hinders, the pace and scale of the energy transition.

Furthermore, emissions mitigation pathways should be technology-agnostic, allowing competition across a range of solutions so that the most effective and affordable approaches can succeed. Well-designed domestic emissions policies can support this objective by avoiding the privileging of specific technologies and unintended market distortions.

Alongside regulatory, financing, policy, and technical constraints, it is important to recognise that fossil fuels remain an important pillar of global energy systems, supporting energy security, industrial activity, employment and public revenues across many economies. Key end-use sectors such as transport, industry and petrochemicals still rely heavily on fossil fuels, creating structural dependencies that make a rapid and uniform transition away from these energy sources economically and socially challenging. These realities reinforce the need for transition pathways that are carefully sequenced, economically viable and aligned with system reliability considerations.

B. Potential Levers to Accelerate Implementation

In response to question (b) "What potential levers, whether economic, financial, institutional, social or technological, exist for accelerating the implementation of the transitioning away commitment?"

From a global business perspective, overcoming the barriers outlined above requires a set of mutually reinforcing policy, financial, technological, and market levers capable of accelerating both supply-side and demand-side transformation across energy systems and industrial value chains.

ICC would also like to highlight that considerable opportunities for growth, innovation, and competitiveness can arise for businesses of all sizes and across all sectors globally in the energy transition, which should not only be seen as a challenge but also as an opportunity to drive investment, develop new technologies and business models, and build more vibrant and resilient societies, provided that policymakers create the clarity, incentives and enabling conditions that give businesses the confidence to act at scale.

While a comprehensive and holistic approach in this is necessary, ICC sees particularly

priority and potential for government action in the following areas:

1. **Advance political commitment to address regulatory frictions in financing energy transition projects in EMDEs**

   The energy transition – regardless of ambition or voluntary efforts – will ultimately move at the pace of accessible, affordable, and scalable financing. We must go beyond public finance discussions to address the real bottlenecks that currently constrain private capital investments in critical transition projects, in particular in developing markets. Structural barriers must be addressed, including macroprudential rules that unintentionally discourage long-term energy transition and infrastructure investment, alongside measures to de-risk projects, strengthen local financial ecosystems, and leverage the role of MDBs. ICC has provided leadership in this area and continues engaging with France as the Presidency of the G7, G20, and COP31 Presidencies on these issues.

   Commercial banks across the ICC network report difficulties meeting capital efficiency thresholds for developing markets' energy transition projects, often limiting participation despite viable opportunities. Key issues include limited recognition of credit enhancement tools, overly conservative project finance treatment, and overstated country risk ceilings. Targeted clarifications to the Basel III framework could unlock substantial private investment in high-impact transition projects without compromising financial stability.

   Financing frameworks should simultaneously support decarbonisation, adaptation and resilience and ensure continued energy security and system reliability – a prerequisite for attracting long-term private capital. Clear policies that balance emissions reductions with secure and affordable energy supply can strengthen investor confidence and accelerate deployment.

2. **Establish Global Electrification & Energy Efficiency Target for COP31 and Beyond**

   The International Energy Agency has characterised energy efficiency as the "first fuel" of clean energy transitions, highlighting its unique ability to reduce energy demand rapidly, lower emissions and strengthen energy security, all while delivering cost savings for consumers and businesses.

   Yet global progress remains well below what is required; improving energy intensity needs to roughly double to align with agreed international targets. It is time to elevate energy efficiency as a core pillar of the global energy transition discussion, while recognising that continued sustained emissions reductions across all sectors remain vital.

   Companies across the ICC network are already delivering innovative energy efficiency solutions that drive productivity, cut costs and support sustainable growth, often combined with advances in product and material efficiency, circular design and the use of renewable and low-carbon inputs. Meaningful progress will depend on strong,

enabling policies – such as ambitious minimum energy performance standards, incentives to stimulate private investment and regulatory frameworks that increase market certainty for energy-efficient technologies – alongside coordinated dialogue between governments and the private sector. Building on these efforts, there is also scope to explore a collective electrification and energy efficiency target for COP31 and beyond, signalling both political ambition and economic opportunity, and rallying governments and businesses around a concrete commitment, while opening space to align such targets with broader industrial decarbonisation goals.

In addition to focusing on accelerating renewable energy, electrification, and energy efficiency, and while the primary scope of the COP30 Presidency roadmap effort should remain energy system transformation in line with paragraph 28d of the first GST outcome adopted at COP28, integrating industrial feedstocks, materials and chemicals considerations and other efforts to reduce emissions are important to achieve a comprehensive, cross-industry shift toward a low-carbon economy.

3. **Expand and scale carbon pricing and markets through effective policies and legal frameworks**

Understanding the role of effective carbon pricing instruments and carbon markets, including compliance markets, Article 6 of the Paris Agreement and voluntary carbon markets (VCMs) is essential to accelerating a just energy transition. Uptake of compliance carbon pricing, alongside strengthened international cooperation, can help create a more level playing field for businesses and support the spread of market-based, technologically neutral and cost-efficient policy tools for decarbonization.

In addition, with clear and robust operating rules that ensure environmental integrity, transparency, and functionality, Article 6 and VCMs have significant potential to accelerate emissions reductions and scale up both natural and technological removals at the lowest possible cost. They can also unlock critical financial resources, particularly for EMDEs, supporting the deployment and scaling of climate technologies and high-quality mitigation projects. Greater international cooperation and alignment will be key to maximising effectiveness, reducing fragmentation and enhancing transparency – ultimately enabling a more cohesive multilateral approach to carbon pricing.

With regards to compliance markets, attention should be paid to greater linkages and alignment of different carbon pricing schemes, building on important initiatives already underway in this area, including the Open Coalition on Compliance Carbon Markets launched at COP30. In the context of Article 6.4, the current criteria limit the opportunities for nature-based solutions with significant potential for carbon removals, despite their important role in mitigation actions. This consideration is especially relevant for developing countries, where such solutions constitute a major pathway for emissions reduction, highlighting the importance of recognizing the distinct potentials and capacities of both the Global South and the Global North.

Achieving large-scale emissions reductions and accelerating industrial decarbonisation requires effective policy frameworks, underpinned by strong

economic signals. Carbon pricing provides a powerful incentive to reduce emissions and redirect investments towards energy transition and industrial decarbonisation initiatives. To fully realise this potential, carbon pricing frameworks should capture a broader set of mitigation opportunities across industrial value chains. Ensuring transparency, legal certainty, and alignment with international standards is critical to build investor confidence and mobilise sustained, credible demand.

Strong carbon-pricing frameworks are central to creating the demand signals necessary to scale low carbon energy solutions. Longterm certainty in carbon markets can help unlock the multi-billion-dollar private investments required for technologies such as hydrogen, CCS and renewable energy power.

Clear national frameworks and guidance – such as the ICC Carbon Pricing Principles for compliance markets and recommendations on scaling VCMs – can help unlock private investments in high-quality projects that drive energy efficiency, electrification, and low-carbon technologies. ICC stands ready to support policymakers in strengthening carbon markets and market-based instruments to deliver a just energy transition. ICC is currently exploring contractual approaches to enhance legal certainty and confidence to VCMs.

4. **Advance globally harmonized Carbon Emissions Accounting standard**

   The energy transition will require the construction of low-emission technologies, solutions, and infrastructure, which can increase demand for emissions intensive materials and (*i.e.* steel, concreate, glass). A significant obstacle to the transformation we need is the lack of sufficient demand for low-carbon production.

   Solving this challenge will require creating conditions that align market incentives with the actions required to reduce emissions. Standards that give buyers and producers the incentive to invest in the products they need to cut supply chain emissions, underpinned by a consistent carbon emissions accounting standard would empower the market to develop and scale lower-emission products, and it would enable their efficient global trade.

   Several important and promising efforts are currently underway. One such approach is the newly launched Technical Expert Panel on Carbon Accounting formed by a partnership between ICC and Carbon Measures. This effort seeks to establish a ledger-based product-level accounting framework to track emissions across supply chains. It is an example of the type of leadership from the private sector that can establish market-forming policies.

As a final point, it is important to note that any assessment of critical enablers and barriers must consider the engineering and economic realities underlying the transition. This ensures that stakeholder ambitions align with what can be delivered in the physical world. While sustained efforts must continue to limit warming to 1.5 °C with no or limited overshoot, the IPCC's mitigation pathways consistent with 2 °C provide an illustrative outlook on the technical, economic, and systemic challenges of the transition.

Insights from over 700 modelled mitigation pathways suggest that a pragmatic,

implementation-focused approach is essential for achieving durable progress:

- Transitions in the energy mix take place over multiple decades, even in mitigation pathways that assume prompt action well ahead of today's Nationally Determined Contributions (NDC). [Table TS.2]
- Fossil fuels continue to account for a significant share of the energy mix through 2050. In mitigation pathways aligned with current NDCs, the median share of primary energy from oil and gas increases this decade. By 2050, median reductions in primary energy shares relative to 2019 are 45% for gas, 50% for oil, and 90% for coal." [Table TS.2]
- Modelled pathways include significant growth across a broad set of solutions to either displace fossil fuels or abate emissions from their use [Fig SPM.7]. Market mechanism are therefore needed to incentivise scaling solutions to meet demand and avoid inflationary supply constraints.
- Innovation is critical as "many low- to zero- GHG intensity production processes are at the pilot to near-commercial and in some cases commercial stage but not yet established industrial practice" [C.5.2]
- Transparent international trade based on standardized Carbon Emission Accounting will be required as "Emissions intensive and highly traded basic materials industries are exposed to international competition, and international cooperation and coordination may be particularly important in enabling change." [C.5.4]

C. Strengthened public and private dialogue

In response to "(c) What country, regional or sector roadmap experiences, best practices, and lessons learned can be shared? And (d) How can a just, orderly and equitable transition best reflect the diverse realities of countries at different stages of development and with different degrees of dependence on fossil fuels?"

Businesses operating globally observe that there is no one-size-fits all approach when it comes to energy transition and no single model can apply across economies. Recognising different starting points while maintaining a clear direction of travel is essential to ensure that the energy transition delivers real emissions reductions without undermining economic stability or energy access.

Transition strategies should reflect energy access needs, country's natural resources, industrial structures, and development priorities, allowing countries flexibility in sequencing and technology choices while maintaining clear long-term direction. This flexibility is also important where transitions involve adapting existing industrial assets, production processes and supply chains. Regions dependent on fossil fuel production require policies that attract new industries, support entrepreneurship, and enable infrastructure development that creates alternative economic opportunities.

Ensuring pragmatic, orderly and sequenced energy system transitions are also important in this regard. Policies that enable flexible technology pathways and avoid premature

retirement of existing assets – without compromising climate ambition – are essential to maintain affordability and support macroeconomic stability. Sequencing policies to reflect local contexts, development priorities, and existing energy-mix realities will be critical to ensuring a just, orderly and equitable transition in all regions.

Policy development needs to incorporate real-economy insights on both supply and demand-side dynamics – including consumer behavior, energy security considerations and investment signals – to ensure that transition pathways are feasible and implementable at scale.

Some countries have been developing sector-specific transition roadmaps that provide valuable insights and examples of best practices. These roadmaps illustrate how collaborative approaches between industry and policymakers can guide practical and achievable pathways toward decarbonization.

The private sector is particularly well placed to advance the implementation of the Paris Agreement and accelerate the energy transition, and is therefore a critical stakeholder to provide inputs into the discussion on how to achieve the energy transition, bringing real-world expertise and experiences from companies of all sizes, sectors and regions in a way that can inform on cutting-edge climate finance and investment, technology innovation and deployment, sustainable economic growth and just transition.

Engaging business, financial institutions and local stakeholders improves both legitimacy and effectiveness. A strengthened public-private dialogue enables adaptive policymaking as technologies, markets, and economic conditions evolve and helps translate roadmap objectives into implementable actions.

ICC and the global business community stand ready to support the COP30 Presidency in developing a practical and action-oriented roadmap that translates international consensus into implementation. A successful energy transition will ultimately depend on enabling investment environments, effective policy frameworks and incentives, and collaborative approaches that align climate ambition with sustainable development, economic strategy and opportunity and social inclusion.