

# UNFCCC CONSULTATION: ENHANCING STAKEHOLDER ENGAGEMENT OF NON- PARTY STAKEHOLDERS

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## ABOUT THE PRI

The United Nations-supported Principles for Responsible Investment (PRI) is the world's leading initiative on responsible investment. The PRI has 1600 signatories globally with \$60 trillion in assets under management. Signatories commit to six principles, including incorporating environmental, social and governance (ESG) factors into investment decision making and encouraging appropriate disclosure from investee companies.

Responsible investment is an approach to investment that explicitly acknowledges the relevance to the investor of environmental, social and governance (ESG) factors, and the long-term health and stability of the market as a whole. It recognises that generating long-term sustainable returns is dependent on stable, well-functioning and well governed social, environmental and economic systems.

The PRI is an accredited NGO observer to the UNFCCC.

## THE PRI'S POSITION

The PRI welcomes the opportunity to submit its views to the Subsidiary Body for Implementation (SBI) on enhancing the engagement of non-Party stakeholders to the UNFCCC process.

The PRI supports the role of the UNFCCC as a facilitator of dialogue between Parties and non-Party stakeholders as the Paris Agreement is implemented and operationalised. To enhance this dialogue, the PRI recommends:

1. **The reform of the UNFCCC's current NGO constituency system.** In particular, the PRI recommends the UNFCCC consider creating a constituency to represent the finance sector so as to better differentiate the input of long-term investors from that of companies. In addition, further care should be taken to consider input from a wide variety of voices within each constituency.
2. **That non-Party involvement in the UNFCCC process is focused on the implementation of and ratcheting up of Nationally Determined Contributions**

**(NDCs) including through climate-energy action plans.** NDC development and implementation, as mapped out in 2050 climate plans and in climate-energy action plans, is key to secure the success of the Paris Agreement. The input of non-Party stakeholders can help shape these targets and plans so that they support greater involvement of the private sector. Investors in particular have a key role to play in shaping national plans so that they support increased private finance to support the transition to a low-carbon world.

3. **Party stakeholders themselves widen their involvement to include ministries that will be crucial to the implementation of the Paris Agreement, notably Finance/Treasury and relevant economic ministries (e.g. Energy, Industry, Business).** Now that the Paris Agreement is in force, dialogue between Party and non-Party stakeholders should shift to incorporate key decision making ministries. These ministries are seen as key to the successful integration of NDCs, and in the case of investment, the scaling up of private sector climate finance.
4. **That the UNFCCC process further facilitates non-Party stakeholders dialogue with Least Developed Countries to further assist in North-South capacity building as the Paris Agreement is implemented.** While dialogue between larger non-Annex I countries and non-Party stakeholders continues to grow, there is need for further support at the UNFCCC for discussion and capacity building initiatives that bring non-Party stakeholder expertise to Least Developed Countries.

## CONTACT

The PRI stands ready to offer any additional clarification or information on the above views to the SBI or any other relevant body. For further information, please email Sagarika Chatterjee, Associate Director, Policy and Research ([sagarika.chatterjee@unpri.org](mailto:sagarika.chatterjee@unpri.org)) or Paul Chandler, Senior Manager, Environmental Issues ([paul.chandler@unpri.org](mailto:paul.chandler@unpri.org)).