



Enhancing engagement of business at UNFCCC

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About IETA

IETA is a Switzerland-registered not-for-profit entity dedicated to the objectives of the United Nations Framework Convention on Climate Change and ultimately climate protection. It was created in June 1999 to establish a functional international framework for trading in greenhouse gas emission reductions. Today, IETA is the leading voice of the business community on the subject of carbon markets. IETA continually promotes the establishment of effective market-based trading systems for greenhouse gas emissions by businesses that are demonstrably fair, open, efficient, accountable and consistent across national boundaries; and advocates for maintaining societal equity and environmental integrity while establishing these systems.

Since its creation, IETA has remained committed to its vision of a global greenhouse gas market. IETA's 130+ member companies include some of the world's leading corporations in oil, electricity, cement, aluminium, chemical, and other industrial sectors; as well as leading firms in the data verification and certification, brokering and trading, legal, finance, and consulting industries.

Introduction

This submission presents ways to enhance the engagement of the business sector at the UNFCCC. This is of crucial importance because:

- The business community is key to the UNFCCC process as it will play a central role in tackling climate change. It will apply its technology, finance and know-how to the global effort, if the proper incentive structures are established.
- The UNFCCC's engagement with business needs to mature in new ways. This is particularly true in areas where business can add strength to the process.
- Restrictions or prohibitions on business access would miss a huge opportunity to attract its support. In particular, it would risk the loss of private finance and technology at a time when it is needed most.



The Importance of Stakeholder Engagement

Stakeholder engagement has become a common and widespread best practice for governments in policy development. Governments do not only possess the wide range of experience and expertise needed to address policy questions in climate change. Given the opportunity for engagement, external stakeholders can also enrich the quality of the information available to government and improve the substantive outcomes of their policy decisions.

The UNFCCC has recognized forms of stakeholder engagement by allowing accredited observers to attend many meetings. It has allowed limited engagement through short floor statements and side events. However, as the negotiations have drawn larger crowds, the opportunities for such engagement have necessarily been restricted and, in many respects, the quality of the engagement has consequently declined. For example, an opportunity for a two-minute floor statement rarely adds much value for negotiators or the organization delivering it. The UNFCCC's decision making processes would benefit from more meaningful forms for stakeholder input, because it would produce better, more workable decisions.

Enhancing the ability to deliver results

Calls for oral or written comments have become the standard routine in many jurisdiction, to the benefit of both governments and stakeholders. But recently, governments have found that these stilted forms of engagement are usually not enough. They find value in deeper forms of engagement through structured dialogues, informal expert discussions and “roll up your sleeves” workshops.

These enhanced forms of engagement are often less confrontational and more constructive. They deliver real, durable results. They do so by providing meaningful opportunities for constituencies to **work with** government officials on solutions rather than **talking at** one another. This is more “meaningful” engagement, because it enables stakeholders to collaborate on developing policy solutions that will work in practice to achieve government goals faster, cheaper and more effectively. There are corollary benefits to stakeholders, who can better appreciate outcomes and compromises when their views have been considered in the policy-making process – all of which helps strengthen the political resilience of the policy decision. Our reflections on ways to enhance the business engagement in the UNFCCC process are further elaborated in the bullet points below.

The importance of the business community

The business community is only one of the nine constituencies recognized by the UN, but it occupies an extraordinary role. Business accounts for a large share of global emissions and, as such, it will be responsible for reducing those emissions. The business community recognizes



that it must be part of the solution to climate change. It will apply its technology, finance and know-how to the global effort, if the proper incentive structures are established.

As the international community strives to implement the national contributions to the Paris Agreement, the UNFCCC's engagement with business needs to mature in new ways. This is particularly true in areas where business can add strength to the process – such as in cooperation through the technology mechanism, the financing mechanisms, the mechanism to promote mitigation and sustainable development and the system for international transfers of mitigation outcomes. Other constituencies may offer valuable ideas into the implementation process, but the implementation and uptake of the aforementioned mechanisms will only succeed if the business is actively engaged in the process.

In the past, businesses played a key role in the implementation of the Kyoto Protocol's flexibility provisions. If the Paris Agreement's goals are to be met, business must be even more engaged in the new forms of cooperation envisioned under Article 6. For many Parties, this Article is key to enabling greater ambitions over time. If market mechanisms are to work in practice, business must be a full partner in the global effort to design and launch the new system. As active participants in carbon markets around the world, business leaders can offer valuable insights on what works and what does not – and how to establish workable markets that attract new finance into the global effort. Similarly, mobilizing private capital is essential to meet the goals of the Paris Agreement and, as such, business is expected to play a key role in climate finance. This discussion could greatly benefit from a greater involvement of the private sector.

As a result, suggestions that business views should be prohibited or restricted are misguided and risk harming the UNFCCC process. Restrictions or prohibitions on business access would miss a huge opportunity to attract its support. In particular, it would risk the loss of private finance and technology at a time when it is needed most.

Below we offer our comments and suggestions on a number of areas for improvement, with a particular focus on improvements that could deliver benefits from better business engagement.

ACCESS TO COPs AND SBs

- Ideally, access to all Conferences of the Parties (COP) and meetings of Subsidiary Bodies (SBs) should be open to accredited observers without restrictions placed on numbers and with no discriminations between the constituencies.
- The UNFCCC should therefore make a priority of selecting large, established venues so that temporary “tent cities” are avoided. Major convention facilities can accommodate COP-sized crowds and meet UN security requirements.
- Where restrictions are necessary due to physical or security constraints, the Secretariat should ensure that the selection process is transparent to all groups. It should ensure that priority is granted to those groups that can demonstrate a history of attendance.



- Moreover, the Secretariat should enable a badge system that allows the transfer of access badges between designated members of stakeholder delegations. This would give more flexibility to the stakeholder delegations, would maximize participation and would enhance the ability to engage in the process, while still guaranteeing full compliance with the UN security requirements.

ACCESS TO MEETINGS AND NEGOTIATIONS

- Ideally, the UNFCCC should ensure that interested stakeholders enjoy access to all meetings during a COP/SB that they are interested in. We appreciate that when the final stages of negotiations are entered, some closed meetings will be necessary. Nevertheless, there is no reason to restrict access to the earlier stages of discussion, which are normally aimed at sharing information, illuminating positions and seeking common ground. Where space is limited, we recommend that there be a fair distribution of access between stakeholder groups.
- We endorse the use of intersessional workshops to draw in broader expertise into the process. For such workshops, we urge that business engagement be coordinated through the Business Focal Point, allowing business to select their own representatives.
- Finally, we urge the expansion of access to include all designated bodies to UNFCCC (as currently is granted for the TEC, CTCN and GCF).

ENHANCING THE VOICE AND VISIBILITY OF BUSINESS STAKEHOLDERS

- We urge the more frequent use of expert roundtables and technical dialogues that involve business and finance experts, along with other expert stakeholders. This is particularly true in the areas of markets, finance and technology. Expert sessions should become an integral part of policy development, taking advantage of intersessional periods to investigate issues in more detail than is possible during typical negotiations.
- We encourage the Parties to expand the opportunities for business stakeholders to provide written input on all agenda items by ensuring that pre-designated enabling language is contained in the opening paragraphs of all COP/CMP/SB decisions and conclusions.
- We encourage to continue and expand the availability of meeting rooms during COPs (in the Blue zone) and SBs for constituency side events, including reinstating a specific designated room for business organized events.



CREATION OF A MECHANISM/ADVISORY BODY

- We encourage the creation of a standing mechanism(s) that allows Parties to access private sector expertise.
- The form of such a mechanism could be an advisory body, consultative mechanism or expert committee. However, it is of uttermost importance that the form embodies the following guiding principles:
 - Inclusivity and recognition of diversity – including geographical balance, sectoral diversity and size of enterprises;
 - Openness and transparency; and
 - Flexibility and adaptability.

MEETINGS WITH THE BUSINESS COMMUNITY

- We endorse continuing to hold two meetings during each COP/SB between the business community and the COP Presidency, the Chairs of the appropriate Meetings (APA, SBI, SBSTA etc.) and the Executive Secretary.
- We endorse enabling individual constituencies to request individual constituency meetings with the above Chairs on specific agenda items, if deemed necessary and depending upon availability.

CONSTITUENCY STATEMENTS

- We endorse allowing one constituency statement of 2 minutes at the opening plenaries of COPs/SBs.
- We endorse allowing constituency statements on individual agenda items, where requested in advance and depending upon time availability.
- We endorse allowing constituency statements at the 1st meeting of Contact Groups and Informals, where requested in advance depending upon time availability.
- We endorse publishing the aforementioned statements on the appropriate website.
- The BINGO community deeply values the possibility of delivering the aforementioned statements as a way to express its opinion on key issues.

DOCUMENTS AVAILABILITY

- We encourage to continue making pre/post meeting documents publicly available through the UNFCCC website.
- We encourage to continue making in-session documents publicly available through the UNFCCC web-portal, using social media to call attention to their availability.



- The business community deeply values the availability of the aforementioned documents as a way to enhance its understanding of the negotiating process.

DISCUSSION OF POLICY ISSUES

- The UNFCCC Champions should hold bilateral consultations with individual constituencies organized through the respective focal point. Those consultations should be summarized and conveyed to Parties in an informational document as part of COP documentation. In that connection, there should also be an agenda item for each COP in which the Champions present the inputs from the constituency consultations after the Opening Plenary.
- The UNFCCC Champions should moderate an annual “pre-COP” with constituencies and, where possible, hold focused formal Dialogues with individual constituencies on topics of interest. The Constituencies’ pre-COP should be co-organized with UNFCCC secretariat and Focal Points – and feed in to the “High Level” event(s).
- The UNFCCC should create an Internet forum for the Champions and constituencies' focal points to raise and discuss relevant issues relating to the Paris Agreement and the Global Action Agenda.

PREPARATION OF MANDATED MEETINGS

- We encourage the consultation with business stakeholders during the early preparation of meetings (TEMs, High-level events, the Global Action Agenda etc.) to obtain views on priority areas, the appropriate agenda structure, timing and potential speakers from the business community.