

SUBMISSION TO UNFCCC HIGH LEVEL CLIMATE CHAMPIONS

BUSINESS AND THE ROADMAP FOR GLOBAL CLIMATE ACTION

Submitted by the UNITED STATES COUNCIL FOR INTERNATIONAL BUSINESS (USCIB)

Introduction

More institutional evolution in the UNFCCC and at national levels is needed to support the Paris Agreement towards and after its entry into force, in particular to engage with non-governmental entities, especially business and its representative entities. As the international climate process seeks to mobilize action, resources and partnerships, it will have to adjust its means of working with business and other non-state actors to a more collaborative and mainstreamed mode. This has implications for both the public sector as well as for representative business groups.

In light of massive requests and expectations of business across all areas of the Paris Agreement and Decision, added to those in existing elements of the UNFCCC at national and global levels, the UN institutional frameworks must adjust and evolve to animate and mobilize substantive dialogue and engagement with business involving all sectors, sizes and nationalities of business and at every point in the process – agenda setting, policy discussion and consultation, technical advice, and implementation (in response to government rules, thru markets and in voluntary efforts and partnerships). The Global Action Agenda is a first step to address the final area in this list, but it is not enough in itself, nor can it be expected to catalyze the broader forces and resources of business in all its diversity, for example contributing insight and experience to the new 5-year cycles associated with NDCs and the global stocktake.

For the broad business community to be involved and feel ownership, the UNFCCC will need to consider and accommodate a recognized institutional interface for business, built on the model of other such consultative bodies, such as the IOE or BIAC, engaging national and regional representative business organizations.

UNFCCC interactions with business should evolve to discuss “practical” aspects of both policy and actions. Examples of other UN forums that bring business into a more practical working dialogue and cooperative relationship with governments (and other stakeholders) include the Montreal Protocol and the UN Strategic Approach to International Chemicals Management (SAICM). In both these cases, the involvement of business and other stakeholders is not marginal to the inter-governmental process, but actually embedded into and complementary to it. While the scope of the Paris Agreement (and the UNFCCC as whole) is much broader than Montreal or SAICM, USCIB believes that moving towards a mainstreamed and recognized role for business post-Paris is imperative to achieving current levels of ambition as well as future objectives for mitigation, adaptation, investment and finance.

The Current Situation –

- The Paris Agreement is built on the foundation of INDCs, and in fact, several governments did seek and include business consultation in INDC preparation in diverse ways, while others will need to include and involve business - this will come through the cycle of INDC review and updates. Business representatives should be included in reviewing and strengthening NDCs as part of the 5-year cycle at national and international levels - this is critical for continuity and consistency, both with respect to domestic preparations and to consideration of global implications of the entire portfolio of INDCs. Part of the 5-year review cycle should include examination of ways to support innovation, technology, trade and investment – all areas where business should be part of the dialogue.

- Voluntary initiatives and pledges are critical elements of an all-of-business and all-of-society approach, but post Paris, more must be done to mobilize the entire society + economy. The Lima Paris Action Agenda is commendable, yet is just one element of a much wider mobilization of business that will be crucial across domestic economies and the global economy. Transformational change of the magnitude required long-term in the Paris Agreement will require that efforts to limit climate risk must become part of the mainstream business and development agenda.

- It is essential that all business sectors have an equal ability to observe, inform and support the UNFCCC process. Representative business groups should be given priority recognition and access, in the many areas of their expertise such as technology, investment, trade, innovation and finance.

Such representative business groups should be transparent in terms of the sectors and groups that they include within their representation. In that regard, there is a critical need to involve developing country business communities and SMEs, and representative business groups are ready to work with the UNFCCC and Champions to assist in engaging a wider range of business representatives from developing countries.

The Role of the Champions

The Champions can provide an important role to catalyze the necessary dialogue between self-determined and representative business constituencies and the UNFCCC process. Business is a broad constituency encompassing many viewpoints, so it is essential that there are opportunities for Parties to hear a wide variety of views, actions undertaken and planned, as well as expectations from the process and barriers impeding further actions. Some ideas include:

- Champions should hold bilateral consultations with individual constituencies organized through the respective focal point – for business, this is necessary to enable a broad participation from a wide range of businesses through representative business groups in developed and developing countries. Those consultations should be summarized and conveyed to member States 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

- Champions should moderate an annual “pre-COP” with constituencies. The Constituencies’ pre-COP should be co-organized with UNFCCC secretariat and Focal Points – and feed in to the “High Level” event(s) – see below.

-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.

Transparency and Tracking

Actions undertaken by constituencies are already included to a substantial degree within the NDCs of numerous Parties to the Paris Agreement. While these constituency actions are seen as an important contribution towards a low-emission future, they should not be double-counted within the “global stock-take.” Actions by companies should be transparently reported at a national level and, where appropriate, aggregated at a global level by multi-national companies.

- Transparency and tracking of voluntary pledges and commitments by business should also be voluntary through company reporting, and be carried out utilizing existing frameworks and standards (GRI, sectoral guides, etc.). It is essential that duplicate reporting processes are not created.

- Such voluntary reporting and facilitative review of pledges should feed into the “facilitative dialogue” that governments will pursue as part of the 5-year cycle around NDCs. For business, the need for efficient, effective, credible reports and reviews of progress from governments is of fundamental importance, and will likely be synergistic with voluntary reporting from business and its voluntary initiatives.

The High-level Event

- Like other aspects of institutional structure post-Paris, the high-level event should evolve to assist in building stronger recognized engagement by key constituencies, including business, across all aspects of further elaborating the Paris Agreement and its implementation.

- Currently, high-level segments are “one-off” events, that lack continuity and narrative in the UNFCCC, and often involve “anecdotal speechmaking,” rather than informed input and problem solving in priority areas. COP9 in Milan featured a high level event that reflected interactions between governments and business, and provided a formal report back to the COP. To build on that approach, we would suggest a preparatory sequence of “inter-sessional” meetings to:

- identify “priority areas,”

- consult with experts and practitioners from governments, business and others, and

- develop recommendations to inform the High Level meetings.

Utilizing the business interface to identify both experts and high level speakers would provide the added advantage of creating more informed networks, ownership and capacity across the UNFCCC process.

Role of the Technical Expert Meetings (TEMs) vis a vis the Action Agenda

- Business and industry groups should be invited to offer comments and suggestions on agendas for TEMS, as well as being invited to nominate experts to participate in TEMs. This could be through a web-based system via constituency focal points, as an extension of the current system used to invite constituencies to UNFCCC special events. It is vital that discussions on TEMs are initiated well in advance of the events to allow for the availability of the appropriate experts.

A more formal follow-up process should be established for the TEMs to enable continued interaction with experts from the constituencies.

TEMs should focus on innovation needed after PA entry into force. In that regard, we would suggest the objective would be to encourage broad innovation not only of technology, but also relating to finance and business models, as well as motivating governments' support to universities and schools to encourage and support STEM relevant to climate change.

About the United States Council for International Business (USCIB)

The United States Council for International Business advances the global interests of American business. We advocate an open system of world trade, finance and investment, where business can flourish and contribute to economic growth, human welfare and environmental protection. Our membership encompasses over 300 global corporations, professional firms and industry associations.

USCIB serves as the U.S. affiliate of the International Chamber of Commerce (ICC), the Business and Industry Advisory Committee (BIAC) to the OECD, and the International Organization of Employers (IOE). USCIB represents American business to the U.S. government and throughout the UN system, the OECD and the International Labor Organization, among others.

USCIB supports sustainable development through multilateral cooperation and public private partnerships. It is the leading US business group involved in the UN 2030 Agenda for Sustainable Development and the UN Environment Programme (UNEP). USCIB has represented US business in the UNFCCC since 1993, and is a founding member and one of 2 US business associations in the Major Economies Business (BizMEF). Throughout, USCIB has made the case for recognized and substantive consultation with business to strengthen national actions and inform international climate policy discussions to advance innovation and investment.