

Submission by *Mouvement des entreprises de France - MEDEF* regarding the AIM Workshop Workshop at SBI 46 (May 2017) on opportunities to further enhance the effective engagement of non-Party stakeholders.

The UNFCCC institutional infrastructure as it stands today should be enhanced to recognize and mobilize business engagement as part of global efforts to deliver on the Paris Agreement.

We welcome this opportunity to share views on the workshop to occur at SBI 46 in May 2017 on enhanced engagement of non-party stakeholders (NSAs) to strengthen implementation of the Paris Agreement. As a member of the Major Economies Business Forum (BizMEF), this submission is based on issue papers and activities of the Major Economies Business Forum over the past several years, and on discussions regarding the workshop. In our view, this Workshop should provide valuable ideas to begin to build that needed institutional infrastructure.

Governments have recognized the major contribution of business to achieving the Paris Agreement and in related follow-up activities. Business values existing opportunities to participate in international climate processes. These should be broadened and enhanced to create a more comprehensive, recognized channel for business engagement to strengthen implementation of the Paris Agreement.

To fully mobilize action, resources and partnerships envisioned by the Paris Agreement, the UNFCCC should adjust its means of working with business and other NSAs to a more collaborative and mainstreamed mode. **This will require innovative leadership by policy-makers who are open to engaging the private sector in new ways.** The UN General Assembly recently took the historic decision to accord observer status to the International Chamber of Commerce, and this signals the growing recognition that major sustainability challenges depend on synergistic public and private sector dialogue, partnership and action.

UNFCCC 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, through markets and in voluntary efforts and partnerships). The Global Action Agenda is an important step, but it is not enough by itself, nor can it be expected to catalyze the broader forces and resources of business in all their diversity. That must be self-organized by business in ways that tap into and build from existing practices, associations and networks.

We look forward to working with Parties and the UNFCCC to prepare for this important workshop at SBI 46. Now, more than ever it is essential to engage business and other non-state actors to examine and strengthen implementation of the Paris Agreement.

I. The SBI Workshop and its Provisional Agenda

The UNFCCC SBI Workshop in May 2017 will provide an opportunity to start the development of a process that can enhance the role of non-state actors in strengthening implementation of the Paris Agreement.

The opportunity to catalyze improvement and offer new options for NSA engagement is valuable and should be planned with a forward-looking agenda. **Under no circumstances should the Workshop**

consider options to discriminate against or lessen access options for any observer organization or constituency. The fundamentals of non-regression, non-discriminatory treatment and inclusiveness should be the starting point for all discussions in this Workshop.

BizMEF suggests inviting an Advisory Group of NSAs to help develop the Workshop, working with the SBI Chair and UNFCCC Secretariat. In addition, we recommend that a portion of the Agenda, working with the Secretariat and Parties, should be self-organized by business including selection of themes and speakers. This should also include dialogue and interactions with Parties and the Secretariat. We would propose the following items for discussion to be included in the SBI Workshop Agenda.

In our view, the workshop objectives should be:

- To enable Parties and non-State Actors to express their views on the best ways to enhance the role of non-State Actors in strengthening the implementation of the Paris Agreement. A constructive and practical focus could be to provide recommendations on where, when and how non-State Actors can inform the facilitative dialogue and global stock-take in 2018
- To agree a way forward on, where appropriate, enhancing current processes to improve engagement, e.g. in the organization and conduct of TEMs and in-session and intercessional workshops on topics where business has relevant expertise and experience.

Elements of an agenda could include:

1. Introduction: SBI Chair – 15 minutes
Purpose of Workshop and expected outcome
2. Current Processes for Interaction with the UNFCCC processes: Observer Liaison Organization/Role of the UNFCCC Champions – 15 minutes

Describe current processes/areas of interaction and how they are managed

3. What unique inputs do Non-State Actors bring to the UNFCCC processes: Individual constituencies – 5 minutes each (total time 60 minutes)
4. What do Parties want non-State Actors to bring to the UNFCCC processes, notably the transparency facilitative dialogue and global stock-take: 4/5 Parties – 5 minutes each (total time 30 minutes)
5. How can the involvement of non-State Actors be enhanced to create added value for the UNFCCC – Constituencies/Parties + discussion – 50 minutes
6. Conclusions and Way Forward – SBI Chair – 10 minutes

II. A Longer-Term Vision for Engagement of Business

The UNFCCC should consider and evolve to accommodate a recognized institutional interface for business, built on the model of other such consultative bodies, such as the International Organization of Employers (IOE) or Business and Industry Advisory Committee to the OECD (BIAC), engaging national and regional representative business organizations. This arrangement would in no way undermine the fundamental inter-governmental nature of the UNFCCC, and would provide a resource for Parties and the Secretariat to utilize.

Examples of other UN forums that bring business into a more practical working dialogue and recognized cooperative relationship with governments (and other stakeholders) include the Montreal Protocol and the UN Strategic Approach to International Chemicals Management (SAICM). In both cases, the involvement of business and other stakeholders is not marginal to the inter-governmental process, rather, it is 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, BizMEF 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.

It is our view that the UNFCCC process will benefit greatly from the creation of a standing mechanism (or mechanisms) that allows Parties routinely to access private sector expertise.

Focus should be concentrated upon how to enhance implementation through provision of information, e.g., on company actions/achievements, design of efficient and effective policies and processes, available and emerging technologies, business models and other potential solutions etc. UNFCCC interactions with business could include discussion of “practical” aspects of both policy and actions.

The development of a formal business channel would provide a resource to Parties, UNFCCC officials, the Secretariat and other stakeholder groups. For example, during dialogues and workshops such a channel could allow business to identify information, issues and participants to make more effective inputs. It would also serve to enhance communication and outreach to the broad business community in developed and developing nations that has limited time, expertise and resources to engage directly in these processes.

Over time such efforts could promote establishment of effective networks among all constituencies in a way that creates continuity and continuous improvement—as has been demonstrated in arenas where recognized engagement exists.

As a starting point, we suggest inviting a working-level consultative body of representative business experts to provide a focal point to enable requests for information/interactions with the business community to be analyzed and appropriate inputs invited to ensure a wide range of responsible business views.

The form of an ultimate recognized mechanism that draws upon private sector expertise for the UNFCCC could be an advisory body, consultative mechanism or expert committee; whatever the form, it should embody the following principles:

- Self-organized and funded by business based on national affiliates;
- Inclusivity and recognition of diversity – including geographical balance, sectoral diversity and size of enterprises;
- Openness and transparency;
- Flexibility and adaptability.

To be successful and effective, these interfaces should engage and prioritize representative business groups on substantive consultation and avoid “siloes” approaches that separate “implementation” from “policy elaboration and dialogue.”

Such a business advisory mechanism could begin as a pilot to demonstrate its value and identify areas where improvement would be needed. It would serve as the foundation for eventually building a recognized interface, or channel for business to the UNFCCC.

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About the Major Economies Business Forum and the UNFCCC

BizMEF comprises over 20 major multi-sectoral business associations from both developed and developing nations and regions on six continents, as well as five international sectoral associations. BizMEF partner associations represent their members on climate and energy-related issues vis a vis their domestic government and delegations in their capitols and at UNFCCC meetings.

BizMEF members have been active throughout the UNFCCC process, observing and, where possible, participating directly in the advisory activities of UNFCCC institutions, including the Technology Executive Committee, the Climate Technology Center & Network and the Green Climate Fund.

BizMEF has sponsored dialogues on Business Engagement at recent COPs and in other venues. These have been conducted in partnership with major national business associations in Qatar, Poland, Peru, France and Morocco. The dialogues engaged representatives of the host government, Parties, academics, intergovernmental organizations (such as the IPCC and IEA), business and others to address areas (such as technology, finance, innovation, research and development, investment, trade, capacity building and adaptation) where business expertise and input can be of value, and effective ways to promote engagement.

More recently BizMEF partners have shared their experiences in the development of domestic INDCs through dialogues at the OECD in Paris and at COP 22 in Marrakech. The event in Paris, jointly organized with the Business and Industry Advisory Committee (BIAC) to the OECD, brought together approximately 60 representatives from OECD member and observer states, business, national delegates, officers and secretariat of the UNFCCC. BizMEF provided a report with case studies on business engagement in the formulation of domestic INDCs, and recommendations of where business could contribute to the transparency processes that will assess national and collective progress under the Paris Agreement.

BizMEF will continue to offer information and organize dialogues to examine these issues in ways that can complement and contribute to the Paris Agreement.