



# The USCIB-BizMEF Survey on Business Engagement in INDCs: Results & Observations

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# Workshop provisos

- ▶ **What is Engagement?** Engagement includes voluntary actions - but it is broader and also comprises policy dialogue, informing agendas and reviews of progress, sharing technical expertise and involvement in public-private partnerships. Most BizMEF members are multi-sectoral, broad and inclusive.
- ▶ **Not a Performance Review of INDCs:** No intention to grade or critique INDCs or the means followed to develop them. This is a "first time" outing for many national governments and our intention was to identify learnings and experiences
- ▶ **Business is special/different from other stakeholders:** We are not "various actors." The special expectations of business arising from the Paris Agreement in terms of implementation and resource mobilization, and the expertise and reach of the private sector warrant a distinct consideration and set of arrangements

# USCIB - BizMEF Discussion Paper

- ▶ How engagement with business community can strengthen development and understanding of INDCs at national level; and
- ▶ Explores possibilities to mainstream engagement of business and other non-state stakeholders in the international review of (I)NDCs individually and collectively



## Framing Questions:

- Recognizing individual circumstances of national settings, what are **good practices** to include business input to strengthen INDCs; what are opportunities to share these experiences with governments and business communities?
- How can consultation with business be designed to contribute to trust-building and credibility through **transparency** and continuity?
- Can the UNFCCC 5-year cycle provide opportunities to begin to build necessary **institutional architecture** to include and reflect business's role and expectations for Paris Agreement, and where can OECD's own experiences provide useful models for such substantive inter-actions?

# Methodology

Follow up interviews held at meetings of the Subsidiary Bodies in Bonn, Germany (May 2016)



- ▶ INDC Review for references to business consultation, search public sources (e.g. OECD, WRI, etc.)
- ▶ Survey and interviews to address:
  - ▶ To what extent the business community was (or was not) consulted in the preparation of national or regional INDCs;
  - ▶ What that consultation process consisted of; and
  - ▶ Opportunities for future engagement of business to enhance ambition and strengthen implementation of the (I)NDC

# Business in Domestic INDC Process: Engagement Benefits



**Continuity:**  
Recurring, regular planned engagement with private sector may help promote continuity through both planned and abrupt government turnovers.



**Sub-national efforts:** INDCs cover national pledges. They may not account for sub-national and regional efforts undertaken within countries, by states, cities, and other entities.



**Transparency:**  
Consultation with business at national level can help increase transparency and predictability around climate measures and implementation.



**Data and Analysis:** Business, academia and other stakeholders have an impressive record and great experience bringing technical and analytical skills to bear to generate useful information and insightful critiques of official and other reports.

# Opportunities for Engagement at the National Level: *Entering into an ongoing 5-year cycle*

## **Box 2: INDC Cycle with Business Engagement**

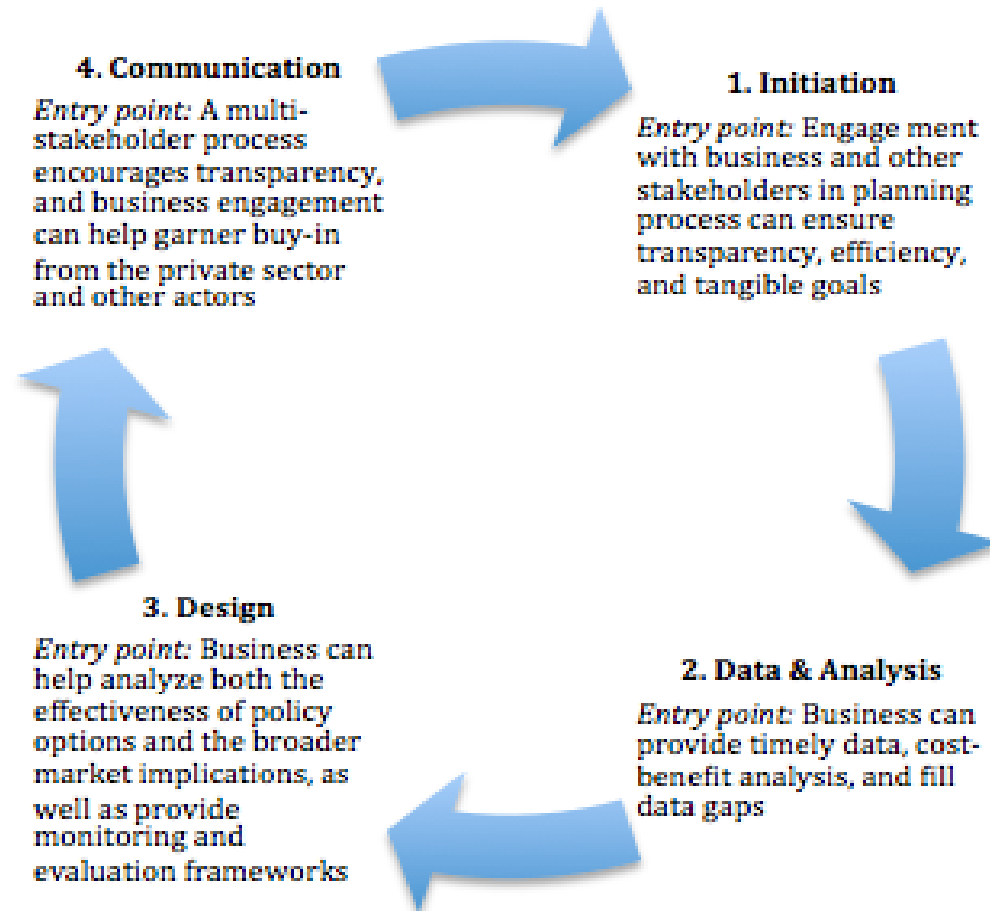


Image adopted from World Resources Institute/UNDP Report, “Designing and Preparing Intended Nationally Determined Contributions (INDCs)” May 2015

# Business as Observer & Partner in Multilateral Institutions:

- ▶ Business and business NGOs are a recognized *major group* (Agenda21)
  - ▶ (one of several: trade unions, local authorities, youth, women, &c...)
- ▶ Business participates as a recognized observer in multilateral forums:



Food and Agriculture  
Organization of the  
United Nations



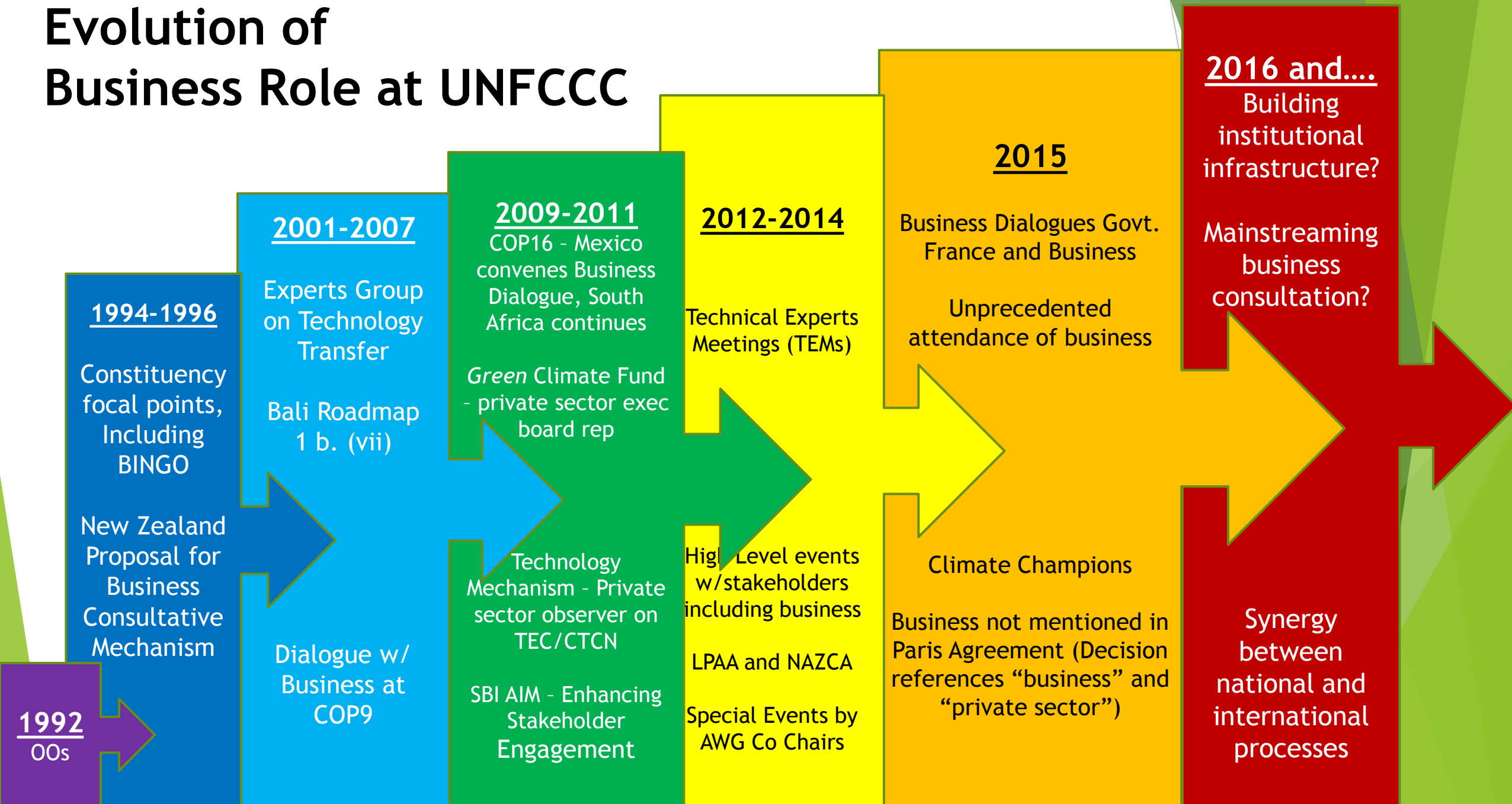
**Asia-Pacific  
Economic Cooperation**

## Recognized business consultative bodies:



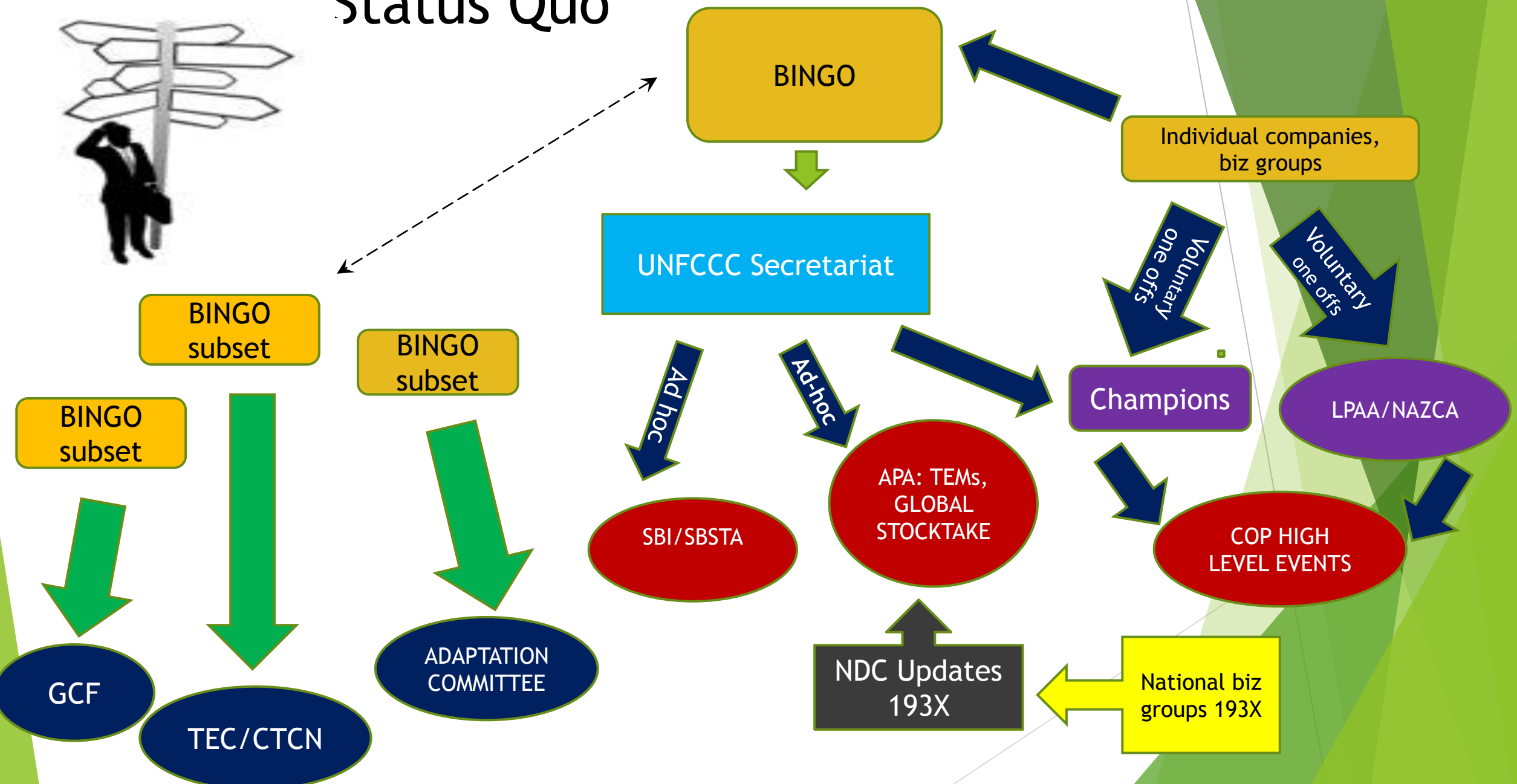
International Organisation of Employers  
Organisation Internationale des Employeurs  
Organización Internacional de Empleadores  
*The Global Voice of Business*

# Evolution of Business Role at UNFCCC





# Status Quo



BINGO

UNFCCC Secretariat

Individual companies, biz groups

BINGO subset

BINGO subset

BINGO subset

Champions

LPAA/NAZCA

SBI/SBSTA

APA: TEMs, GLOBAL STOCKTAKE

COP HIGH LEVEL EVENTS

NDC Updates 193X

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GCF

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ADAPTATION COMMITTEE



Business "Channel"

National biz groups, International specialized business groups

Individual companies, biz groups

UNFCCC Secretariat

Champions

LPAA/NAZCA

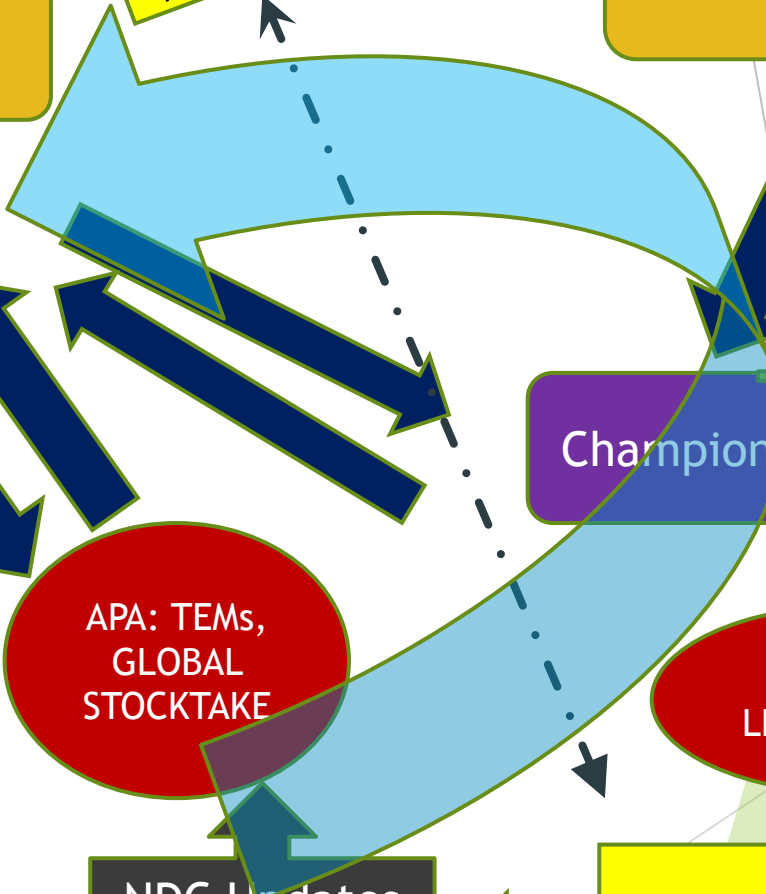
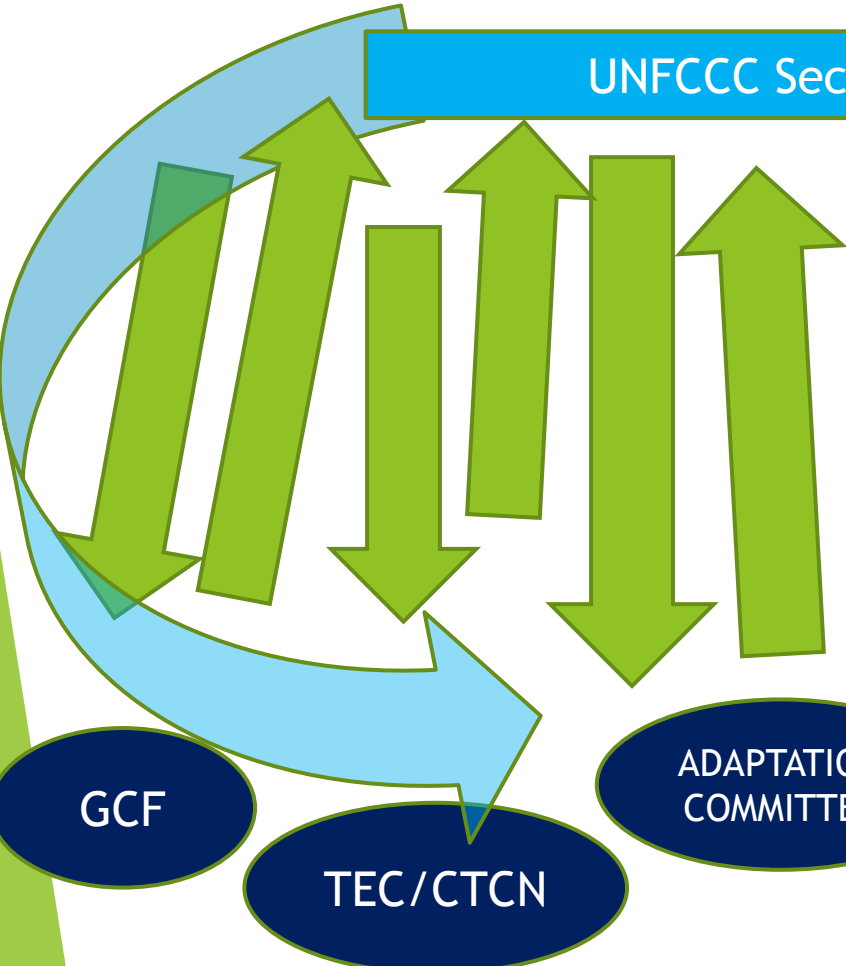
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LPAA/NAZCA

# Business and the Paris Agreement

## Benefits of Engagement

- **Economic and Market Implications of (I)NDCs:** In today's globalized world, the policies of one economy can have strong impacts on others throughout the world.
- **Economic Efficiency:** A preliminary analysis of the INDCs reveals that, in general, countries could do more to engage business and other stakeholders to advance cost-effective options.
- **Capacity-building:** Many developing nations require financial aid and other support; support for public-private partnerships and other cooperative efforts with business in developing nations, capacity building could assist in the design and implementation of national actions.

## Opportunities for Engagement At Each Stage of the Process

- Input to formulation of agendas
- Organization and participation in meetings
- Input to content and opportunity to review and comment on draft background papers
- Submission of ideas and information for consideration
- Review of implementation - improving and strengthening
- Voluntary partnerships and actions
- Reporting and disclosure
- Institutionalize business consultation and input in international review cycle
- Increase structural support for stakeholder engagement
- Incorporate existing private sector MRV frameworks into international monitoring and review

# Main Attributes: A Recognized Business Interface

- ▶ Inclusive, open, voluntary, self-managed and self-resourced - Representative business groups at national, regional, international and sectoral levels
- ▶ Recognized, mainstreamed and ongoing
- ▶ Transparent, with 2-way and multiple flows of communication and information
- ▶ Include business communities in developing countries; provide capacity building and information

**Thank You**

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the frame, creating a modern, layered effect against the white background.

# General Observations

- ▶ **Recognizing individual circumstances of national settings, what are good practices to include business input to strengthen INDCs, and what are opportunities to share these experiences with governments and business communities?**
  - ▶ Utilize existing procedures for stakeholder consultation regarding domestic legislation and regulatory initiatives
  - ▶ Strive for a mix of sectoral and multi-sectoral business consultation
  - ▶ Consult business separate of other stakeholders for most substantive and candid discussions
  - ▶ An inter-agency domestic process (including foreign, environmental, energy and economic ministries) is critical
- ▶ **How can consultation with business be designed to contribute to trust-building and credibility through transparency and continuity?**
  - ▶ A combination of established public meetings with recognized representatives of business and other constituencies combined with established opportunities to comment in writing seems warranted in light of the scope and inclusiveness of national climate policy
- ▶ **Can the UNFCCC five-year cycle provide opportunities to begin to build the necessary institutional architecture to include and reflect business's role and expectations for the Paris Agreement, and where can the OECD's own experiences provide useful models for such substantive inter-actions?**
  - ▶ Build in business and other stakeholder input to the design and conduct of facilitative dialogues
  - ▶ Increased Structural Support at the International Level for Stakeholder Engagement
  - ▶ Take advantage of lessons learned from existing processes for business consultation in international institutions

# Looking Ahead

- ▶ BizMEF will continue the dialogue and review
- ▶ BizMEF will present an updated version, reflecting this Workshop's discussions at a side event during COP22 in Marrakesh (November 18)
- ▶ BizMEF recommends holding a more thorough review and workshop on business and INDCs, with focus on capacity building for business in developing countries



**MARRAKECH**  
**COP22|2016|CMP12**  
UN CLIMATE CHANGE CONFERENCE

