

**United States Council for International Business (USCIB)****Submission regarding the AIM Workshop at UNFCCC SBI 46 (May 2017) on opportunities to further enhance the effective engagement of Non-Party Stakeholders**

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

The United States Council for International Business (USCIB) welcomes this opportunity to share American business views on the workshop to occur at SBI 46 in May 2017 on enhanced engagement of non-state actors (NSAs) to strengthen implementation of the Paris Agreement. In our view, this Workshop could provide valuable ideas to begin to build institutional infrastructure for implementation of the Paris Agreement.

Governments have recognized the major contribution of business to achieving the Paris Agreement, its entry into force and other follow-up activities. As a long-time observer organization representing American business in the UNFCCC since 1993, USCIB values existing opportunities to participate in international climate processes. These existing options for interaction should be broadened and enhanced to create a more comprehensive, recognized channel for business engagement to strengthen implementation of the Paris Agreement as well as the effectiveness and resilience of the UNFCCC.

***Enhancing business engagement requires innovative governance and partnership, and will be a prerequisite for successful and cost-effective implementation of the Paris Agreement.*** To fully mobilize actions, 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 to engage the private sector in new ways. For example, 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, inclusive 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 a first step, but it is not enough in 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 business practices, associations and networks.

USCIB also aligns with submissions on this topic by the Major Economies Business Forum (BIZMEF -- USCIB is a partner organization) and the International Chamber of Commerce (ICC).

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 to enhance the role of non-state actors in strengthening Paris Agreement implementation.

UNFCCC Workshops on enhancing access for observer organizations are quite rare. The opportunity this May to catalyze improvement and offer new options for NSA engagement is valuable and must be planned with a forward looking agenda. In this regard, 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.

USCIB 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 should be self-organized by business including selection of themes and speakers, working with the Secretariat and Parties. This should also include dialogue and interactions with Parties and the Secretariat.

***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 Technical Experts Meetings (TEMs) and in-session and inter-sessional workshops on topics where business has relevant expertise and experience.

***Elements of the SBI Workshop 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 in UNFCCC and the Paris Agreement**

The UNFCCC should consider and evolve to accommodate a recognized institutional interface for business, built on the model of other such consultative bodies, for example the International Organization of Employers (IOE) and the Business and Industry Advisory Committee to the OECD (BIAC), both of which engage national and regional representative business organizations. This arrangement would in no way undermine the fundamental inter-governmental nature of the UNFCCC, rather it would provide an additional 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 that of Montreal or SAICM, USCIB believes that moving towards a mainstreamed and recognized role for business is imperative to achieving current commitments as well as future objectives for mitigation, adaptation, investment and finance.

The UNFCCC process will benefit greatly from the creation of a standing mechanism (or mechanisms) to allow Parties to routinely access responsible and representative private sector expertise. In particular, the focus should be on 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.

A formal recognized business channel would provide a resource to Parties, UNFCCC officials, the Secretariat and other stakeholder groups. 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, USCIB suggests inviting a working-level consultative body of representative business experts to provide a focal point for 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 a 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, interfaces should engage and prioritize representative business groups on substantive consultation and avoid “siloed” approaches that separate “implementation” from “policy elaboration and dialogue.” All businesses and sectors will be affected by the transformational changes envisaged by the Paris Agreement, all should have a place in the mechanism.

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

### **III. Building on Existing Business Interactions with UNFCCC**

#### **A. NDCs and the Role of Business**

The Paris Agreement is built on the foundation of NDCs, and in fact, several governments did seek and include business consultation in NDC preparation in diverse ways, while others still need to include and involve business - this will come through the cycle of NDC review and updates. USCIB developed a report for COP22 on the role of business in preparing and assessing NDCs, which can be found at <http://www.uscib.org/uscib-content/uploads/2016/11/cc-cop22-bizmef-report.pdf>

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 NDCs. Part of the 5-year review cycle from the Paris Agreement should include examination of ways to support innovation, technology development and deployment, trade, investment, and adaptation – all areas where business should be part of the UNFCCC dialogue.

#### **B. Enhancing the Effectiveness of the High-level Event**

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

The current high-level segments of “one-off” events should evolve towards a structure with a clear and continued narrative to the UNFCCC and focus on informed input and problem solving in priority areas. A good example of a collaborative high-level event was held at COP-9 in Milan. It enabled a high level interaction between governments and business, with 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.

#### C. Enhancing the Role of the Technical Expert Meetings (TEMs) vis a vis the Action Agenda

In general, a more formal follow-up process should be established for the TEMs to enable continued interaction with experts from the business as well as other constituencies.

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 preparation and availability of the appropriate experts especially of:

- “real hands-on experts” who are active in the operations of a company and can convey technical and/or financial feasibility, constraints and opportunities, as well as
- experts with experience and understanding of the special challenges and potential solutions in least developed and vulnerable countries.

TEMs should focus on innovation needed following the Paris Agreement’s 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 enable skill and capacity development in science, technology, engineering and mathematics (STEM) which will be crucial to enable businesses to deploy the low carbon technologies society needs to meet the Paris Agreement’s aims.

TEMs should also foster exchanges on the many existing technological innovations and solutions for climate mitigation and adaptation, which have not yet been implemented at the scale and pace required to achieve emissions reductions and climate resilience.

TEMs could furthermore structure meetings according to the implementation of sectoral or cross-sectoral roadmaps, or share information among the industry’s large carbon emitters facing similar challenges on mitigation and consider opportunities where scaling up and mainstreaming of a solution to all markets would result in a larger common impact.

Overall, the link between TEMs and the Technology Mechanisms (TEC, CTCN) should be strengthened.

#### D. Interactions with the UNFCCC Champions

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. Champions should help to marshal and promote direct involvement of business rather than serving as synthesizers and conveyors of views themselves. Some proposals in this context 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 developing, emerging and industrialized

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 could present the inputs from those constituency consultations after the Opening Plenary.

-Champions should convene 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).

-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.

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*About the United States Council for International Business (USCIB)*

The United States Council for International Business (USCIB) advances the global interests of American business both at home and abroad. It is the American 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). It is also a U.S. business partner of the Major Economies Business Forum (BizMEF).

USCIB officially represents U.S. business positions in the main intergovernmental bodies and vis-à-vis foreign business communities and their governments. USCIB has followed and supported the UNFCCC process since prior to COP 1, and is committed to its success.

USCIB addresses a broad range of policy issues with the objective of promoting an open system of world trade, finance and investment in which business can flourish and contribute to economic growth, human welfare and sustainable development.

USCIB formulates its positions working with business experts from its membership of 300 global corporations, professional firms and industry associations. It advocates these positions to the U.S. government and to intergovernmental organizations such as the OECD, the WTO, the ILO and other bodies in the UN system.