

OPPORTUNITIES TO FURTHER ENHANCE THE EFFECTIVE ENGAGEMENT OF NON-PARTY STAKEHOLDERS



SUBMISSION TO UNFCCC SBI 48

Prepared by the ICC Commission on Environment and Energy

I. Executive summary

The International Chamber of Commerce (ICC) believes that open and inclusive involvement of representative business and industry organisations that have been accredited to UNFCCC or UN ECOSOC will be indispensable to implementation and improvement of the entire UNFCCC framework, including the Paris Agreement. This private sector participation is not only an invaluable resource to governments and the Secretariat, but also vital to animating the action, deployment of resources and the sharing of expertise that meeting the UNFCCC and Paris Agreement objectives, now and in the future, require. In the run-up to 2020, we recommend beginning to explore how institutional infrastructure can reflect and include private sector expertise and thereby strengthen implementation.

To catalyse implementation and access greater business input, the SBI should begin by establishing a business advisory body through the UNFCCC Focal Point for business and industry. Eventually, the UNFCCC should consider and evolve to accommodate a recognised institutional interface for business to enhance climate action, provide private sector technical capability and expertise, and invite responsible private sector recommendations and views.

II. Introduction

ICC is the world's largest business organisation with a network of over six million members in more than 100 countries. ICC serves as the UNFCCC Focal Point for business and industry and in 2016, was granted Observer Status at the United Nations General Assembly – the first time a private sector organisation has been admitted formally into the United Nations system. Throughout its history, ICC has pursued responsible involvement and partnership in numerous multilateral sustainable development, trade and environmental forums in the United Nations system. ICC governance sets out a transparent and consensus-based approach to developing and adopting representative ICC positions.

ICC firmly believes that meeting the targets of the Paris Agreement will require on-going dialogue and deep collaboration between all stakeholders, including government, global business and civil society. We greatly appreciate the opportunity for global business, of all sizes and from all sectors, to engage in an open, inclusive and transparent way with the UNFCCC process – and believe that enhancing this collaboration will be essential to meet the climate challenge and promote sustainable and inclusive growth. ICC stands ready to support non-Party stakeholder engagement at the UNFCCC in any way that may be helpful to the implementation of the Paris Agreement and strengthening the infrastructure of the UNFCCC.

ICC applauds the conclusions of SBI46, in which opportunities were identified to enhance the openness, transparency and inclusiveness of the effective engagement of non-Party stakeholders. ICC recognises the progress that has been made to date in this regard and welcomes the opportunity to submit global business views to SBI48 in order to take stock of the progress made on the implementation of the SBI conclusions on non-Party stakeholder engagements with a view to considering how such engagement can be further enhanced. To this end, we have set out below, in section III, concrete recommendations with respect to each of the relevant conclusions from SBI46 and further below, in section IV, have proposed additional recommendations to enhance non-Party stakeholder engagement.

III. Proposals to build on SBI46 conclusions

(A) Briefings, interventions and inputs

Inviting the presiding officers of the subsidiary bodies and constituted bodies, subject to the availability of funding, time and space:

(i) To increase opportunities for admitted observer organizations to make interventions and provide regular briefings on the advancement of work;

(ii) To make greater use of inputs by non-Party stakeholders in workshops and technical meetings, as well as through submissions.

Briefings

At COP23, the opportunity for observers to be briefed on the advancement of work from the APA co-chairs was of great value. ICC would encourage similar briefings from all subsidiary and constituted bodies at future COPs and would further welcome the opportunity for each Focal Point to be afforded the chance to provide its views and ask questions to the relevant subsidiary or constituted body at such briefings. The format at COP23 whereby the Secretariat collected questions prior to the briefing with the APA co-chairs was useful and should continue at future COPs. To enhance the dialogue, subsidiary and constituted bodies could also be encouraged to highlight the areas where observer input would be of particular value to the negotiators and invite both formal and informal input from non-Party stakeholders.

We are also grateful that the Meeting Chairs have been open to requests for consultations on specific agenda items, if deemed necessary, and we would hope to continue to have these opportunities.

From a planning perspective, it may be helpful to pre-establish a schedule for the formal briefings so that the relevant observer experts can be present and engage in a valuable manner.

Interventions

We are grateful for the opportunity to deliver constituency statements as a way to express business views on key issues but note that such statements are often reserved until the end of a session, often delivered to an empty room, if the opportunity to deliver the statement is given at all. It would send a strong signal on the importance of non-Party stakeholder engagement if there was a commitment to hear such statements and we would further suggest that such statements be heard at the beginning, rather than at the end, of the sessions, to allow the constituency views on key issues to be taken into consideration prior to the formal discussions.

Inputs

In addition to the formal two-minute interventions, ICC would also encourage a greater number of opportunities for non-Party stakeholders to provide written input on all agenda items.

ICC believes that it would be invaluable for the process to also encourage a more

meaningful, constructive and collaborative exchange between the business community and the Parties by way of structured expert and technical dialogues, informal expert discussions and solution-oriented workshops. This would allow the full experience and expertise of the business community to be made available to the Parties through a collaborative approach where policy solutions could be developed that would work in practice on the ground, allowing us to achieve our collective climate goals, quicker and more effectively.

Finally, ICC would encourage the creation of a business advisory body that could be coordinated through the Focal Point, whereby Parties would be able to access relevant expertise as needed. The Focal Point for business and industry can play a pivotal role in ensuring the participation 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 from/ aware of implementation challenges and solutions in vulnerable countries.

(B) Open Dialogue and nationally determined contributions

Encouraging future Presidencies, subject to the availability of resources:

(i) To explore ways to enable admitted NGO constituencies to have an open dialogue with Parties, whereby agenda-setting as well as programming of the dialogue are conducted jointly among the admitted NGO constituencies, the Presidency, the Bureau and the secretariat as appropriate, on the understanding that any outcomes of such a dialogue should have persuasive value only, respecting the Party-driven nature of the UNFCCC process;

(ii) To explore, within the existing processes and draft rules of procedure being applied and under the existing agenda items, ways of exchanging information on best practices and on gaps and challenges to public participation and public access to information with regard to nationally determined contributions and NAPs.

ICC congratulates the Fijian Presidency for presiding over the first Open Dialogue and strongly supports the establishment of similar dialogues at future climate talks. The opportunity for non-Party stakeholders to work with the Presidency, the Bureau and the Secretariat to develop the agenda and the programming was of great value and we would endorse continuing with this approach.

Business has a genuine interest in the UNFCCC process and has much to contribute to increasing ambition on climate action. ICC believes in an on-going open and inclusive dialogue with Parties and non-Party stakeholders and an effective procedure for business contributions to be taken on-board.

ICC encourages Parties to establish national forums for convening inputs from non-Party stakeholders to assist with the nationally determined contributions process. ICC, as Focal Point for business and industry, with its wide network of national affiliates and sectoral partners, could assist in this regard.

(C) Participation and access

Inviting the secretariat, subject to the availability of resources:

(i) To explore ways to enhance the capability of the online registration system to accommodate more flexible participation of various categories of participants, such as Parties

and observer States, United Nations organizations, admitted IGOs, admitted NGOs and experts invited to specific events;

(ii) To enhance existing practices for the facilitation of non-Party stakeholder participation with a view to promoting the openness, transparency and inclusiveness of the UNFCCC process;

(iii) To further enhance Parties' access to submissions from non-Party stakeholders;

(iv) To further encourage participation through enhanced virtual tools in order to support engagement of, and opportunities for, all non-Party stakeholders in the UNFCCC process.

Online registration system

ICC understands that the registration of several tens of thousands of participants in an efficient and secure manner is a complex undertaking and appreciates the UNFCCC's continuous efforts to mainstream this process and allow for maximum access for all participants.

Where it is necessary to limit the number of participants due to venue size, the number of badges allocated to each constituency should be done in a transparent and fair manner. Furthermore, to allow maximum participation, badges should be transferable between designated members of stakeholder delegations.

Finally, we would urge streamlining the registration process so that only one round of registration is conducted.

Openness, transparency and inclusiveness

Business is fully committed to and has a genuine interest in meeting the objectives of the Paris Agreement. ICC firmly believes that business – from all sectors and of all sizes around the globe – is a necessary part of the solution and we urge Parties to continue to take an open, transparent and inclusive approach to the UNFCCC process. ICC is deeply concerned by suggestions that would try to curb the involvement of certain sectors of business in the UNFCCC process.

ICC appreciates the challenges of hosting COP23 in Bonn and the efforts to accommodate a maximum number of participants through the one conference, two zones model. However, we would urge for this model not to be repeated at future climate negotiations. Such a separation, especially across a long distance, is ineffective in enhancing engagement of non-Party stakeholders and facilitating dialogue between Parties and non-Party stakeholders.

Parties' access to submissions from non-Party stakeholders

Submissions from non-Party stakeholders could be presented to Parties by issue, with the key messages summarised by the Secretariat, with the assistance of the Focal Points. Non-Party stakeholder submissions could also be more readily available on-line and presented by topic.

Virtual tools

An on-line portal to collect inputs from various interest groups could be set up in partnership with Focal Points and the Secretariat and key messages curated by each Focal Point.

UNFCCC could 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.

Actions by companies should be transparently and voluntarily reported at a national level and, where appropriate, aggregated at a global level. Today, a harmonised framework – that would allow a comparable evaluation of initiatives' results across the industry – does not yet exist. ICC would recommend working with the UNFCCC and other Focal Points to develop such a tool.

IV. Further proposals to enhance non-Party stakeholder engagement

(A) Recognised business channel

Since the UNFCCC was launched over 20 years ago, business has actively engaged in the process, contributing both technical and operational expertise. The role of global business in combating climate change is more vital than ever and developing an institutional structure to work with business is essential to ensuring that we achieve our collective climate goals.

The UNFCCC should consider and evolve to accommodate a recognised institutional interface for business, built on the model of other such consultative bodies, such as the International Organisation of Employers or the Business and Industry Advisory Committee to the OECD, engaging national and regional representative business organisations. This arrangement would in no way undermine the fundamental intergovernmental nature of the UNFCCC, and would provide a resource for Parties and the Secretariat to use as they see fit.

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 cases, the involvement of business and other stakeholders is not marginal to the intergovernmental 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, ICC believes that moving towards a mainstreamed and recognised role for business post-Paris is critical 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 would benefit greatly from the creation of a standing mechanism(s) that allows Parties to access private sector expertise. In particular, focus should be concentrated upon how to enhance implementation through the provision of information on company actions/achievements, the impacts of policy measures, available and developing solutions etc. UNFCCC interactions with business could include discussion of practical aspects of both policy and actions.

As a starting point, we suggest inviting, through the constituency Focal Point, a consultative body of business experts to enable requests for information/interactions with the business community to be analysed and appropriate inputs invited to ensure a wide range of responsible business views.

The form of such a mechanism that draws upon private sector expertise could be an advisory body, consultative mechanism or expert committee; however, it is more important 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

This business advisory group could run as a pilot to demonstrate its value and identify areas where improvement would be needed. It would serve as the foundation for building a recognised interface, or channel for business.

The development of a recognised channel for business would assist not only business, but also 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 have limited time, expertise and resources to engage directly in these processes.

Over time, such efforts would promote the establishment of effective networks among all constituencies in a way that creates continuity and continuous improvement – as has been demonstrated in arenas where recognised engagement exists.

(B) The role of the Champions and the Liaison Office

ICC welcomes the various consultations that the Champions held in the lead-up to COP23 and would encourage similar consultations going forward. We would add, that in order to allow the maximum number of participants, including from developing countries and small to medium sized enterprises, ICC would urge the Champions to establish an agenda for such consultations well in advance and to lean on the Focal Point to assist in the coordination of the process – this is necessary to enable a broad participation from a wide range of businesses through representative business groups in developing, emerging and industrialised countries.

The outcomes of such consultations should be summarised and conveyed to Parties in an informational document as part of the overall COP documentation. The Focal Points can be relied upon to assist in this process. In this regard, 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.

ICC would also recommend that the Champions moderate an annual pre-COP with constituencies and, where possible, hold focused formal dialogues between Parties and individual constituencies on topics of interest. The Constituencies' pre-COP should be co-organised with the Secretariat and the Focal Points.

Finally, we note that as the mandate of the Action Agenda grows, there needs to be a stronger link between the work of the Liaison Office, the work of the Champions and the Action Agenda team to ensure maximum harmonisation and effectiveness of non-Party stakeholder engagement. The role of the Focal Point is central in this regard.

(C) Partnerships

ICC believes that collaboration between all stakeholders is necessary to achieve the goals of the Paris Agreement and we stand ready to work with all interested stakeholders to develop constructive solutions to combatting climate change. As a possible starting point, ICC would welcome organising a workshop amongst interested stakeholders to see the ways in which deeper collaboration can be achieved.

(D) Secretariat perspective

We would welcome formal feedback from the Secretariat on its views on how to enhance non-Party stakeholder engagement. This could take the form of a note that would address, *inter alia*:

- How and with what frequency the Secretariat and the UNFCCC constituted bodies interact with the stakeholder community and on which topics;
- The process by which the Secretariat selects participants from the stakeholder community to take part in meetings (such as the Technical Expert Meetings and SB workshops);
- Any best practices that the Secretariat can identify from the ways in which it interacts with different stakeholder constituencies;
- Opportunities that the Secretariat sees to improve such engagements to increase/improve interactions.

Finally, we would welcome the opportunity to have an annual meeting between the Secretariat and the Focal Points to discuss logistical aspects of the next COP. Ideally, a representative of the host Party could attend.

About The International Chamber of Commerce (ICC)

The International Chamber of Commerce (ICC) is the world's largest business organisation with a network of over 6 million members in more than 100 countries. We work to promote international trade, responsible business conduct and a global approach to regulation through a unique mix of advocacy and standard setting activities—together with market-leading dispute resolution services. Our members include many of the world's largest companies, SMEs, business associations and local chambers of commerce.

ICC is the UNFCCC Focal Point for global business and in 2016 was granted Observer Status at the United Nations General Assembly (UNGA), the first time a private sector organisation has been admitted formally into the United Nations system.

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