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

By Norine Kennedy, USCIB
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.
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

- 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)NDCC.

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

1. Initiation
   *Entry point:* Engagement with business and other stakeholders in planning process can ensure transparency, efficiency, and tangible goals

2. Data & Analysis
   *Entry point:* Business can provide timely data, cost-benefit analysis, and fill data gaps

3. Design
   *Entry point:* Business can help analyze both the effectiveness of policy options and the broader market implications, as well as provide monitoring and evaluation frameworks

4. Communication
   *Entry point:* A multi-stakeholder process encourages transparency, and business engagement can help garner buy-in from the private sector and other actors

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:

  - UNEP
  - SAICM
  - APEC
  - FAO
  - Food and Agriculture Organization of the United Nations

Recognized business consultative bodies:

- BIAC
- Global Business Alliance for 2030
- IOE
Evolution of Business Role at UNFCCC

1992-1996
- Constituency focal points, Including BINGO
- New Zealand Proposal for Business Consultative Mechanism

1994-1996
- Experts Group on Technology Transfer
- Bali Roadmap 1 b. (vii)
- Dialogue w/ Business at COP9

2001-2007
- COP16 - Mexico convenes Business Dialogue, South Africa continues
- Green Climate Fund - private sector exec board rep
- Technology Mechanism - Private sector observer on TEC/CTCN
- SBI AIM - Enhancing Stakeholder Engagement

2009-2011
- COP16 - Mexico convenes Business Dialogue, South Africa continues
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2012-2014
- Technical Experts Meetings (TEMs)
- High Level events w/stakeholders including business
- LPAA and NAZCA
- Special Events by AWG Co Chairs

2015
- Business Dialogues Govt. France and Business
- Unprecedented attendance of business
- Climate Champions
- Business not mentioned in Paris Agreement (Decision references “business” and “private sector”)

2016 and....
- Building institutional infrastructure?
- Mainstreaming business consultation?
- Synergy between national and international processes
Status Quo

- GCF
- TEC/CTCN
- ADAPTATION COMMITTEE
- APA: TEMs, GLOBAL STOCKTAKE
- SBI/SBSTA
- NDC Updates 193X
- National biz groups 193X
- COP HIGH LEVEL EVENTS
- LPAA/NAZCA
- Voluntary oneofs
- Champions
- Individual companies, biz groups
- Ad-hoc
- Ad-hoc
- BINGO subset
- BINGO subset
- BINGO subset
- UNFCCC Secretariat
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
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.