



PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11

COP21 - Private sector engagement

June 2015

The Paris “Climate Alliance”

Objectives

Our goal for a successful Paris conference is to give credibility to the **transition towards resilient and low GHG societies**, compatible with an increase in average surface temperatures limited to 1.5° to 2°C compared to their pre-industrial level, and supported by means of implementation.

To respond to this vision, **the new legal agreement** for the post-2020 climate regime under the UNFCCC will have to be applicable to all, equitable and ambitious, and tackle mitigation and adaptation in a transparent and verifiable way, as well as provide adequate means of implementation: finance, technology and capacity building.

Ambitious Intended Nationally Determined Contributions (iNDCs) from Parties to the UNFCCC, shared well in advance of Paris, will be a crucial step towards a success in Paris, as they will demonstrate strong commitment to our common objective.

Pre 2020 and long-term finance will have to be mobilised through public sources and private investors, international financial institutions and innovative financial instruments to drive this transition and provide for low carbon and resilient activities.

The Action Agenda aims at demonstrating the commitment of non-state actors to reaching a new and ambitious legal agreement in 2015.

What is the Lima-Paris Action agenda?

The *Lima-Paris Action Agenda (LPAA)* is a **joint undertaking** of the Peruvian and French COP presidencies, the Office of the Secretary-General of the United Nations and the UNFCCC Secretariat. It involves both **state and non-state actors** (national Governments, cities, regions and other subnational entities, international organizations, businesses, civil society, indigenous peoples, women, youth, academic institutions) acting as individual entities or in partnerships that go beyond traditional institutional frameworks. The Action Agenda is aimed at **accelerating climate action on the ground pre 2020 and beyond**. It also supports the reach of an ambitious agreement under the UNFCCC – bearing in mind that non-state actors’ actions would form an integral part of the contributions of Parties and allow them to become more ambitious.

To that end, the Action Agenda needs to trigger a **growing engagement of non-state actors as well as build concrete, ambitious and lasting cooperative initiatives, supported by time bound roadmaps for implementation**. To do so, the LPAA will:

- mobilize robust global action towards a low carbon and resilient societies;
- provide enhanced support to existing initiatives, such as those launched during the NY SG Climate summit in September 2014;
- mobilize new partners and providing a platform for the visibility of their actions, commitments and results in the run up to COP21.

What expectations for the Lima-Paris Action Agenda?

Involve states and non-states actors into collaborative actions and initiatives

A series of **cooperative initiatives** were launched at the NY Summit on a voluntary basis to accelerate the adoption of low carbon and resilient solutions and pathways. Since then, several additional cooperative initiatives have been developed. It is the *Lima-Paris* Action Agenda's goal to help existing initiatives:

- becoming more **ambitious**,
- strengthening their **inclusiveness** and participation,
- setting up **reporting, governance, and implementation** frameworks going forward.

The *Lima-Paris* Action Agenda is also advocating for **new initiatives**, especially in less developed sectors or dimensions.

Guarantee the highest credibility by following a mutually agreed framework

Giving more visibility and recognition to cooperative actions requires that a **minimum framework** be set up to bring robustness to the commitments. Each initiative, sectoral or individual commitments under the Action Agenda is expected, between now and Paris, to focus on:

- Building a tailor-made narrative that outlines both operational and credible **short term targets and indicative long term goals**, and demonstrating that key partners are gathered around a shared vision and an **action plan** to help scale-up transformation in strategic area.
- Demonstrating its relevance and credibility, by being **science based**, consistent with a 1.5/2°C and resilient pathway, **monitoring progress and results** and displaying the fulfilment of previous commitments.
- Paying due attention to the **North-South balance** and the need for **inclusiveness**, in terms of other relevant stakeholders or initiatives to integrate.

What role for businesses?

The contribution of the private sector is essential to the success of the Action Agenda and COP21 at large. Beyond the necessary **advocacy** for an ambitious agreement in Paris, businesses have the responsibility to adapt their own business model to a 1.5/2°C and resilient world and **take swift actions**.

Several companies have engaged in climate change policies for years, through ambitious Corporate Social Responsibility policies. More recently, many companies have already started to **publicly pledge for ambitious climate actions**, notably companies member of *Caring for Climate*, the *We Mean Business Coalition*, or a group of CEOs that responded to a "Call for climate action" launched by the *World Economic Forum* in April. At the *Business & Climate* Paris in Paris in May 2015, dozens of CEOs also urged governments to conclude an ambitious climate agreement in Paris, advocated for putting a price on carbon, or announced individual commitments taken by their group. The *International Chamber of Commerce* is also very active in mobilizing private sector actors.

More and more businesses should join the climate action movement on the run up to Paris. Companies can engage through:

1. Making individual corporate commitments that will reduce GHG emissions or increase resilience; and mainstreaming climate change in their strategies and governance;

Businesses are encouraged to **commit to and publicly announce actions aiming at reducing emission reductions overall**. Commitments can, for instance, take the form of:

- **Individual mitigation targets:**
 - GHG emission reduction
 - GHG emission reduction in line with the 2°C objective
 - Carbon neutrality
 - Improved energy efficiency target
 - Etc.
- **Targets related to specific themes:**
 - Increased produced renewable energy (low-carbon energy)
 - Increase consumed renewable energy
 - Reduced deforestation
 - Reduced emission from own property/buildings
 - Reduced emission from own fleet
 - Material use reduction
 - Increase the share of recycling
 - Etc.
- **Finance/Investors targets:**
 - Carbon accounting implementation
 - Carbon/climate risks assessments & stress testing generalization
 - Green bounds development
 - Portfolio decarbonization
- **Resilience/adaptation targets:**
 - Funding into public and open scientific risk modelling facilities
 - Efforts to adjust business models to minimize vulnerabilities and risks to climate hazards
 - Etc.

Each and every one of these commitments must be attached to **quantified and time-bound objectives**. In order to create a dynamic, and an upward spiral of ambition, these objectives can usefully be set for 2020, 2030 and 2050. Reporting must be implemented, following a **recognized methodology (including scopes, years of reference, covered GHGs, etc.)** and in a spirit of **transparency/external verification**.

More generally, it is expected that companies commit to **integrate the climate dimension into their strategy, governance and business model**. Large-scale transformation will only happen if companies systematically **integrate climate risk and carbon price into strategy-building and investment decision-making processes**, and massively **increase investments in R&D and clean technologies**.

Several major private-sector coalitions are working to encourage, structure and promote this type of commitments. The LPAA partners strongly encourage their action and are working on a framework to promote this process and highlight the most valuable commitments and actions implemented during COP21.

2. Committing to industry or sector wide collaboration and plans

Further to making individual commitments, companies are encouraged to enter into **industry or sector wide collaborations and plans**. Such initiatives can be designed to operate within a **sectorial, a value-chain approach, or be based around a specific technology**. They aim at building large **multi-stakeholder and cooperative initiatives; develop sectorial roadmaps by 2050, etc.** They can be existing initiatives or newer initiatives launched by businesses in areas which have not yet been covered:

- **The cooperative initiatives launched at the New York Summit:**

Several initiatives from the New York Summit in September 2015 are open to the private sector and are particularly promising: the **New York Declaration on Forests, the initiatives of the Climate and Clean Air Coalition, as well as those in the area of energy efficiency, transport, agriculture and finally, finance.**

The more businesses will join them, the stronger and more impactful will they become. In the meantime, businesses that are already involved in these initiatives are encouraged to **communicate the progress** made and to further raise the level of their commitments.

For more details on these coalitions and how to join them, consult <http://www.un.org/climatechange/summit/action-areas/>

- **New initiatives:**

Some areas are not yet fully covered by cooperative initiatives or do not fully respond to the challenge. The LPAA partners encourage the launch of **new initiatives, for instance in the area of resilience** (water, agriculture, etc.), as well as initiatives aimed at speeding up research, development and the spread of low-carbon technologies.

Notably, the **Low-Carbon Technology Partnership initiative** (LCTPi) is being launched by the WBCSD, IEA and SDSN, to unite businesses and governments around a common goal to speed up innovation and the spread of technologies with high potential for reducing emissions. These technological partnerships focus either upstream (research, development and demonstration (RD&D)) or downstream (deployment) based on the degree of maturity of the technology. Several technologies are already being examined (solar photovoltaic energy and concentrated solar power (CSP), carbon capture and storage (CCS), energy storage, smart power grids, second and third generation biofuels, electric vehicles). In the long term, the LCTPi aims to cover all low-carbon technologies which require international cooperation to be developed in time and deployed worldwide. Between now and Paris, the goal is for some of these partnerships to display their first concrete results, and to show that a wider movement is underway. <http://www.wbcsd.org>

3. Actively supporting the implementation of internal and public policies for combating climate change and developing low-carbon economies, especially on carbon prices

In order to encourage governments to increase their commitment and make ambitious decisions in Paris, it is essential that businesses **actively lobby the governments** of the countries in which they are operating to develop public policies which encourage emissions reductions, in particular by introducing **carbon pricing**.

How to communicate and report on commitments?

To facilitate reporting and monitoring, the Action Agenda initiatives and individual private sector commitments should progressively be uploaded on the “Non-state Actor Zone for Climate Action”, NAZCA. This platform, launched during the Lima Action Day in 2014, has been found the most suited tool to register commitments consistent to the Action Agenda approach. It gathers pieces of information provided by professional data partners such as Carboneo, CID, CDP, IIGCC and others. It enables to monitor the achievements and display the results of the initiatives over the years. While a new, more developed version was launched at the Business & Climate Summit on Paris in May 2015, NAZCA still intends to include more data partners over time, especially to better reflect and highlight strong collaborative initiatives. The NAZCA portal will also contain all information related to the Lima-Paris Action Agenda.

From now on, companies are strongly encouraged to upload their commitments to Climate Action through NAZCA. See the NAZCA portal: <http://climateaction.unfccc.int/>

The LPAA in Paris

During COP21, the quartet France – Peru – SGNU – UNFCCC will respond to the *Lima Call for Climate Action* by convening a **High Level Meeting on Climate Action, i.e. the ‘Action Day’**, foreseen on December 5th.

The Action day will aim at sharing the objectives and achievements of the most impactful initiatives, and **inspiring** economic and political leaders.

It will build on the outcomes of international events organized by stakeholders and networks on the road to Paris.

The **results of the technical examination of opportunities with high mitigation potential** carried out under the Durban Platform for Enhanced Action will also be brought to the attention of political leaders during this meeting, via the **summary for policy makers**.

As a whole, the ‘Action Day’ will capture the magnitude of the mobilization, the credibility of corresponding commitments, and should play a positive role in the implementation of the new climate agreement beyond 2015.

The Action day will be supported by a sequence of **‘Thematic action Days’** during the COP itself. These thematic action days will see initiatives leaders present stakes and existing solutions’ pathways for each main action area of the Agenda. Above all they will highlight the size of the sectorial commitments and individual engagements taken by business actors. These **official events** will be expected to gather high-level attendance and will create a visible sequence during the COP.

Going further: businesses and climate negotiations

Participating in technical dialogues under the UNFCCC

Within the framework of the Convention's work programme on pre-2020 action, **technical expert meetings (TEM)** enable Parties and non-State actors to jointly identify **opportunities for actions with high mitigation potential** and their co-benefits.

During the June 2015 negotiations session in Bonn, TEM were organized on renewable energy supply (with a focus on distributed generation and on feed-in tariffs and financial incentives), and on energy efficiency in urban environment (with a focus on lighting and district energy systems, energy efficient buildings, and sustainable urban transport).

Each session is generally a **great chance for government and civil-society negotiators and experts to discuss concrete opportunities in the fight against climate change**. The outcome of these discussions will also be highlighted during the Action Day in Paris, through the presentation of the Summary for policy makers.

The "Business dialogue"

To foster communication and exchange of views on climate negotiations between governments and the private sector, the French Presidency is hosting a **"Business dialogue"** throughout 2015. A representative panel of international business leaders, ministers, negotiators and policy-makers has been identified in collaboration with international business networks and will meet at 3 occasions on the road to Paris, as well as after COP21 for a debrief session.

The dialogue enables discussions on key issues for the private sector such as the content of the draft agreement, the substance of national contributions, the resulting legal and economic environments, the issues surrounding carbon pricing, and finally the needs in terms of investment in low-carbon solutions and technologies, support for research and development and innovation. The first session was held during the climate week in Paris in May 2015.

Useful information - other ways for businesses to take part in COP21

For all practical details on COP 21, please consult the official COP21 website.

Further information: <http://www.cop21.gouv.fr/en>

Information on the Lima-Paris Action Agenda, initiatives and already existing commitments can also be found on NAZCA, as well as indication on how to upload new private sector commitments.

Further information: <http://climateaction.unfccc.int/>

As a reminder, all events to take place in the UN zone are managed by the UNFCCC Secretariat, and will be only accessible to accredited delegates and observers (the accreditation process is now closed).

Further information: <http://unfccc.int>

The Climate Generations Spaces

This venue, managed by the French presidency, will host the civil society village and provide a forum for climate-related side-events, discussions, lectures, debates and cultural exhibitions. Located immediately beside the COP21 conference center, it will be open to delegates and accredited observers, as well as to the wide public.

Contact: societe-civile@cop21.gouv.fr

A labelling process is also implemented to highlight and officially support projects and initiatives led by civil society stakeholders elsewhere in Paris or in France before and during COP21.

Further information: www.cop21.gouv.fr/en/civil-society/labeling-process-and-project-support

Supporting the organization of the COP

Businesses can support the organization of the COP21 by making a financial contribution or providing benefits in kind.

Contact: partenariat@cop21.gouv.fr

Promoting technological solutions

Additionally a “Gallery” organized and managed by the private company Reed Exhibitions, organizer of Pollutec - World Efficiency, will offer businesses exhibition space to promote their technologies and expertise during the COP.

Contact: stephanie.gay@reedexpo.fr

Annex - List of initiatives from the New York Climate Summit of September 2014

Complete information, declarations and contacts for each initiative are available at: <http://www.un.org/climatechange/summit/action-areas/>

Forests

Initiative: *New York Declaration on Forests*. Series of commitments aiming to halve deforestation by 2020 and end it by 2030, to restore 150 million hectares of degraded lands and forests by 2020, and 200 million by 2030, through concrete and targeted commitments made by States, the private sector, regions and indigenous peoples.

Implementation: wide variety of signatories (over 150 governments, regions, multinationals, indigenous communities, NGOs and multilateral initiatives (FCPF, UN-REDD+).

Agriculture

Initiative: *Global Alliance for a Climate-Smart Agriculture*. A platform for exchange and dialogue based around three pillars: sustainably increasing productivity; mitigating GHG emissions; adapting agriculture to climate disruption.

Implementation: about 15 States involved, some developing and emerging countries, major food groups and international organizations. The Secretariat is based at the FAO.

Energy efficiency

Initiatives:

SE4All Global Energy Efficiency Accelerator Platform, which includes:

- *Global fuel economy initiative* (halve CO₂ emissions from the global car fleet by 2050)
- *en.lighten* (phasing out incandescent lamps)
- *Global Partnership on Appliances and Equipment*
- *Building Efficiency Accelerator*
- *District Energy Systems Accelerator* (urban heating and cooling networks).

Implementation: The Sustainable Energy For All (SE4All) platform coordinates the initiatives. All initiatives are being run by the UNEP, apart from the building initiative which comes under the UN Foundation. A wide variety of leading actors: 64 countries for En.lighten, about 30 countries and private companies for GFEL; businesses and countries for electrical appliances; businesses and cities for urban heating and cooling networks.

Renewable energies

Initiative :

- *SIDS Lighthouse Initiative* (action plan for all islands within five years);
- *African Clean Energy Corridor* (meeting 40 - 50% of Africa's electricity needs with renewable energies);
- *Global Geothermal Alliance* (increasing the share of geothermal energy).

Implementation: The three initiatives are driven by IRENA. Many developing countries (mainly in East Africa), small islands and donor or investor countries are taking part in these initiatives.

Transport

Initiatives:

- International Union of Railways (UIC) Pledge;
- International Association of Public Transport Declaration on Climate Leadership;
- Urban Electric Mobility Initiative;
- Collaborative climate action across the air transport world.

Implementation: major sectoral federations (UIC for railways, UITP for public transport, ICAO et ATAG for aviation), with the support of hundreds of active members, UN agencies (UN-Habitat for electric mobility) and cross-cutting partnerships (SLoCaT).

Industry

Initiatives:

- *Oil and Gas Methane Partnership* (methane emissions from the oil and gas sector) - Climate and Clean Air Coalition (CCAC)
- *Phasing Down Climate Potent HFCs* - CCAC
- *Reducing SLCP Emissions in Cities from Municipal Solid Waste* - CCAC
- *Global Green Freight Action Plan* - CCAC
- *Oil and Gas Climate Initiative*

Implementation: 4 initiatives led by the CCAC, a coalition which gathers together 40 States and regional organizations. Strong involvement from developing countries, some major businesses (oil and gas, mass distributors in the field of HFCs). *The Oil and Gas Climate Initiative* is directly managed by the oil and gas companies themselves.

Resilience

Initiatives :

- Integrating Risk Into the Financial System (widely implement practices to raise awareness of climate risks for insurers);
- Resilient Cities Acceleration Initiative;
- Promoting Disaster and Climate Risk Resilience Through Programmatic and Risk Financing Mechanisms;
- Climate Information to Climate Action.

Implementation: mainly via international and multilateral organization and the insurance sector.

Cities

Initiatives:

- Compact of Mayors (commitment from cities)
- Cities Climate Finance Leadership Alliance (ability of cities to access finance for green infrastructure)
- Compact of State and Regions (regions and federated states)
- City Creditworthiness Partnership

Implementation: for the Compact of Mayors, implementation via three city networks (C40, ICLEI, UCLG) and the Bloomberg Foundation; for the multi-partner participation alliance (network of local authorities, IFIs, MDBs, national and private financial institutions); for the R20: six heads of local authority networks (ORU-FOGAR, the Assembly of European Regions, ICLEI, the Mexico City Pact, NEAR, the Global Fund for Cities Development (FMDV)).

Finance

Initiatives:

- Carbon Pricing Leadership Group: support to the implementation of carbon pricing by 73 national and 11 regional governments, as well as over 1,000 businesses and investors, accounting for 52% of global GDP and 54% of global GHGs)
- *Portfolio Decarbonization Coalition*: aims to decarbonize at least US\$100 billion in institutional investment across asset classes and to disclose the carbon footprint of a total of at least US\$500 billion of assets under management (AUM) by Paris. Implementation of AP4/Amundi/UNEP-FI/Carbon Disclosure Project
- Commercial banks: objective of issuing US\$30 billion in green bonds in 2015, set by major commercial banks (including Bank of America, Crédit Agricole), with the green bond market set to grow by US\$300 billion by 2020.
- Initiative taken by the insurance sector. Objective set to double investments relating to climate risk to US\$82 billion (International Cooperative & Mutual Insurance Federation) by 2015 and to raise them to US\$400 billion by 2020
- Commitment by several North American and European pension funds (including CalPERS and APG) to raise their low-carbon investments to US\$30 billion by 2020
- Objective by the IDFC (International Development Finance Club) - of which the French Development Agency (AFD) is an active member, to increase climate financing in its 22 member institutions to 100 billion per year in 2015