MULTISTAKEHOLDER CLIMATE GOVERNANCE

Does it work and is it be democratic ?

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CLASSIC MULTILATERAL GOVERNANCE : A QUICK SUMMARY

- Governments
  - Decide that new international law is needed
  - Negotiate an agreement
    - including a mechanism to discourage non-compliance (i.e. a reporting system, sanctions)
  - Adopt that agreement at the national level
  - Put the institutional arrangements in place, say, a COP and a secretariat
  - Develop an action plan to implement agreement
  - Establish a funding mechanism
  - Evolve the agreement by decisions of the COP, protocols or amendments
- NGOs, businesses, academics, media folk
  - Bring their expertise to bear on the subject
  - Advocate for specific provisions and commitments
  - Lobby in capitals and at negotiation sessions for or against the agreement

A GOOD EXAMPLE
THE MULTILATERAL GOVERNANCE STRUCTURE OF THE OZONE PROTOCOL

- COP
  - various sub-intergovernmental bodies
- Carrot & Stick
  - fund
  - Trade provisions
- Annex Process

MULTISTAKEHOLDER GOVERNANCE

- Is leading candidate to supplant multilateralism, particularly
  - on complex new issues and
  - on ones with enormous economic consequences
- Claimed benefits
  - usually focused on the relative effectiveness or relative efficiency of multistakeholderism over multilateralism
  - Democracy has not gotten sufficient attention
- Statement on international democracy
  - Multilateralism   : One country – One vote
  - multistakeholder ism : No equivalent statement r

THREE DIFFERENT TYPES OF MULTISTAKEHOLDER GOVERNANCE PROJECTS

- Policy oriented
  - World Economic Forum's Future Agenda Councils
  - Task Force on Climate-Related Financial Disclousers..
- Product or Process-oriented
  - Forests / fish / soya
  - Internet governance
- Project-oriented
  - PPP
  - SE4ALL

COMMON BELIEFS OF MULTISTAKEHOLDER GOVERNANCE

- Unsolved global problems
- "Stakeholders" as a meaningful governance category
- The ability to identify all relevant stakeholders
- A participant brings the support of their organization or sector
- Volunteerism as a necessary condition
- Equitable decision-making
- Are able to managing conflicts of interest
- Enhanced efficiency and effectiveness
- Are transparent

TO TAKE ONE BELIEF - "STAKEHOLDERS" AS A MEANINGFUL GOVERNANCE CATEGORY

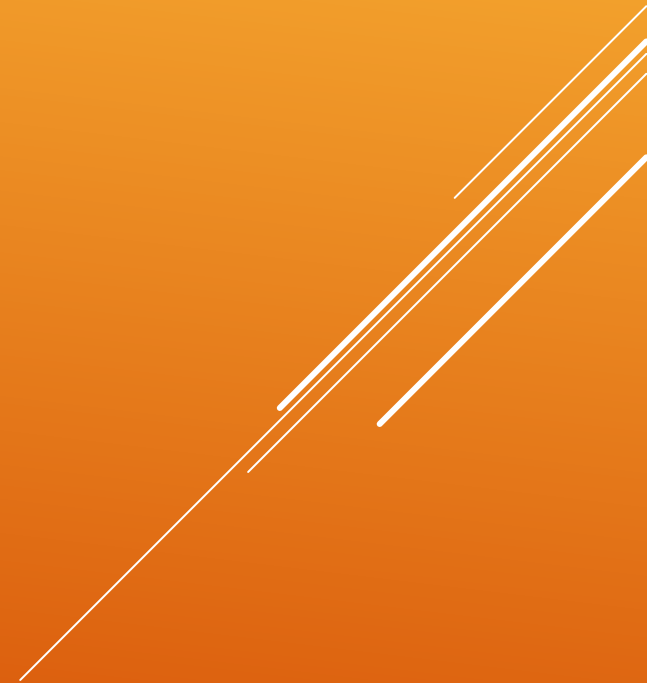▸ THE DEFINITION OF THIS GOVERNANCE CATEGORY is crucial.

▸ There Is no agreement about 'who Is a stakeholder ?

▸ For example it could mean (See next Slide)

- Governments   At the national, regional, and municipal levels; from parliaments to heads of state offices

- Civil society organizations   At the international, regional and national levels; social movements, development, humanitarian, and environmental NGOs

- Academics From philosophers to physicists to professors of religion

- Gender-based   Women's rights organizations or lesbian, gay, bisexual and transgender (LGBT) rights movements

- Human rights groups   From legal advocates to social movements seeking redress for human rights violations

- Investors   From insurance firms to venture capital funds; from philanthropy investors to social impact investors

- Manufacturing and servicing firms From multinational corporations to medium-sized national enterprises to small and micro local businesses; from minority-owned businesses to green global enterprises

- Advocates for thematic challenges   Such as spokespersons for the hunger crisis, the poverty crisis, future generations, and the ecological crisis
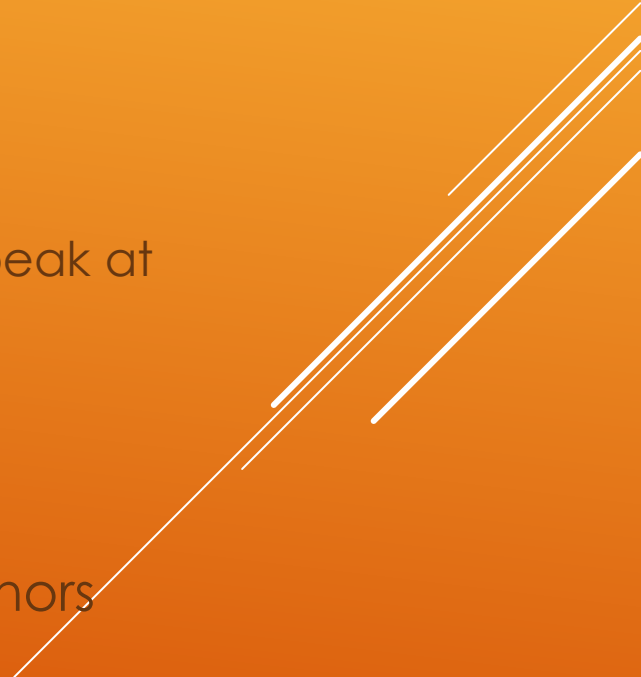
WHO IS A STAKEHOLDER, SLIDE 1

PARIS CLIMATE PROCESS - HYBRID

- Religious bodies   From the centrally structured Catholic Church to autonomous ethical bodies

- Non-state development groups   Such as Oxfam, World Resources Institute (WRI), Doctors without Borders, and international development volunteers

- Indigenous peoples   From different continents or from different international federations

- Labor organizations   From international confederations of trade unions to sector-based national trade unions to autonomous groups of workers

- Trade and professional associations   Such as the International Chamber of Commerce (ICC), the International Accounting Standards Board (IASB), and the International Association of Agricultural Economists

- UN system bodies   Such as the FAO, United Nations University (UNU), and the International Fund for Agricultural Development (IFAD)

- Rio's nine Major Groups   Such as local governments and youth (see Table 3.3 for additional details)

- Independent individuals   Such as educators, senior citizens, or nearby residents and communities, celebrities, and retired public officials

WHO IS A STAKEHOLDER

PARIS CLIMATE AGREEMENT IS A HYBRID PROCESS

- On policy matters – looks like a multilateral agreement
- On implementation matters – looks like a multistakeholder project

- No formal bridge between these two structures
  - intergovernmental bodies do not review multistakeholder projects
  - Multistakeholder groups 'amend' intergovernmental decisions and speak at intergovernmental bodies

- Each side asserts to its community that it is the leader
- Each side recognize that it needS the other group of global governors

THE MULTILATERAL SIDE OF PARIS HYBRID PROCESS

- Governments
  - Negotiate texts
  - Adopt a voluntary approach
  - Announce National Declared Commitments
  - Create multiple intergovernmental bodies and a secretariat
  - Carrot and Stick
    - Trust fund(s) – limited
    - Sanction ability – very limited
  - Seek to create alliances with each other external to UNFCCC process

- All other actors
  - Seek to influence (positively or negatively) the Government text
  - Seek to influence the public perception of the issue
  - Seeks to create alliances for their organization to participate in multistakeholder implementation

THREE EXAMPLES
OF THE MULTISTAKEHOLDER IMPLEMENTATION PART AND OF DISCONNECT BETWEEN CLIMATE MULTILATERALISM AND CLIMATE MULTISTAKEHOLDER GOVERNANCE

- SE4ALL – Sustainable Energy for All

- REEP - Renewable Energy and Energy Efficiency Partnership

- Task Force On Climate Related Financial Disclosures

- Sustainable Energy For All (sE4ALL) term of reference
- is working towards three ambitious objectives by 2030:
  - • ensuring universal access to modern energy services
  - • doubling the share of renewable energy in the global energy mix
  - • doubling the global rate of improvement in energy efficiency

- History
  - Started under the UN SG' s office without an intergovernmental debate or resolution in the GA or UNFCCC
  - Created its goals before the SDGs were adopted
  - Publishes reports of impact on energy finance without any agreed definition of financial flows

SE4ALL

- **SE4ALL** is working towards three ambitious objectives by 2030:
- • ensuring universal access to modern energy services
- • doubling the share of renewable energy in the global energy mix
- • doubling the global rate of improvement in energy efficiency

- **Sustainable Development Goal 7** calls for "affordable, reliable, sustainable and modern energy for all."

- **WHAT WAS DROPPED ? – THE FIRST CRUCIAL WORD**

  - **7.1** By 2030, ensure universal access to affordable, reliable and modern energy services
  - **7.2** By 2030, increase substantially the share of renewable energy in the global energy mix
  - **7.3** By 2030, double the global rate of improvement in energy efficiency

SE4ALL

Democratic Governance Issues

▶ Multistakeholderism can re-define intergovernmental goals while still asserting they are implementing an intergovernmental statement. However no intergovernmental body can correct this autonomous action

▶ When the some government**S** in the General Assembly wanted to be involved in the oversight of SE4ALL , it became an independent organization

SE4ALL

- REEEP is helping achieve the change in renewable energy.

- By using a private finance mechanism https://www.reeep.org/news/private-financing-advisory-network-relaunched-under-reeep-and-unido-hosting

- **And using an autonomous entity**

REEP
RENEWABLE ENERGY AND ENERGY EFFICIENCY PARTNERSHIP

Who Is in the Governing Body

- General Electric , Austrian Federal Ministry for Sustainability and Tourism, Senior Environmental Advisor, First Energy Asia, The Energy and Resources Institute (TERI), UNIDO, European Commission- Directorate Research and Innovation, Baker and McKenzie, GEI China

REEP
RENEWABLE ENERGY AND ENERGY EFFICIENCY PARTNERSHIP

- "REEEP's legal status [like that of se4all] under Austrian law is that of Quasi-International Organization (QuIO), a category of international organization introduced in 2015 to accommodate international organizations with multi-stakeholder institutional structures similar to those of inter-governmental organizations."

REEP
RENEWABLE ENERGY AND ENERGY EFFICIENCY PARTNERSHIP

Democratic Governance Issues

- A potential funding source for global change management but REEP Is managed outside UNFCCC or COP process

- A governing board that has little claim to democratic selection

- Reports also do not follow any agreed definitions or measurements of financial flows or investments

REEP
RENEWABLE ENERGY AND ENERGY EFFICIENCY PARTNERSHIP

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES

- The TCFD's term of reference

- "seeks to develop recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient, and provide decision-useful information to lenders, insurers, and investors."

Who makes these global decisions ?

- Chair : Michael Bloomberg

- Four Vice-Chairs : one from the banking community, one from a stock exchange, one manufacturing firm, one from the insurance world

- Stakeholders :

  - Data Users – 16

    - BNP Paribas Asset Management; JP Morgan Chase & Co, UBS Asset Management; Generation Investment Management; BlackRock; Canada Pension Plan Investment Board; PGGM, Industrial and Commercial Bank of China; Principles for Responsible Investment; Barclays; Aviva Investors; Swiss Re

  - Data Preparers – 8

  - Others – 6

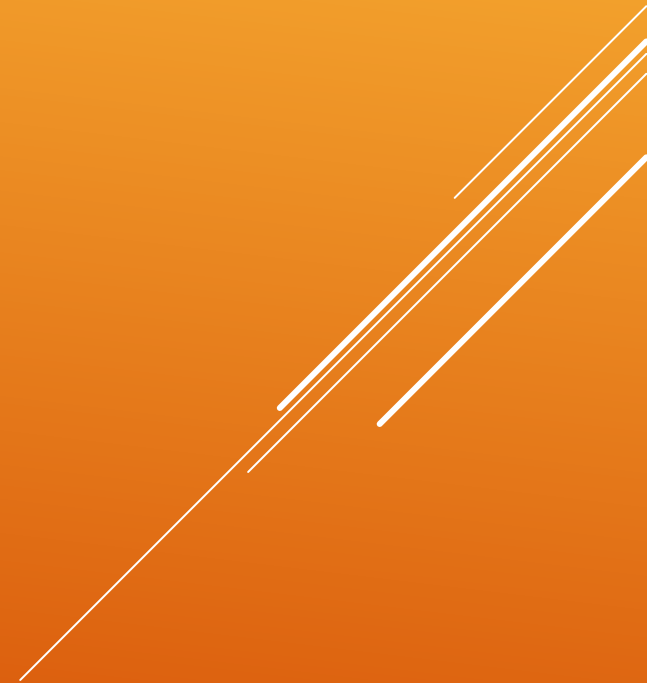# TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES

Democratic Governance Issues

Who doesn't make these global decisions ?

- National Government Officials
- UNFCCC COP
- Customers of banking, insurance, and investment services
- Economic experts with International Panel on Climate Change
- Communities likely to be affected by climate change
- Civil society organizations focused on climate change and/or development
- You and I

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES

- SE4ALL
  - Re-definition of intergovernmental agreed goals
  - Distancing for multilateral oversight
- REEP
  - The self-definition of 'stakeholders
  - Distancing for multilateral oversight
  -
- Task Force for Climate-Related Finance
  - The centrality of the convener
  - The self-definition of 'stakeholders'
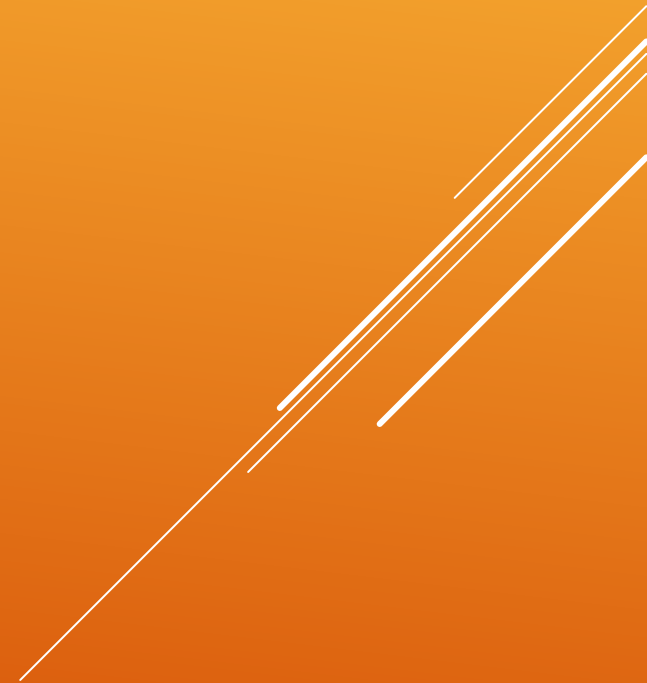 - The voluntary nature of global governance

DEMOCRATIC GOVERNANCE CHALLENGES

APPROACH PRESENTED HERE IS

FROM MY NEW BOOK –

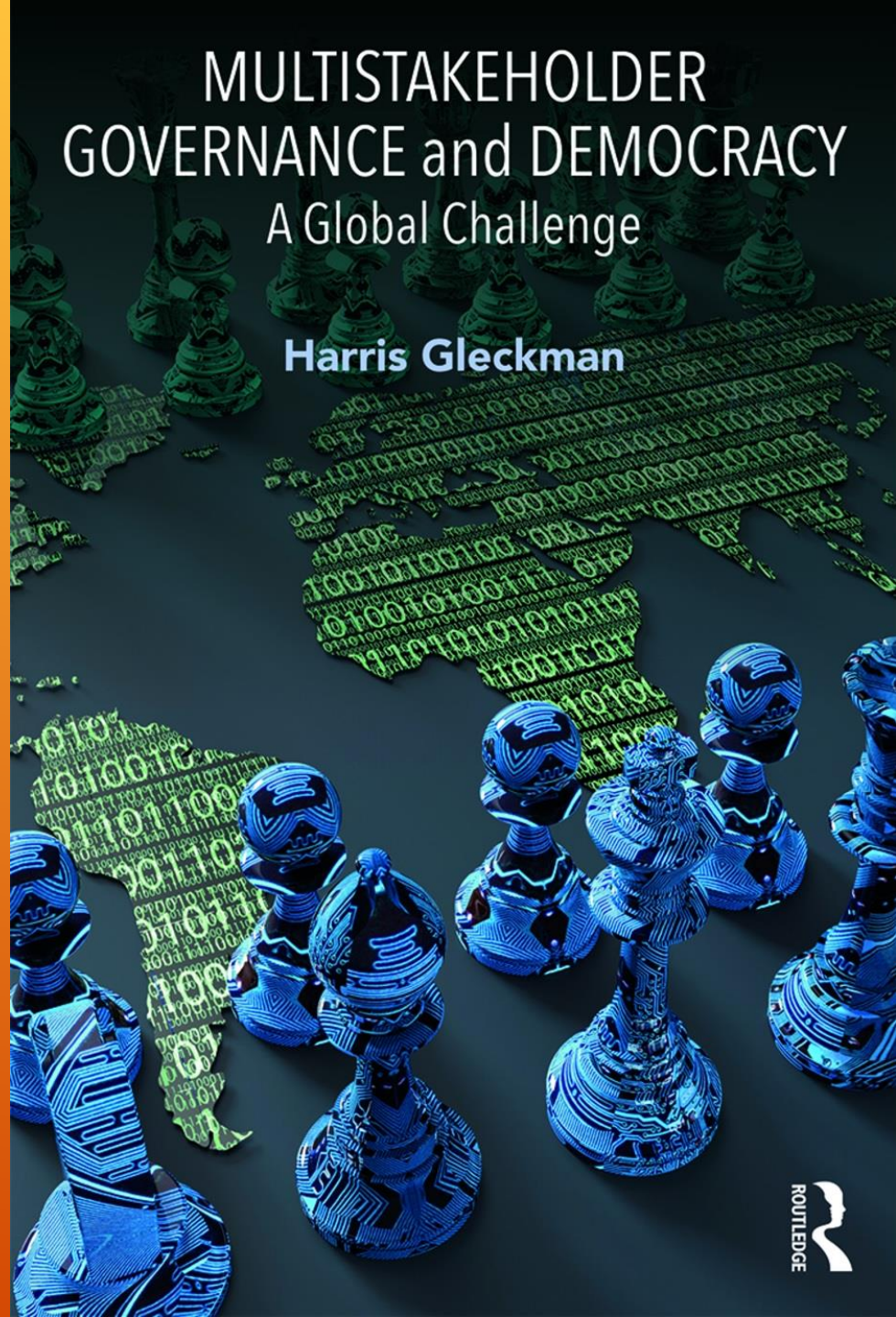Multistakholder Governance and Democracy – A Global Challenge

(see next slide)

OTHER DEMOCRATIC GOVERNANCE CHALLENGES AND
DISCONNECTIONS BETWEEN MULTISTAKHOLDERISM AND ACCOUNTABILITY

▸ Membership – called 'representatives' but actually 'designees'

▸ Gatekeeper function - the convener

▸ Conflict of interest practice - ambiguous

▸ Politically weaker members of society – largely excluded

▸ Appeals or judicial system – non existent

CLIMATE POLICY OPTION #1 ACCOUNTABILITY

AS A COMPLEMENT TO DEFINING THE RULE BOOK FOR GOVERNMENTS AND THE MULTILATERAL PROCESS

DEFINE THE RULES FOR MULTISTAKEHOLDER GOVERNANCE BODIES TO USE WHEN THEY REPORT TO GOVERNMENTS AND THE PUBLIC ON CLIMATE FINANCIAL FLOWS

KEY ELEMENT – HOW TO MEASURE AND AGGREGATE CLIMATE-RELATED FINANCIAL FLOW

- Such as
    - inveStment flowS
    - debt agreementS
    - philanthropic contribution
    - technology licenSing agreementS
    - provision of contractS for management ServiceClimate-re

CLIMATE POLICY OPTION #2 ACCOUNTABILITY

CREATE A UNFCCC PLATFORM TO ALLOW ALL

WHO FEEL EXCLUDED FROM A MULTISTAKEHOLDER GROUP THAT IS ACTIVE IN THEIR COMMUNITY OR ECONOMIC SECTOR

OR

WHO FEEL HARMED BY THE ACTIONS OF A MULTISTAKEHOLDER GROUP

TO PRESENT THEIR VIEWS TO GOVERNMENTS AND THE PUBLIC

MULTISTAKEHOLDER CLIMATE GOVERNANCE

IN CONCLUION THE DETAILED ANSWER TO THE OPENNING QUESTIONS ARE IN THE SLIDE ABOVE.

THE SHORT ANSWER IS

Does it work ? We will never know

Is it be democratic ? No

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