

**Climate Change Strategy and Negotiations**  
**(MNGT-E2003, 3 or 6 cr)**  
**SYLLABUS**  
**(Updated February 17<sup>th</sup>, 2022)**



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***“Unless business schools address climate change, there won’t be a world for our students to lead.”***

Lars Moratis and Frans Melissen, Chairs in Management Education for Sustainability, Antwerp Management School, Breda University of Applied Sciences, [AACSB International](https://www.aacsb.edu/), Jan 11<sup>th</sup>, 2022

Instructors' contact information	Course Information
Responsible teacher for Part 1: PhD Sanna-Liisa Sihto-Nissilä E-mail: <a href="mailto:sanna-liisa.sihto-nissila@aalto.fi">sanna-liisa.sihto-nissila@aalto.fi</a>	Status of the course: Elective Academic Year: 2021-2022, Period IV (Track A and B), Period V (Track B) Location: T004 (BIZ building, Ekonominaukio 1) except April 27 <sup>th</sup> Q101 (Väre building, Track B only)
Responsible teacher for Part 2 (negotiations roleplay): PhD Inês Peixoto E-mail: <a href="mailto:ines.peixoto@aalto.fi">ines.peixoto@aalto.fi</a>	Lecture times: Period IV (Track A and B): Wed at 14:15-18. First lecture on March 2 <sup>nd</sup> . Period V (Track B): Wed at 13:15-17 with changes as indicated and the role play (May 12 <sup>th</sup> evening – May 15 <sup>th</sup> in Warsaw unless otherwise indicated)
Teaching Assistant: Emilia Eräpolku E-mail: <a href="mailto:emilia.erapolku@aalto.fi">emilia.erapolku@aalto.fi</a>	Language of Instruction: English
Responsible professor: Tiina Ritvala E-mail: <a href="mailto:tiina.ritvala@aalto.fi">tiina.ritvala@aalto.fi</a>	Course Website: <a href="https://mycourses.aalto.fi/course/view.php?id=33729">https://mycourses.aalto.fi/course/view.php?id=33729</a>

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## 1. LEARNING OUTCOMES

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Climate change is an urgent global challenge, receiving increasing attention from politicians, advocacy groups, media and the general public. The corporate sector impacts climate change and is influenced by it. As contributors to greenhouse gas emissions corporations have responsibility for the problem and are asked to find solutions. As users of natural resources, businesses will face greater uncertainties and resource scarcities. Given these interconnections, corporations create proactive climate strategies and seek to shape public policy and public opinion. This course intends to familiarize students as tomorrow's leaders with some key elements of climate change – the science, the evolving policy, the role of business, and the climate change negotiations.

At the end of the course, the student is able to:

- understand the basics of climate change.
- understand the negotiation process under the United Nations Framework Convention on Climate Change (UNFCCC).
- describe and explain the roles and diverging interests of parties involved in global climate policy negotiations, including governments, industry associations, global companies, and non-governmental organizations (NGOs).
- comprehend some key dynamics in cross-sector negotiations.
- recognize some tools for assessing the impact of climate change on firms, consumers and financial markets.
- recognize how corporate strategies and public policies are interlinked.
- formulate a negotiation strategy for climate change negotiations (students in Track B).
- apply negotiation skills and develop consensus solutions in an international negotiation setting (students in Track B).

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## 2. CONTENT

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The course content is organized in two parts (3+3 ECTS).

### **Part 1 (Track A and B)**

The first part is common for all students, and it has two modules. **Module 1** comprises of three classes (3,5 hours each) and it gives an extensive introduction to the topic of climate change and climate policy. **Module 2** comprises of two classes on the role of business in climate change, including guest speakers from industry. Part 1 ends with an exam, which both tests the basic knowledge of climate change and the UNFCCC and includes brief reflective questions on the risks and opportunities of climate change for business.

### **Part 2 (Track B)**

**Module 3** comprises of formal classes plus separately agreed feedback sessions with the teacher. The classes include student presentations and a negotiation skills training, which prepares students for the role-play. Students will gain insights into negotiation theory and acquire skills that enable them to look beyond positions to the underlying interest of a party. Finally, **Module 4** consists of a two-day simulation in Warsaw with all ten participating universities. Midterm, before the end of Module 2, roles for the negotiation simulation are assigned to all students. In line with the

innovative three-sector approach of this course, each student will either represent a government delegate, a non-governmental organization or a lobbyist from industry. This approach aims to provide an understanding not only of the intergovernmental debate on climate change issues, but also of the way civil society and business interests influence these discussions. Each student has an individual role and is also a part of a small team or delegation. Most delegations include multiple representatives of one country or group of countries.

Based on the assigned roles, students are to prepare a background presentation and a position paper regarding the country/organization that they are to represent. The position paper asks each team to prepare their negotiation positions and think through the dynamics of a multilateral negotiation by preparing conditional fallback options. The main issues to be negotiated are: 1. Mitigation and compliance, i.e. measures to reduce carbon emissions, 2. Market mechanisms 3. Adaptation and financing and 4. Loss & Damage and climate refugees. During the final simulation, government representatives' task is to reach agreement on these "agenda items" in four different working groups. In line with international law, representatives of NGOs and lobbyists from industry do not have the right to vote but try to influence the outcome by delivering statements and extraordinary actions. The working groups are headed by Chairs, who are instructed to lead the negotiations during the simulation. Instead of writing a position paper, Working Group Chairs prepare the negotiations by synthesizing the positions of the other parties.

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### 3. COURSE BACKGROUND

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Since 2009, the course has been simultaneously offered at the University of St. Gallen, ESADE Barcelona and other leading European business schools through CEMS Master in International Management. Participating schools are University of St. Gallen, ESADE Barcelona, Bocconi Milano, University of Cologne, Warsaw School of Economics, Corvinus University Budapest, SSE Stockholm, Rotterdam School of Management, Aalto University, NHH Norwegian School of Economics.

The number of students accepted in Track B with the negotiations simulation role play is limited to 20. Priority is given to CEMS students (priority group 1) and students of the Master's Programme in Creative Sustainability (priority group 2). The students wishing to participate in Track B must submit a brief motivation letter as instructed on the MyCourses page to [ines.peixoto@aalto.fi](mailto:ines.peixoto@aalto.fi) (CEMS students can register without the motivation letter to Inês).

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### 4. ATTENDANCE REQUIREMENT

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Please note that the learning in this course is mainly based on lectures and the climate negotiations role play (Track B), and therefore, participation in the lectures is obligatory.

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### 5. ASSESSMENT AND GRADING

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The assessment of this course is based on the following:

#### Track A

- Active participation (20%), including contribution to in-class discussions and pre-assignments (pass/fail)

- Learning diary of lectures (30%)
- Exam (50%)

**Track B**

- Track A grade (50%)
- Group background presentation (20%, team grade), DL for the presentation slides April 19<sup>th</sup> at 23:59 in MyCourses
- Group position paper (20%, team grade), DL May 2<sup>nd</sup>
- Individual reflection paper of negotiations (10%). The paper will be due around two weeks after the negotiations simulation.

Two bonus points will be granted for responding to the course feedback survey (Track A and B). Final grades will be on a scale from 0-5.

<b>Grade</b>	<b>Overall percentage</b>
<b>0</b>	<50%
<b>1</b>	50%-59.99%
<b>2</b>	60%-69.99%
<b>3</b>	70%-79.99%
<b>4</b>	80%-89.99%
<b>5</b>	>90%

## 6. SCHEDULE

#	Date & time	TOPIC & INVITED GUEST SPEAKERS IN PART 1. (TRACK A AND B)
<b>MODULE 1: INTRODUCTION CLIMATE CHANGE AND CLIMATE POLICY</b>		
<b>1</b>	Wed 2.3. 14:15 – 17:00 T004	<b>Fundamentals of Climate Change</b> , Dr. Sanna-Liisa Sihto-Nissilä 1.1. Introduction to the course and course participants 1.2. The science of climate change and its impacts
<b>2</b>	Wed 9.3. 14:15 – 18:00 T004	<b>Climate Policy and the UNFCCC</b> 2.1 UNFCCC and the Paris Agreement, Kati Kulovesi, Professor of International Law 2.2 How WWF fights climate change?, Mr. Bernt Nordman, Climate Policy Officer, WWF Finland
<b>3</b>	Wed 16.3. 14:15 – 17:00 T004	<b>Mitigating and Adapting to Climate Change</b> , Tiina Ritvala, Associate Professor of International Business 3.1 The basics of climate economics, adaption and mitigation 3.2 Energy transition and coastal energy hubs
<b>MODULE 2: BUSINESS AND CLIMATE CHANGE</b>		
<b>4</b>	Wed 23.3. 14:15-18:00 T004	<b>Doing Business in Changing Climate</b> 4.1 Market Opportunities for Low-Carbon Innovation in the Dynamic Policy Context, Mr. Jouni Keronen, CEO, Climate Leadership Coalition (via Zoom)
<b>5</b>	Wed 30.3. 14:15 – 18:00 T004	<b>Technology&amp;Business landscape and NGOs in Changing Climate</b> 5.1 Technologies and Innovation in Climate Change Mitigation, Mr. Esko Aho, Executive in Residence, Aalto University 5.2 Corporate approaches to climate change: Decision support for Reaching Net-Zero, Mr. Jussi Nokkala, Director, Sustainability & Climate change leader, PwC Finland
<b>6</b>	Wed 6.4. 14:15 – 17:00 T004	<b>Exam</b> 6.1. Exam 6.2 Handing out negotiations roles and assignments (Track B only)

#	Date & time	<b>PART 2. (TRACK B ONLY)</b>
<b>MODULE 3: PREPARATION FOR THE CLIMATE NEGOTIATIONS</b>		
7	Wed. 20.4 13:15 – 17:00	<b>Introduction to the roleplay and student presentations</b> (Background of Parties)
8	Wed 27.4. 13:15 – 17:00	<b>Introduction to negotiations theory</b> (TBC)
9	Wed 4.5. 13:15 – 17:00	<b>Negotiation Skills Training</b> 10.1 Negotiation principles 10.2 Interests of the UNFCCC Parties 10.3 Multilateral Negotiation Exercise <b>Bilateral Feedback on Position Papers &amp; Confidential Instructions</b>
10	Wed. 11.5. 13:15 – 17:00	<b>TBA</b>
<b>MODULE 4: CLIMATE NEGOTIATIONS SIMULATION WITH ALL PARTICIPATING UNIVERSITIES, MAY 12 (EVENING) - MAY 15, 2021 IN WARSAW (schedule TBA)</b>		

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## 7. COURSE READINGS (SUBJECT TO ADDITIONS)

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1. IPCC Sixth Assessment Report. Climate Change 2021: The Physical Science Basis. Summary for Policymakers  
[https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC\\_AR6\\_WGI\\_SPM\\_final.pdf](https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_SPM_final.pdf)
2. Stern Report on the Economics of Climate Change: Executive summary:  
[http://news.bbc.co.uk/2/shared/bsp/hi/pdfs/30\\_10\\_06\\_exec\\_sum.pdf](http://news.bbc.co.uk/2/shared/bsp/hi/pdfs/30_10_06_exec_sum.pdf)
3. Nicholas Stern - on the economics of climate change in the age of COVID-19, Planet A - Talks on climate change with Dan Jørgensen, August 06, 2020, 37 min.  
<https://www.buzzsprout.com/1196159/4876358-nicholas-stern-on-the-economics-of-climate-change-in-the-age-of-covid-19>

**In addition, references given for individual sessions.**

**Please note that the most important material are class presentations and personal notes.**

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## 8. COURSE WORKLOAD

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Track A: Contact teaching including the exam 20h, independent work 60h, Total 80h

Track B: Contact teaching, including the exam 32h, role play (climate negotiations simulation) 18h, independent work 110h, Total 160h

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## 9. ETHICAL RULES AND READINGS

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Aalto University Code of Academic Integrity and Handling Thereof:

<https://into.aalto.fi/display/ensaannot/Aalto+University+Code+of+Academic+Integrity+and+Handling+Violations+Thereof>

Updates to the syllabus, session details, supplemental information, class announcements, and assignment guidelines can be found on the Mycourses site.