

Climate Change Strategy and Negotiations

(MNGT-E2003, 3 or 6 cr)

SYLLABUS



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“Climate change represents the greatest and widest-ranging market failure ever seen.”
– Sir Nicholas Stern, ‘The Stern Review’, October 2006

Instructors' contact information	Course Information
Responsible teacher: Tiina Ritvala E-mail: tiina.ritvala@aalto.fi https://people.aalto.fi/tiina_ritvala Teaching assistant: Emilia Eräpolku E-mail: emilia.erapolku@aalto.fi	Status of the course: Elective Academic Year: 2020-2021, Period IV (Track A and B), Period V (Track B) Location: Online course. The Zoom link will be sent to the registered student's email address a few days before the first class. Lecture times: Period IV (Track A and B): WED at 14:15-18:00 Period V (Track B): WED at 13:15-17 with changes as indicated and the role play (THU May 13 evening – SAT May 15 afternoon) Language of Instruction: English Course Website: https://mycourses.aalto.fi/course/view.php?id=29584

1. LEARNING OUTCOMES

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).

2. CONTENT

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. Experts of climate science and climate policy join the sessions. **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. The exam is organized in a remote form.

Part 2 (Track B)

Module 3 comprises of two 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 'Zoom-City' 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 nongovernmental 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.

3. COURSE BACKGROUND

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). Students wishing to participate in Track B must submit a motivation letter and CV as instructed on the MyCourses page. No costs are incurred for students in participating in the remote role play.

4. ATTENDANCE REQUIREMENT

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. Reserve a quiet, comfortable place to be for the duration of the course and engage in the sessions with your camera on. Time will be reserved at the end of classes for Q&A in the form of "Meet the teacher(s) session".

5.ASSESSMENT AND GRADING

The assessment of this course is based on the following:

Track A

- Active participation (20%)
- Exam (80%)

Track B

- Track A (50%)
- Group background presentation (20%, team grade)
- Group position paper (20%, team grade)
- Individual reflection paper of negotiations (10%). The paper will be due around three weeks after the negotiations simulation.

Active Participation

Your participation grade is influenced by the quality of returned pre-class reflection papers and active engagement in the sessions. Please check the readings and pre-assignment under respective sessions on MyCourses. We strongly encourage you submit the written reflections (Sessions 1-3).

In addition, two bonus points will be granted for responding to the course feedback survey (after Part 1/ Track A).

Final grades will be on a scale from 0-5.

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

6. SCHEDULE

#	Date & time (Zoom)	PART 1. (TRACK A AND B)
MODULE 1: INTRODUCTION TO CLIMATE CHANGE AND CLIMATE POLICY		
1	Wed 3.3. 14:15 – 18:00	Fundamentals of Climate Change 1.1 Background and course overview 1.2 The science of climate change and its impacts, Dr. Sanna-Liisa Sihto-Nissilä , Post-doc researcher, Aalto University, School of Science 1.3 Climate economics
2	Wed 10.3. 14:15 – 18:00	Climate Policy and the UNFCCC 2.1 UNFCCC and the Paris Agreement, Dr. Kati Kulovesi , Professor of International Law, University of Eastern Finland 2.2 UN Climate Negotiations, Ms. Outi Honkatukia , Chief Negotiator for Climate Change, Ministry of the Environment, Finland
3	Wed 17.3. 14:15 – 18:00	Options for Climate Change Mitigation and Adaptation 3.1 Socio-economic implications of climate change 3.2 Energy transition and transition risk
MODULE 2: BUSINESS AND CLIMATE CHANGE		
4	Wed 24.3. 14:15 – 18:00	4.1 Technologies and Innovation in Climate Change Mitigation, Mr. Esko Aho , Executive in Residence, Aalto University 4.2 How WWF fights climate change? (title tba), Mr. Bernt Nordman , Climate Policy Officer, WWF Finland
5	Wed 31.3. 14:15 – 15:15 (Track B) 15:30-18:00 (Track A&B)	Doing Business in Changing Climate (2/2) 5.1 Handing out negotiation roles and assignments (Track B only) 5.2. Climate change - a whip and carrot for businesses, Mr. Jouni Keronen , CEO, Climate Leadership Coalition
6	Wed 14.4. 14:15 – 18:00	Conclusion for Part 1. and Exam (on-line)

Please check the readings and pre-assignment under respective sessions on MyCourses.

#	Date & time (Zoom)	PART 2. (TRACK B ONLY)
MODULE 3: PREPARATION OF THE NEGOTIATION SESSION		
7	Wed 21.4	Student Presentations (Background of Parties) How to survive the role play? Prof. Örjan Sjöberg, Stockholm School of Economics
week	No formal session	DL for position papers Mon. 26th 23:59 pm Bilateral Feedback on Position Papers & Confidential Instructions (separately booked sessions on 30.4.)
9	No formal session	DL for downloading the position papers is May 6 23:59 pm (CET)
10	Wed 12.5. 13:15 –	Negotiation Skills Training (tbc)
MODULE 4: CLIMATE NEGOTIATIONS SIMULATION WITH ALL PARTICIPATING UNIVERSITIES, MAY 13 (EVENING) - MAY 15, 2021 IN ‘ZOOM CITY’ (schedule tbc)		

7. COURSE READINGS (Additional Resources through MyCourses)

1. IPCC Fifth Assessment Report. Synthesis Report 2014.
www.ipcc.ch
https://www.ipcc.ch/site/assets/uploads/2018/02/SYR_AR5_FINAL_full.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
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-climatechange-in-the-age-of-covid-19>
4. Paris Agreement. https://unfccc.int/sites/default/files/english_paris_agreement.pdf
5. Christiana Figueres - on the past, present and future of the COP-negotiations, Planet A - Talks on climate change with Dan Jørgensen, September 17, 2020, 28 min.
<https://www.buzzsprout.com/1196159/5490076-christiana-figueres-on-the-past-present-and-futureof-the-cop-negotiations>
6. Patala, S., Juntunen, J.K., Lundan, S., & Ritvala, T. 2021. Multinational energy utilities in the energy transition: A configurational study of the drivers of FDI in renewables. *Journal of International Business Studies*. DOI:10.1057/s41267-020-00387-x

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

8. COURSE WORKLOAD

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

9. ETHICAL RULES AND READINGS

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.