



University of St. Gallen

ESADE



Bocconi



# CEMS Model UNFCCC

Climate Change Course and Simulation

Spring 2019

Supported by:



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# 1 Background

Climate change is one of today's most pressing issues. Businesses influence climate change, and are influenced by climate change. As emitter of greenhouse gases, the corporate sector bears some responsibility for the problem, and will be asked to find solutions. And as users of natural resources, corporations will face new uncertainties and scarcities as climate change occurs. Given these interconnections, many businesses are seeking to shape public policy and public opinion on climate change.

According to Sir Nicholas Stern, former chief economist of the World Bank, without action, the overall costs of climate change will be equivalent to losing 5-20% of global gross domestic product (GDP) each year, but one percent of global GDP per annum is required to be invested to avoid the worst effects of climate change. However, the business relevance of climate change is insufficiently understood by future decision makers in international management and society.

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

We believe that tomorrow's business leaders should be educated on the key elements of climate change – the science, the evolving policy, and role of business. They can become an essential part of the solution, but only if equipped with a sound understanding of the challenges at hand and the processes by which new policies are constructed.

The Climate Change Policy course and its Model UNFCCC form an innovative educational approach to closing this knowledge gap. Our goal is to broaden students' understanding of climate change, climate policy, and their impacts on the future of business.

The course modules deal with the core issues of climate change and include a wide range of effective didactic tools and exercises. The intended audience is Masters-level students of leading business schools worldwide. In terms of content, the students are given a deeper understanding of the background and consequences of climate change for business, and of corporate responses to it. Special emphasis is laid on international and national regulatory frameworks, and on emerging resource challenges and market opportunities.

Since 2009 the course has been simultaneously offered at the University of St.Gallen, ESADE Barcelona and other leading European business schools.

## 2 Course Outline

<b>Course Title:</b>	<b>Model UNFCCC - Climate Change Course and Simulation</b>
<b>Course of Action:</b>	A semester-long lecture series on the topic of climate change and climate policy at the Masters-level, followed by a unique two-day simulation of UN climate negotiations, where students from nine European universities play the roles of government, NGO and industry representatives
<b>Term:</b>	Every spring semester
<b>Course Type:</b>	CEMS Master in International Management ( <a href="http://www.cems.org">www.cems.org</a> )
<b>Students:</b>	About 140 Masters-level students of leading European business schools
<b>Participating Schools:</b>	1) University of St. Gallen 2) ESADE Barcelona 3) University of Cologne 4) Corvinus University Budapest 5) Rotterdam School of Management 6) WU Vienna 7) Bocconi Milano 8) Warsaw School of Economics 9) SSE Stockholm

“In comparison with all the courses I have taken since I started studying at university, I can clearly say that this was by far the best course I have ever taken part of. [...] This course gave me a clear hint on where my future career path should go.”

– Estelle Tanner, Student in 2011

## 3 Objectives

- **Global Challenge:** The students will gain an understanding of global policy approaches to tackle disruptive climate change under the United Nations Framework Convention on Climate Change (UNFCCC).
- **Interests of parties:** Students will learn about the diverging interests of parties involved in global climate policy negotiations, including governments, industry associations, global companies, and non-governmental organizations (NGOs).
- **Business strategy:** The students will learn about strategic tools for assessing the impact of climate change on firms, consumers and financial markets. This knowledge is essential for developing successful corporate strategies to hedge against climate risk and embrace low-carbon business opportunities.
- **Connections:** Participants will learn how corporate strategies and public policies are interlinked, both in terms of challenges and solutions.
- **Intercultural management:** Through face-to-face interaction with students from other countries, participants will learn how to develop consensus solutions, but will also experience the global dimension of the climate challenge.
- **Negotiation skills:** Students learn the basic principles of the mutual gains approach to negotiation, gain a better understanding of bilateral and multilateral negotiation dynamics, and practice their skills in the climate negotiations.

## 4 Teaching Concept

*“I must say that the event was exceptional in my educational career and was very professionally organized. This has been an event to remember.”*

– Balázs Hajnal, Student in 2015

### 4.1 Course of Action

The Curriculum at all universities coincides in the overall structure of four Modules, the schedule however can be different. The aim is to level the knowledge of all students before the final climate change negotiation simulation. Module 1 comprises at least three classes (4 hours each) and gives an extensive introduction to the topic of climate change and climate policy. In Module 2, the role of business in climate change is highlighted; guest speakers from industry are invited. Module 3 comprises one or two classes and prepares students for the role-play based on a negotiation skills training. Students 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 with all participating universities.

Midterm, preferably at 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 inter-governmental debate on climate change issues, but also of the way civil society and business interests influence these discussions.

As a further preparation for the role-play, an exam tests the basic knowledge of climate change and the UNFCCC after the second or third Module.

Each student has an individual role, and is also 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, i.e. measures to reduce carbon emissions.
2. Adaptation, which includes funding and technology transfer to developing countries.
3. Trading, such as the Sustainable Development Mechanism (SDM).

During the final simulation, government representatives' task is to reach agreement on these three "agenda items" in three 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 a total of six Chairs (two for each working group), 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.



## 4.2 Class Schedule, University of St. Gallen (2019)

<b>Module 1: Introduction to Climate Change and Climate Policy</b>	
<b>Class 1</b> Thu 14:15-18:00, 21.02.	<b>Fundamentals of Climate Change</b> 1.1 The science of climate change and its environmental impacts 1.2 Effects and consequences of climate change
<b>Class 2</b> Tue 14:15-18:00; 12.03.	<b>Climate Policy and the UNFCCC</b> 2.1 History and Context of the UNFCCC 2.2 Description of the UNFCCC, Kyoto Protocol and its flexible mechanisms 2.3 Guest Speaker - Switzerland's role in the UNFCCC (tbc).
<b>Class 3</b> Tue 08:15-12:00; 19.03.	<b>Options for Climate Change Mitigation and Adaptation</b> 3.1 Socio-economic implications of climate change 3.2 Putting adaptation and mitigation into perspective
<b>Module 2: Business and Climate Change</b>	
<b>Class 4</b> Thu 14:15-18:00; 28.03. (Handing out Assignments)	<b>The Role of Business in Global Climate Policy</b> 4.1 Corporate Strategy in a Carbon-Constrained World
<b>Class 5</b> Tue 14:15-18:00; 16.04. Deadline Bckgr. Pres.: 17.04.19, 23:59	<b>Doing Business in a Changing Climate</b> 5.1 Exam 5.2 Market Opportunities for Low-Carbon Innovation (Guest Speaker tbd)
<b>Module 3: Preparation of the Negotiation Session</b>	
<b>Class 6</b> Thu 14:15-18:00; 18.04. Deadline Position Papers: 1.05.19, 23:59	<b>Student Presentations</b> (Background of Parties)
<b>Class 7</b> Thu 14:15-18:00; IWOE 02.05.	<b>Bilateral Feedback on Position Papers</b> & Confidential Instructions (For Working Group Chairs only: 07.05., 13:30-14:00*)
<b>Class 8</b> Tue 14:15-18:00; 07.05.	<b>Negotiation Skills Training</b> (by Pascal Vuichard) 5.1 Negotiation principles 5.3 Interests of the UNFCCC Parties 5.4 Multilateral Negotiation Exercise
<b>Module 4: Interactive Session with all participating universities</b>	
<b>Negotiations</b> 10.-12.05.18	<b>CEMS Model UNFCCC (at University of Cologne)</b> Deadline Reflection Papers: 31.05.

\*tbc.

### 4.3 Teaching Methods

- Lectures
- Guest Lectures of speakers from government, industries and civil society
- Team Exercises
- Role Play

“It was astonishing to see how emotions, including mine, intermingled with strategic thinking and how all of us not only “played“, but also “lived” that game.”

– Marisa Güntlisberger, Student in 2010

### 4.4 Grading

At HSG, the final grades will consist of:

- 1) Active participation (20%, individual grade)
- 2) Individual Exam (20%, ind.)
- 3) Group background presentation (20%, team grade)
- 4) Group position paper (20%, team grade)
- 5) Individual reflection paper (20%, ind.)

## 5 Organization

### 5.1 Course Coordination among CEMS Model UNFCCC Universities

This seminar is unique in its approach and we are aiming towards a highly attractive seminar for participating students, sponsors and faculty. To maximize each student’s benefit as well as leverage the expertise of involved faculty, teaching and background material will be shared among participating universities. The teaching concept of the seminar (incl. student assignments for position and background paper) is coordinated by the University of St. Gallen, regular conference calls of involved faculty ensure smooth coordination across participating schools.

*“I still believe that international negotiations among countries are needed. [...] However, having seen how difficult it is, I now believe that the business community must be more proactive and cannot rely only on political decisions”*

– Filip Goldmann, Student in 2010

## 5.2 Logistics and Travel Grants for Students

Students have to bear the costs of accommodation. Food and beverages will be partly provided for by the host university. Students are responsible for covering their own travel costs, but partial travel grants will be available to support low-carbon train travel.<sup>1</sup>



Cologne Cathedral and River Rhine  
(Source: www.express.de)

## 6 Contact

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<sup>1</sup> Travelling by train can reduce carbon dioxide emissions by 80 to 95% compared to flying, depending on the electricity mix (Source: DB Environmental Mobility Check, [www.bahn.de](http://www.bahn.de))