One step towards a Global Climate Action

A study about the UNFCCC's inclusion of multinational corporations based upon an orchestration mode of governance

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Abstract

The United Nations Framework Convention on Climate Change (UNFCCC) has started to address non-Party members, perceived as a bottom-up approach and an orchestration mode of governance, with the goal to ensure a global sustainable development. One powerful actor who has contributed to this ambition by establishing their own guidelines and collaborations are multinational corporations (MNCs). Within this perspective, this thesis aims to investigate how the UNFCCC is able to use MNCs as intermediaries, in order to create more climate action amongst its member states.

It is discovered that MNCs can affect states by either taking over the state's authority or complement their lack of actions. Together with the recognition that an entrepreneur mode of governance could occur, if MNCs will be granted too much power. It might also be crucial for the UNFCCC to be cautious regarding who to support, considering risks of greenwashing or insufficient environmental initiatives. But also with respect to the danger of states and MNCs undermining each other. What is more, MNCs might face a range of difficulties operating in this field whereby many still consider their actions as highly suspicious. Consequently, the request for more transparency has risen, in which the UNFCCC plays an important part.

This thesis concludes that the UNFCCC has the possibility to conduct a prosperous and long-term orchestration mode of governance, with MNCs as intermediaries, based upon a mutual exchange where everyone included are being viewed as winners. In parallel the UNFCCC has the possibility to conduct both a bottom-up and top-down mode of governance, restore its damaged legitimacy, contribute to more ambitious actions amongst its Party-members and continue to be the central actor within the field of climate change.

Keywords: Orchestration, Multinational Corporations, UNFCCC, Climate Governance

List of abbreviations

ASEAN	Association of Southeast Asian Nations
ASGM	Artisanal and small-scale gold mining
BCS	Bayer Crop Science
BIDs	Business improvement districts
CDM	Clean Development Mechanisms
CSP	Clean Shipping Project
COP	Conference of the parties
CSR	Corporate Social Responsibility
ETS	Emissions Trading Scheme
EU	European Union
FAA	Federal Aviation Administration
FCP	Food Chain Partnership
FFF	Farming for the Future
FSA	Firm's specific advantages
FSC	Forest Stewardship Council
GCA	Global Climate Action
GHG	Greenhouse Gas Emissions
IATA	International Air Transport Association
ICLEI	International Council for Local Environmental Initiatives
IGOs	Intergovernmental Organizations

ICLEI	International Council for Local Environmental Initiatives
LPAA	Lima-Paris Action Agenda
MNCs	Multinational Corporations
NAZCA	Non-state Actor Zone for Climate Action
NDCs	Nationally Determined Contributions
NGOs	Non-governmental organizations
OECD	Organization for Economic Co-Operation
OHCHR	Office of the High Commissioner for Human Rights
PPP	Public-private partnership
PSS	Private standard setting
SOL	Sustainable Organization Library
UN	United Nations
UNFCCC	United Nation Framework Convention on Climate Change
WWF	World Wildlife Fund

Content

1. Introduction

Many would not have questioned the United Nations Framework Convention on Climate Change's (UNFCCC) centrality before the early 2000s (Streck et al. 2016; van Asselt & Zelli 2014), but due to lack of leadership, widespread trust and disappointments amongst non-state actors and the major negotiation gridlock (Holland 2014; Streck et al. 2016; Falkner 2016; Green 2013), much attention has been drawn to commitments outside the UNFCCC (Streck et al. 2016; van Asselt & Zelli 2014; Bäckstrand et al. 2017; Kuyper et al. 2018; Bulkeley 2016; Auld et al. 2015; Hale & Roger 2014; Biermann & Gupta 2011; Kalfagianni & Pattberg 2013; Chan et al. 2015; Andonova et al. 2017; Roberts 2011; Moncel & van Asselt 2012). As a response to the many years of struggle the UNFCCC has realized its own limitations and the need to change (Falkner 2016), turning away from the establishment of binding protocols to an intergovernmental organization (IGO) that supports and embraces everyone whom want to contribute to the fight against climate change (Dryzek 2017). This new approach is referred to as Global Climate Action (GCA), whereat the UNFCCC's goal of governance is not any longer to prevent or 'fix' the climate change. But to succeed with a global transition into a low carbon economy and ensure a sustainable development, whereupon long-term transformations together with collective actions and more ambitious policies, are crucial for the UNFCCC's (and the Paris Agreements) future success (Falkner 2016).

It is commonly known that IGOs are assigned with major transnational challenges. Yet, they are usually strictly constrained by limited resources and oversight of their members, what often results in a lack of performance with regard to their given purpose (Abbott et al. 2012; Abbott & Hale; Tallberg 2015). In order to overcome identified gap, and adapt to their current environment, a few IGOs have taken on a complementary measurement defined as *orchestration*, where an IGO recruits intermediary actors who pursuit the IGO's goal of governance (Abbott et al. 2012; Dai 2015). The framework is a newly mounted term (Hurmelinna-Laukkanen et al. 2012; Schleifer 2013), identified as the opposite of the traditional and hierarchical mode of governance and displayed as indirect and 'soft'. It furthermore represents a form of "reversed IGOs-state relation" where the IGO are able to guide the behaviour of its targets. Thus, the IGO is capable to not only act upon the requests of its members, but also on an independent basic with its members as its main objective (Abbott et al. 2012).

With this said, the orchestrator can conduct both an orchestration strategy and its usual monitoring strategy at the same time (Dai 2015).

Following Bäckstrand and Kuyper (2017), the UNFCCC became the central orchestrator within global climate governance by the implementation of the Paris Agreement, many years of work and several calls for a more assertive UNFCCC (Gordon & Johnson 2017; Bäckstrand et al. 2010; Stripple 2010; Chan et al. 2015; Green 2013). As a result, the UNFCCC has gained a more independent role, combining both a bottom-up and top-down approach (Falkner 2016; Bäckstrand et al. 2017; Andonova et al. 2017; Kuyper et al. 2018), whereupon many expect that this new mode of government will result in a more legitimate and effective policy (Bäckstrand et al. 2010). It could also be viewed as a response towards concerns regarding the traditional top-down governance capacity to deliver an agreement addressing the climate change, which moreover have awakened discussions about non-state actor's governance possibilities (Gordon & Johnson 2017; Ruggie 2014; Bulkeley 2016).

The integration of non-state actors can function as an important supplement when states are struggling to come to a settlement (Bäckstrand & Kuyper 2017; Abbott 2012; Moncel & van Asselt 2012). Some of the most recent and noticeable category of non-state actors and corporations that have started to engage within GCA are multinational corporations (MNCs), who possess a great amount of power and have the possibility to affect and change whole industries (Dauvergne & Lister 2012; Hsueh 2017; Schleifer 2016). According to the Yearbook of GCA published in November 2017, an increasing numbers of commitments from MNCs have taken place, including investments in renewable energy, development of reduction targets and changes in their supply chains and business models (United Nations Climate Change 2017). Echoing Falkner (2016), business can play an important role by support innovations, transparency and act as an overall encouragement. By this means, MNCs do possess a valuable position as intermediaries between the UNFCCC and its member states, with the aim to evoke more ambitious actions amongst states and fulfil the UNFCCC's governmental goal.

Notwithstanding, there are many gaps in the literature regarding MNCs impact on the surrounding environment, which have to be filled in order to increase our understanding about these organizations. One of the risks with MNCs involvement is that it may result in an entrepreneurial mode of governance and thereby threaten the authority of the UNFCCC and states (Hale & Roger 2014; Green 2013).

1.2. Aim and research questions

The aim of this thesis is to investigate how the UNFCCC is able to use MNCs as intermediaries, in order to create more climate action amongst its member states, based upon the theoretical framework orchestration. In order to fulfil the stated purpose three questions will be answered:

- What role does MNCs play in relation to states?
- Which benefits could be gained by the involvement of MNCs?
- What could be the consequences with the engagement of MNCs into the UNFCCC framework?

1.3. Background: the UNFCCC and the private sector

The approach taken in the Kyoto Protocol in 1997 did not work out due to many different reasons (Holland 2014; Streck et al. 2016; Green 2013), especially regarding the establishment of binding emission reductions targets (Falkner 2016). Thanks to many years of work the Lima-Paris Action Agenda (LPAA) was established in 2015 and is considered the official launch of the UNFCCC's private sector engagement (Bäckstrand et al. 2017; Falkner 2016). The LPAA aims at promoting global responses from all levels of society and register their commitments on the Non-State Actor Zone for Climate Action (NAZCA) (United Nations Climate Change 2015a), a data platform that keeps track on climate actions, supports countries in achieving their national commitments and contributes to transparency (Global Climate Action n.d). It was furthermore decided that non-state actors needed a special place in future conferences where actions along this path shall be promoted, in particularly with focus on the upcoming Conference of the parties (COP) 21 (United Nations Climate Change 2015a).

The Paris Agreement entered into force 2016 where it became official that major powers cannot be forced to undertake any changes, what was previously advocated. Instead a more trust-based approach was adopted, whereat countries national determined contributions (NDCs) represents a political goal rather than a legal duty. Notwithstanding, states ratifying the Agreement are bound to its terms even though it only consists of a few mandatory commitments and demonstrates that the UNFCCC have not abandoned its top-down approach (Falkner 2016). Furthermore, the Agreement highlights the importance of transparency, collective ambitions and the inclusion and enhancement of the private sector (United

Nations Climate Change 2015b). Together with the recognition that non-Party stakeholders have the possibility to close the current emission gap. As mentioned in the introduction this approach is referred to as GCA whereat the Marrakech Partnership for GCA functions as an umbrella framework (United Nations Climate Change 2017). The Partnership is moreover under the lead of two appointed High-level champions, who recognize that the unlocking of non-Party members full potential is crucial in order to enable the objectives of the Paris Agreement (United Nations Climate Change 2016; Yearbook of GCA 2017). These champions shall continuously encourage, strengthen and keep track on these actor's voluntary and collaborative measurements from 2016 to 2020 (UNFCCC 2015).

Some of the initiatives which belong within the GCA (together with NAZCA) are the Momentum for Change (MfC) and Climate Neutral now. These initiatives promote, in various ways, companies that have taken on various environmental measurements in order to contribute to climate action (UNFCCC n.d.a; UNFCCC n.d.b; UNFCCC n.d.c). A few of the MNCs who are associated with these initiatives are Google, Ericsson, Marks & Spencer, Aviva, Sony, Philips Lightning, Adidas Group, Microsoft and South Pole (UNFCCC 2017; UNFCCC 2016). In the Yearbook of GCA it is also written that HP, IKEA and many airlines companies have taken on various measurements to minimize their emissions (United Nations Climate Change 2017).

As argued by Bäckstrand et al. (2010), Stripple (2010), Chan et al. (2015) and Green (2014) the UNFCCC private sector involvement have been conducted for a long period of time and is noticed in the Clean Development Mechanisms (CDM) project, that was launched together with the Kyoto Protocol. The CDM contributed to more inclusiveness of non-state actors, although it was not its main purpose, whereat the majority of the financial investors were private actors who were entrusted with a range of tasks including development of new methodologies, standards and projects etc. Another exemplification is the increasing number of non-state actor's participants during the COPs (Bäckstrand et al. 2017), whereat delegates were outnumbered by the amount of non-Party participants as early as the COP 3 (Kuyper et al. 2018). In a study by Lövbrand et al. (2017) it furthermore becomes evident that these participants join the COPs with the sole purpose to establish valuable contacts and knowledge, whereupon it is evident that these meetings play a crucial part with regard to the inclusion of non-state actors (Falkner 2016). It also demonstrates the UNFCCC's ability to connect various actors, which Lövbrand et al. (2017) argue represents one of the UNFCCC's most noticeable strengths. Another interesting perspective, mentioned by Holland (2014) is that the UNFCCC also possesses a valuable characteristic as a 'non-partial validator', which means that it has the opportunity to examine countries and other actors in a neutral way without the risks of being judge based on a political context.

During 2018, Party members will convene the Talanoa Dialogue, concentrating on three questions: Where are we, where do we want to go and how do we get there? One of the goals with the conversation is to increased confidence, courage and enhanced ambitions, with the aim to send: *"...clear forward looking signals.*". But also to continue encouraging collaboration and dialogues between Parties and non-Party members, whereat contributions from non-Party stakeholders are highly welcomed (Presidencies of COP 22 and COP 23 2017 p. 4). What direction the climate policy will take, depends on various climate leaders' strength of willingness, in which businesses can play an essential role (Falkner 2016).

1.4. Delimitations

This thesis will focus on the UNFCCC's private sector engagement, with MNCs as the focal point, considering the recent increase and focus on these businesses. As stated by Nasiritousi et al. (2016), non-state actor shall not be viewed as a homogenous group, due to their different abilities of contribution. With this said, other important entities, such as non-governmental organizations (NGOs) and the civil society will be excluded, together with activities outside the UNFCCC. As discovered throughout the conduction of this study, the amount of empirical data evaluating an orchestration mode of governance within adopted perspective, are insufficient. Thus, the aim of this thesis will not be to evaluate this theoretical framework but instead, the consequences of MNCs within the UNFCCC framework. As a result, previously cases containing MNCs in the environmental sector will be taken into account and put in relation with the UNFCCC's private sector engagement and the theory of orchestration. The analysis will moreover focus on the relation between the UNFCCC and MNCs in order to receive an understanding of how this bond can be displayed, with member states as the UNFCCC's main target.

2. Theoretical framework: orchestration

As briefly mentioned in the introduction, intermediaries play a significant role in an orchestration mode of governance, which also represents the focal point in this framework. By bringing in a third party the orchestrator is able to govern its prime target through these actors, instead of itself doing it directly. However, the orchestrator does not possess any solid control of the intermediates and is not viewed as a governor hierarchically. Instead a multi-actor system is created and integrated, which neither participant could accomplish without the other. It is mostly common that the intermediaries are NGOs, but private business can act the role as well (Abbott et al. 2012). Depending on the article in question, different aspects to consider when conducting an orchestration mode of governance were brought up. In the light of this thesis area of interest, the perspective of the UNFCCC as an orchestrator with MNCs functioning as intermediaries is undertaken, and will define upcoming description of adopted strategy.

In order for the UNFCCC to function as an orchestrator, there are two mandatory characteristics to possess that are worth mentioning. These are: a certain degree of autonomy or mandate from member states, identified by Abbott and Snidal (2010), together with shared fundamental goals between all parties involve, clarified by Abbott and Hale (2014). The former is especially important between the UNFCCC and the chosen MNCs, since they will operate within this establishment on a voluntary basic (Abbott et al. 2012). If the UNFCCC shall be able to attract and successfully establish a relation with chosen MNCs there are additionally four important attributes, identified by Abbott and Hale (2014), which needs to be considered:

- Legitimacy
- Focality
- Resources
- Organizational culture

The UNFCCC must to be seen as legitimate by the MNCs, due to the fact that it does not possess any legal authority or coercive power. In order to gain legitimacy, moral authority, expertise and record of success are a few examples of

features that the UNFCCC should have. In addition, the UNFCCC's power to convene and influence different actors depends on its focality. When having a high focality the UNFCCC possess the potential to reach out to the full range of relevant actors and thereby increase its ability to bring together organizations that otherwise would have faced difficulties in working together. The level of focality depends on the issue area where an organization that is holding a dominant position inside its field, has the tendency of a much higher focality. The third characteristic, resources, represents the form of support the UNFCCC is able to provide its intermediaries with. However, since IGOs often lacks financial resources, other forms of intangible assistance have a superior role, such as information, administration, technical expertise, formal or political approvals and collaboration opportunities. To clarify, the UNFCCC contributes with diverse kinds of support and empowerment measurements where the authority and legitimacy together with the operational capacities of the MNCs, will be strengthened. By providing just mentioned, the UNFCCC ensures that everyone work towards the same ambitions in parallel with increasing its ability to control the MNCs, since non-state actors often depends on this assistance in order to develop. In return the chosen MNCs provide the UNFCCC with different and important resources that it is missing. For instance, detailed local information, technical and material expertise, legitimacy and direct access to targets (Abbott et al. 2012). Lastly, it is advantageously if the UNFCCC possesses a collaborative organizational culture that promotes interaction with potential collaborators outside its own organization. In the case of IGOs, a willingness to interact with non-state and subnational actors is a must. Even though these four characteristics are important, it is not mandatory to have them all at the same time and neither on an equal degree. Although, the criteria of resources and legitimacy represent a very important role and is something an orchestration is most unlikely to prosper without (Abbott & Hale 2014).

As further explained by Hale and Roger (2014), orchestration is a general governance strategy and can be used in various ways. It is very common that different forms of modes of governances blend together which can be more or less soft. Abbott and Snidal (2010) identify two general forms of orchestration:

- Directive
- Facilitative.

The first characterizes of legally binding mandates. By using economic and/or political incentives the UNFCCC can induce voluntarily participation from its intermediaries, with binding mandates as the outcome. Facilitative orchestration is on the other hand, a softer alternative whereupon the UNFCCC is able to create mechanisms with the aim to support and guide the MNCs. Directive orchestration

is thereby more powerful but also less common amongst the two variants. In a few cases combinations of the two have been used.

Within a first glance, it seems likely that this mode of governance can involve several conflicts between the UNFCCC and its member states. What is more, looking at the structure of orchestrations and why they occur, one can assume that this mode of governance is only promoted by entities that want to be the orchestrator. However, this critique is countered in a case study by Abbott et al. (2015) where it is reveal that even potential intermediaries and the targets themselves actively seek engagements in these associations, whereby states encourage IGOs to initiate this form of governance. As further explained by Abbott et al. (2012), this strategy often meets less resistance from states than initiatives which depends on delegation activities due to its lower sovereignty costs. By this means, an orchestration does not obviously mean that a clash of interest must occur. It can also result in the ability to overcome current barriers and 'bridging the gap' closer. By sharing a wide range of information and knowledge amongst the members, the individual evolution and success in their respectively field will be strengthened. Whereupon a prosperous orchestration does not only help the network itself (Hurmelinna-Laukkanen et al. 2012).

Looking at the UNFCCC's possibility to manage an orchestration it possesses all necessary requirements and characteristics whereat this theory becomes highly relevant. However, various problematics regarding the criteria of legitimacy and resources is identified and will be further clarified in the upcoming analysis together with the choice between directive and facilitative orchestration.

3. Methodology: Literature review

In order to fulfil stated purpose a literature review has taken place, whereat the process corresponds to what Machi & McEvoy (2016) defines as a simple literature review. It also resembles, what Bryman (2008) labels as a qualitative research, where data has been collected and analysed in parallel with each other and as a result constantly affected the purpose of this thesis. In total, eleven search attempts were conducted via Lubsearch (two), Scopus (seven) and Web of Science (two). Initially I wanted to explore the existence of any information about MNCs within an orchestration, which might have been valuable. The purpose was moreover to gain an overview of existing literature in this field. As mentioned by Bryman (2008) it is favourable to conduct a generic research in the beginning, in order to receive a brief understanding of the topic and spot potential keywords or important terms. The first attempt, via Lubsearch, provided me with 16,246 results, only using the term Orchestration. By choosing different subjects and thereby limiting the results, I realized that none of them were relevant for my study since they only described the term within the musical aspect. Consequently, I also included the designation Government, which gave me 432 hits. When restricting the time frame between 2010 and 2018 I gained a more favourable result showing 263 publications. However, the majority were still irrelevant and therefore International organizations was chosen as a subject, with the outcome of eight results, whereupon one used in this thesis.

Another attempt was made, this time using Scopus (Table 1: Attempt 3). The purpose was to discover if this database provided more outcomes, using the same designation as previous. Considering the high amount of results I chose to restrict the initial search by different criteria. Surprisingly, I received numerous hits including many case studies where MNCs or other private actors play an essential role. While going through all results, I realized that other forms of this mode of governance that is not within the scope of this study were brought up. The outcome was despite this, 74 publications whereat 1 was chosen by skimming (defined by Machi and McEvoy (2016)). Throughout the conducted attempts, I came across the term Private governance, whereupon the decision to make a new search was made (Table 1: Attempt 4). As noticed, the majority of all results originate from this attempt due to the fact that they contained valuable information about MNCs which is highly relevance within the purpose of this thesis. Another major finding was that all categories of privatizations were

included, which is not the aim of this this study. As a result, one more research was conducted by using the term "Multinational Companies" and Governance, with the aim to specify the results (Table 1: Attempt 5). Due to the high frequency of outcomes in attempt 3, I deliberate decide on including Orchestration in the following efforts (Table 1: Attempt 6-8), to verify that there were not enough empirical data to evaluate orchestration as a mode of governance (which was the initial thought with this thesis). None of these attempts provided me with any significant results and as a consequence I made one last try (Table 1: Attempt 9) with the intention to spot any major information about MNCs inside the climate governance, that might have been important in this study.

Table 1: Literature review using Scopus

Attempt		Designation	Year-Range	Subject Area	Keyword	Document Type	After Skimming
3		Orchestration	2010-2018	Social science; Business, Management and Accounting; Environmental science	Orchestration	Articles; Book chapters	
	Results	28,265	19,774	3,392	112	74	1
4		"Private Governance"	2010-2018	Social science; Business, Management and Accounting; Environmental science	Governance Approach, Private Governance; Governance	Articles; Book chapters	
	Results	363	276	237	123	121	22
5		"Multinational companies"; Governance	2010-2018	Social science; Business, Management and Accounting; Environmental science	Multinational Compansies; Corporate Governance; Governance	-	
	Results	148	90	78	36	-	2
6		Orchestration; "Private governance"	2010-2018	Social science; Business, Management and Accounting; Environmental science	Governance; Governance Approach; Environmental Politics, Orchestration	-	
	Results	102	101	98	31	-	4

7		Orchestration; "Multinational companies"	2010-2018	-	-	-	
	Results	38	-	-	-	-	1
8		Orchestration; "Climate governance"	2010-2018	Social science; Business, Management and Accounting; Environmental science	Climate Change; Governance Approach; UNFCCC; Orchestration		
	Results	121	121	121	56	-	6
9		"Climate Change"; "Multinational Companies"	2010-2018	Social science; Business, Management and Accounting; Environmental science	Multinational Enterprise; Governance; Multinational Companies; Climate Change	-	
	Results	379	325	298	32	-	6
	Total Results						42

By assembling all the results and removing the ones that became double, a total of 42 items were of use. As mentioned by Bryman (2008) a compilation is necessary and valuable in order to get a hold of current information and not 'drowning' in the literature. Another reason behind the decision to pause my research was due to the fact that many of the obtained results, in the most recent efforts, appeared to be the same as in previous attempts. As an affirmation on this statement, I conducted two last attempts via Web of Science. Once again, I tried the keyword Orchestration and timespan 2010-2018 including the categories Political Science and Environmental Studies. The result consisted of 32 papers whereof eleven duplicates and after skimming, no relevant articles. In the second attempt (the eleventh in total) the terms "Private governance" and Climate were used, including the same year range. This provided med with 24 results, whereat two articles were compatible and nine duplicates. Thus, I decided to finish my literature research due to theoretical satisfaction, defined by Bryman (2008).

3.1. Reflections of conducted literature review

An essential comment is that other terms such as: *Transnational government*, *Private authority*, *Multinational Enterprises*, *Transnational corporations*, *Hybrid governance*, *Hybrid multilateralism* and *Cross-sector partnership* were discovered throughout the reviews. Which can contain valuable information, but were not included due to limitations regarding time and space and a low frequency. Consequently, this thesis will not provide an absolute picture of the reality and existing literature in this area of interest. This is further specified by Bryman (2008) as one of the limitations using a literature review. Additionally, there is a great probability that a variety of collaborations between MNCs and IGOs have taken place without using chosen designations or timespan, with regard to the size of the subject and the fact that orchestration is a term that has been recently introduced. A final important remark is that there was only one major databases used. At first different databases were tested with the purpose to gain more favourable results, for example World Scientific Publishing, GreenBiz and Sustainable Organization Library (SOL). These were, however, not as modest as Scopus and did not provide the targeted documents. In this manner, a snowball sample has been conducted in order to assemble the data. As explained by Bryman (2008), this way of gathering information is characterized by an initial attempt whereupon the next search will be based upon the findings of the previous. Yet, chosen information is not established upon any criteria about a representative sample, but instead theories about private governance and orchestration. By this means this method additionally symbolizes a theoretical sample, also defined by Bryman (2008) and what is known for its continuation until the author feel theoretical satisfaction.

The two most common critiques about qualitative science, as well as chosen sample methods, are replication and generalisation (Bryman 2008) whereat one can say that this thesis disproves and at the same time corresponds with them both. To clarify, the process of conducted literature review is fully described and as a result, another individual have the possibility to replicate this study by using the same search criteria. On the other hand, all discovered results are not used in this thesis, whereby an individual choice has been made which may differ depending on the author's point of view. The same goes with generalisation. Since various cases involving MNCs are investigated the results could be applied to other MNCs and even other forms of businesses. Looking at the relationship between the UNFCCC and MNCs, there is also a small chance that revealed results could be relevant for other IGOs with the same governmental structure. Even so, one cannot generalise the outcomes of this thesis to other entities that does not function the same as MNCs and the UNFCCC, due to the fact that even the slightest differences could change the whole outcome. Nonetheless, this thesis

does contribute to an overall picture and understanding of potential consequences of the UNFCCC's involvement of MNCs. In combination with an increasing understanding of how to establish a relationship with these specific businesses, whereat it is necessary that chosen data are as accurate as possible in order to be valid in relation to these actors current situations.

4. Results: MNCs within the climate governance

Echoing Ruggie (2017) the only definition of a MNC is provided by the Organization for Economic Co-Operation (OECD) from 1976, where a MNC is a business that operates and is established in more than one country, with a significant influence within one (or several) of these places. For example, Walmart, Coca-Cola McDonald's and Nike have gained increasing support and political authority as a result from having incorporated various environmental targets into their core business strategies (Dauvergne & Lister 2012). This development can further on be spotted within the agricultural sector, where hundreds of firms have pledged to minimize deforestation in their supply chains. In this manner, mentioned companies have recognized their responsibilities to reduce the impacts on the environment, without any direct government involvement (Larsen et al. 2018).

Private governance is identified as being a smart deal when looking at the firm's knowledge about its own industry. By conducting changes on their own terms, companies have a greater tendency in producing more efficient and favourably improvements (Kalfagianni 2014). Private governance is furthermore defined as an institutional arrangement that emerges at a global level, including various interactions amongst private actors and/or between private actors, civil societies and states. This synergy creates structures where their performances are directed towards a specific area of issue (Elbra 2014; Schleifer 2016). Put differently, it is private actors that directly decide upon standards and rules with the purpose to guide certain groups of stakeholder's behaviours (Schouten & Glasbergen 2011). This way of operating is one of the major characteristics of private governance, which can be showcased in various ways with more or less state involvement. That is to say, states can possess various degrees of a supporting role in the process of rulemaking and resource contributions (Auld et al. 2015). Some of these structures can take the form of, so called, public-private partnerships (PPPs) but recently there has been an expanding trend with only private forms of governance (Nesadurai 2017a).

In approaching chapters, relevant findings during conducted literature review will be presented. First, by briefly mention identified consequences with the inclusion of MNCs in relation to the states, followed by examples of how MNCs

have complemented the lack of states environmental authority. Lastly, a minor chapter about important incentives that this category of firms need in order to make their operations more environmental friendly, will be introduced.

4.1. Conflicting with the role of the state

Historical, many companies sustainability engagements have not encourage any better governance approaches and has even being viewed as undermining it. One of the most striking examples of entrepreneurship governance can be found within the oil industry which in various ways, have contributed to anti-democratic effects (Frynas 2010). Within this context, the MNC Bayer Crop Science (BCS) introduced the Food Chain Partnership (FCP), aiming at increasing the quality of farmer's vegetable crops in India to reach diverse customer requirements. It was further found that BCS, through the FCP, managed to partly overtake the role of a network coordinator and thus be provided with a leading position. By using its profound information knowledge, BCS had the possibility to exercise its huge amount of power within the network and the production. In this specific case, the outcomes of Bayer's authority displayed itself by numerous of means. As a quick summary, the company was very selective regarding who and what would be included in the program, such as: the participating areas, crops, distributed information and agricultural practices. Whereupon those marginal farmers that needed the most support, crops not of interest by the corporation, information about other than Bayer products and traditional knowledge or local farming approaches were excluded from the project (Trebbin & Franz 2010). With this said, one must consider the risk that the producers tends to lose the control over their own resources, when a company makes investments in a region, which is also evident in a case with Starbucks that will be described further down. By that, it is important to ensure that these standards are used by companies with the aim to contribute to more equitable governance, without any conflicts regarding democracy values and including a protection for the most vulnerable (Kalfagianni 2014).

In a similar case, criticism towards businesses governance potential has been established due to the urban Business Improvement Districts (BIDs) in England. The authorization of the BIDs has resulted in a more or less privatization of the government, whereupon companies have the power to decide upon services and improvements in these areas. These districts thereby have the tendency to take over the governance control in the region of operation. Yet, mentioned criticism is countered by the author, who claims that the government still possesses the overall control within the areas (De Magalhães 2014). Another perspective about

the power of private companies is visible in Leiter's (2015) text. Where states that does not gather data about chemicals on their own, but uses the private website FracFocus, consequently loses their control regarding what specific knowledge they will obtain. Furthermore, they might find themselves highly dependent on decisions such as platform modifications, upgrades and conditions about information storage or even changes in economic charges, made by the firm.

Overall, mentioned cases could be an indicator of Dauvergne and Lister's (2012) writings. That existing risks of private corporation involvement are undeniable but the same time too powerful to ignore, with consideration to potential benefits. Consequently, many actors find it difficult to operate without any business participation (Abbott 2012). Even though states have the power to restrict activities inside their own territory (Aguilera-Caracuel et al. 2011) it seems less likely, in view of current trends where many institutions devote more resources into bringing big brand companies on-board and as a result lending them power (Dauvergne & Lister 2012).

It is further noticed that policy disagreements between states and without the existence of any focal actor, have a greater tendency of evolving into an entrepreneurial mode of governance (as displayed in above cases), since states are less likely to delegate any authority (Hale & Robert 2014). Weak institutional regulations from states are furthermore known to have put business in a difficult position, whereupon companies have become careful with non-market forces. Likewise, consider their own institutional embeddedness in home, host and supranational contexts (Pinkse & Kolk 2012).

4.2. Consequences of (non-)state regulations

As stated by Auld et al. (2015 p.110) "*...private rulers are not developed in a vacuum…*", whereupon states supporting role is necessary since companies are dependent on strong regulations and policies in order to operate (Aguilera-Caracuel et al. 2011), which many non-state actors have recognized on their own (Chu & Schroeder 2010). Above has also been acknowledged by He and Cui (2012) who argue that countries with a strong institutional environment are perceived as stable to operate within, in the eye of the MNCs. Whereat an insignificant governance quality may result in companies moving abroad and thereby escaping the fragile institutional environment, with consideration to high risks for sudden changes in the politic. Conversely, these places could likewise be targeted by those MNCs that aim to benefit from weak or insufficient regulations, whereupon more profitable agreements are negotiable (Frynas 2010). This is applicable to Leiter's (2015) argumentation that weak public laws could result in

companies taking advantage of private governance regimes without actually improving their operations. It is additionally identified that those MNCs with a low will to generate green products or processes and located far away from their home country, have a tendency to exploit countries with slack environmental regulations and conduct so called ‘pollution havens’, seeking the best place to gain more conveniences (Aguilera-Caracuel et al. 2011). The knowledge about this factor have, amongst other, contributed to the fact that many (in this case) oil companies completely rejects their potential involvement in governance processes to minimize criticism about their industry (Frynas 2010). Even though these operations are major carbon emitters and represent a significant part of the historical anthropogenic Greenhouse Gas Emissions (GHG) (Heede 2014). The need for principles, in order for MNCs to implement mitigation activities, is recognized by Michaelowa and Michaelowa (2017) and Chu and Schroeder (2010) who clarify that regulation may function as strong incentives for the private sector. In a study about the oil industry it is identified that companies tends to mimic reporting patterns of its peers, which could be a difficult habit to break. To interrupt this movement there is a need for stronger regulations that put pressure on the MNCs, where the European Union (EU) Emissions Trading Scheme (ETS) and the Global Reporting Initiative (GRI) guidelines are two examples that have resulted in better reports (Comyns 2016).

Notwithstanding, the implementation of effective environmental regulations from states could be difficult due to, amongst other, weak administrative capabilities and national borders. But also lack of understanding of big-brand companies supply and value chains and the power asymmetries amongst the corporations (Schleifers 2016). MNCs that operate under different international circumstances have the possibility to choose their level of responsibilities as long as they functions within the current laws. Put differently, they have the power to select what local level to engage within and not (Comyns 2017). As stated by Leiter (2015 p. 142), “*Private law making is literally boundless…*” where firms can be viewed as standing outside the political constituency and jurisdictional boundaries. Private laws are in other words highly adaptable and not tied to any specific geographical border. To introduce further complexities, MNCs often consist of and/or own many subsidiaries which additionally operate in a variety of geographical locations, and thereby face separated rules from various levels (Comyns 2017; He & Cui 2012; Auld et al. 2015).

Yet, MNCs does not always have the power to ‘run over’ the state which is recognized by Thorlakson et al. (2018) who argue that even though company-led standards are implemented with the purpose to protect the company's interests, it could harm their reputation or disrupt their supply, if proven that the outcomes are non-compliant with current laws. It is moreover discovered that an institutional failure does not always result in an entrepreneurship of governance, but also possibilities for new entrepreneurial opportunities to emerge (Pinkse & Kolk

2012), whereby many private governance situations and PPPs were founded due to insufficient action by states (Roberts 2011; Nesadurai 2017b; Larsen et al. 2018; Chu & Schroeder 2010; Biermann & Gupta 2011).

4.3. Complementing the role of the state

MNCs do play an important role in political contexts, whereat some multinational oil companies have (in recent years) realized their potential to strengthen the governance in positive ways. For example Shell, BP, Chevron and Statoil have invested millions of dollars in their communities, regarding health, education, corruption prevention and local sourcing (Frynas 2010). (However, not to forget their historical and still ongoing disputes with NGOs regarding their environmental dangerous industries, described by Anshelm and Hansson (2011)). This is also apparent in the natural gas industry, where FracFocus have contributed with various tangible and intangible resources that governments are lacking (Leiter 2015). As argued by Abbott (2012) companies do have the possibilities to contribute with material resources and business and managerial expertise where the public encounters limitations (Mills 2016; Roberts 2011), which represent their strengths. Furthermore, Leiter (2015) claim that the quality on the information is generally better due to the companies' knowledge about the industry in practice, particular if the organization is very technical and complex. This enable them to evolve more sophisticated platforms and systems in order to collect valuable data. Speaking of, the receiving information is often more accurately assessed since the company have a better understanding of it, than entities outside the industry.

Another example (however not climate related) is provided in the case with the International Air Transport Association (IATA), where a safety strategy program was conducted as a response growing scepticism amongst the public due to the many accidents within the aviation industry. Resulting in strengthened trust for the industry, in which public regulatory agencies were absent (Mills 2016). Likewise, in Chu and Schroeder's (2010) article about environmental actions in Hong Kong, corporations stepped up when state regulations were lacking. Not only by establishing and using green codes of conducts, but also implement and integrate strategies into their own operations with the purpose to tackle various climate aspects. To clarify, private organizations that set their own rules are highly relevant at a global level, especially when national governments have not succeeded with the distribution of public goods and lowering the environmental impacts from the market (Kalfagianni & Pattberg 2013). Whereupon lobbying, tax avoidance or the implementation of other corporate objectives are a few of the

measurements companies can engage within (Frynas 2010). In other words, MNCs could play an important role with regard to development contributions (Michaelowa & Michaelowa 2017; Kalfagianni 2014).

In the last case, by Nesadurai's (2017b), about fires and hazes in Indonesia it emerges that private regulations concerning palm oil are more promising than regulations from the Association of Southeast Asian Nations (ASEAN) since many state actors facilitate necessary actions in order to gain the oil. Above situation demonstrates that private regulations sometimes are more reliant than state regulations and brings us to the most discovered strategies for companies to contribute to climate action.

4.3.1. Private standard settings

In order for companies to limit their emissions, one of the most distinguished and detailed private governance initiatives that has emerged is the private standard setting (PSS), where private parties agree upon a range of guidelines and conditions regarding the production's process, technical and physical aspects and performance etc. (many of which have been conducted in already revealed cases). A common exemplification is found within the agricultural industry, whereupon different private actors (such as NGOs and companies) settled upon various rules regarding food production, with the aim to make it more sustainable. For example, Fair trade started off as a private initiative including numerous stakeholders, to evolve into an umbrella organization including already established national initiatives and ended up as a unified label (Kalfagianni 2014). In a different case, one of the South Africa's largest grocery and clothing retail chain, Woolworth Holdings Ltd, initiated a standard program called Farming for the Future (FFF). The purpose was to improve environmental practices regarding fruit, vegetable and flower farms that the company obtain its resources from. FFF was launched with the help of an environmental consulting firm, the support from the NGO World Wildlife Fund (WWF)-South Africa and farmers. Thanks to this collaboration, improvements regarding water management, invasive species controls and soil protection were made and are a few examples of the areas affected by the initiative. With this said, the authors prove that standards launched by companies can be effective and result in positive environmental changes (Thorlakson et al. 2018). Remaining within the agricultural sector, Starbucks launched a certification program (C.A.F.E) where they provided producers with technical extension, introducing them to organic coffee production, processing and commercialization (Kalfagianni 2014).

One last illustration of a PPP with forward-looking results is the Clean Shipping Project (CSP) that promotes sustainability in the shipping industry, by

establish an index that represent the different shipping companies' environmental engagement, whereat cargo-owners have the ability to choose the company with the most desirable ranking. According to the authors, the CSP has resulted in a higher standard-setting within a shorter time frame in parallel with increasing transparency and equitable burden-sharing amongst the industry. As a consequence, it did contribute to the environmental governance beyond state authority, where previously standards were insufficient (Wuisan et al. 2012).

Mentioned exemplifications illustrate how MNCs can complement the state and improve environmental regulations on their own or by various collaborations. These standards further on have the potential to influence actors throughout the business supply chain. Since suppliers are highly dependent on MNCs they can be encourage to change their products by different incentives, such as volume and price (Thorlakson et al. 2018), which is one important aspect to be aware about and highlights the power of MNCs. To demonstrate, Dauvergne and Lister (2012) found that the health and beauty company Lutex, chose to turn into a sustainable company due to the willingness to become a Wal-Mart supplier. The establishment of private standards are with this said, both able to provide benefits for the users, takers and, especially, the creators. A few of these perks are the control over resources, supply chains and growing autonomy from states and civil society. Likewise, it strengthens the rule-setters legitimacy and authority (Kalfagianni 2014). On the other hand, it is recognized that arrangements which strives towards consensus decision-makings or limit the risk for any specific group to dominate, possesses a greater success in creating regulations of public interests (Roberts 2011). Thus, partnering with other actors, with the purpose to reach common goals, is another frequently used strategy (Dauvergne & Lister 2012) and will be described next.

4.3.2. Partnerships and rivalries

Abbott (2012) recognizes that firm's self-interest often tends to result in lax regulations and limited reliability in the fields in which they are dominating. Schleifer (2016) have identified this as one major dilemma regarding MNCs sustainability efforts and identity, where the organization's sustainability actions do not get recognized, due to lack of a 'third party verification'. In order to overcome this image or reputation gap, many big brand companies have chosen to partner with NGOs, with the aim to send more credible signals. This collaboration can take the form as roundtables whereat MNCs uses their marketing power to ensure sustainability standards throughout the industry's global supply networks, demonstrating the usefulness of corporate power. Roundtables generally aim at improving the entire global commodity chain's

sustainability by establishing various standards, and are identified as private arrangements and platforms including businesses and NGOs, who together own the decision-making power. Schouten et al. (2012) demonstrates in their article about the palm oil industry, that the conduction of roundtables has a high potential in delivering purposeful capacity in the private governance, which corresponds with another study by Schouten and Glasbergen (2011).

This strategy does further on not have to take the shape of a roundtable. For example, other collaborations can be found within the fishery, described in Kalfagianni and Pattberg's (2013) study, where new promising regulations from private actors have been initiated. With the purpose to target current and urgent environmental problems within the industry, such as overfishing, labour issues and the industry's overall impact on the oceans and environment. A similar situation can be found looking at Walmart who initiated a multi-stakeholder sustainable value group, where questions regarding packaging, logistics, agriculture, waste and energy were brought up. One last illustration of an establishment between different individual private companies, is the conduction of cooperatives as described in Roberts' (2011) text. By participation in these arrangements firms, which normally compete against each other, are able to obtain a range of mutual benefits (such as economies of scale) together with the realization of a collective goal(s).

A network including several private actors with the same interests could affect the whole partnership with the outcome of raised ambitions. What is more, a company that gets involved in a collaboration together with other actors have the opportunity to compete within many areas at the same time (Hahn & Pinkse 2014). But also create a more innovative and legitimate partnership, whereupon the various associations are able to compete against each other and evolve more advanced aspirations (Smith & Fischlein 2010). As explained by Auld et al. (2015), competition between various PSS or collaborations does exist, even within the same products, and can be spotted in the CDM project where private actors have established and developed their own emission standards based upon the CDM. Many of which have been globally recognized (for instance VCS and ISO 14064-1) and emerged as quite more 'important' than others (Green 2013). One distinctive example is the Gold Standard that has developed criteria's beyond those specified by states in international climate negotiations (Hickmann 2017).

Overall, there is evidence that displays MNCs and private governance as something positive and necessary when state regulations fails, which is increasing (Aguilera-Caracuel et al. 2011). However, since private governance regimes sometimes relies upon voluntarily measurements and reports, the risk for participants not improving their performances but still benefit from the collaboration, is high (Leiter 2015).

4.3.3. Failed collaborations and greenwashing

In a study by Mengistie et al. (2017) about the cut flower industry in Ethiopia just mentioned risks become apparent. The business is heavily criticized due to its negative impacts on the environment and workers health. Throughout the article it emerged that private certifications does not automatically contribute to any sustainability improvements regarding the cultivation of the flowers and the use of chemicals. As opposite to the author's hypothesis, the farmers with a higher certification-level did not perform any better in comparison to the farmers with a lower level, even within the same standard setting. The findings furthermore shows that the certification resulted in a reliable reputation and provided the farmers with access to the international markets. These discoveries corresponds with Thorlakson et al. (2018) statement, that the implementation of individual standards does not automatically result in a more sustainable operation, but can be a way for companies to avoid bad reputation.

A similar situation can be found within many palm oil roundtables (Schouten & Glasbergen 2011; Biermann & Gupta 2011). These networks can, except above, additionally face difficulties regarding who shall be included and not. In Schouten and Bitzer's (2015) text about soy on the American continents, the amount of roundtables-participant is too low. The major reason behind this is an unrepresentative attendance where small scale farmers are absent, due to the feeling of insignificant possibilities to influence the agenda. As a result several NGOs stopped being members of the collaboration, with the outcome of various challenges regarding legitimacy. These circumstances are mentioned by Nesadurai (2017b) as one of the key weaknesses with private governance (Biermann & Gupta 2011) and demonstrates that even if business collaborate with NGOs (or other externalities) there is no certainty that current environmental or social problems will be solved or even improved, as further discussed by Aguilera-Caracuel et al. (2011).

The roundtable- strategy has other flaws as well, which is the inability to solve conflicts between different powerful actors, due to the degree of seriousness regarding the aspects inclusiveness and consensuses (Schouten & Glasbergen 2011). In a study about forest certification in Sweden, by Johansson (2014), the increasing involvement of various stakeholders tends to agitate potential conflicts, where many dispersed interest's resulted in more complicated negotiations. The problem with too many involved parties can be derived to other networks configurations. It is for example emergent in the artisanal and small-scale gold mining (ASGM), where many of the attempts to make the operation more sustainable, have failed or showed insufficient results due to various conflicts or barriers. The ASGM involves many different actors where the majority consists of IGOs, governments, NGOs and private businesses whereat some collaboration attempts had to be shut down. Resulting in actors continuing with their own

operations and their individual regulations and practices, whereat a few partnerships involved the world largest mining company, Barrick Gold Corporations, who still functions in the area with its own corporate social responsibility (CSR) project based on market incentives, with no threats of governmental punishments (Sippl 2015).

Difficulties does not only exist with regard to the establishment of PSS and collaborations, but also within the aspect of competition, which can be found in Kalfagianni and Pattberg's (2013) previously mentioned study about the fishery. The authors analyse five different private initiatives with the outcome that the most demanding standards and harsh compliance methods are conducted by those organizations that embraces democratic principles and inclusion. However, it was also discovered that these standards are not as frequently used in comparison with other less strict, which indicates that it is not always the most inclusive and stringent organization that will be rewarded by market forces. As a response to an intensifying competition between different standards, higher calls for more transparency and methods to evaluate various certification and labelling programs have been requested. Whereupon some corporations have responded to this demand, due to fear of losing customers, market shares or being accused for 'greenwashing' (Roberts 2011).

4.4. Transparency

The need for transparency is noticed by Michaelowa and Michaelowa (2017) who argue that this is mandatory in order to gain reputational advantages. Firms supply chains are one illustration of a section that is being more transparent, in order to reveal more about the products (Dauvergne & Lister 2012). Another illustration is the already mentioned case about the airlines, where safety information was exchanged on a voluntarily basic, with the Federal Aviation Administration (FAA) in order to improve the security across the industry, which benefited all involved companies with a high safety reputation (Mills 2016). Likewise, the CSP within the shipping industry increased the overall transparency within the sector, which made it better and more credible (Wuisan et al. 2012).

The criteria about transparency is argued amongst several authors (Frynas 2010; Roberts 2011; Dauvergne & Lister 2012; Biermann & Gupta 2011; Leiter 2015; Smith & Fischlein 2010), whereat it is discovered that corporations with much wealth and large numbers of employees, such as MNCs, have a higher tendency of disclose their emissions (Hsueh 2017). Starting with the optimistic aspects, private organizations have the possibility to market their successful innovations to external actors. Since they are dependent on outside views and

opinions they need to promote themselves in order to receive both tangible and intangible resources. Transparency could, however, be difficult and in some cases impossible for states considering sensitive information etc. (Leiter 2015). Furthermore, Roberts (2011) claims that a transparent regulatory process have a higher potential in being more efficient establishing regulations in public interests. As argued by Smith and Fischlein (2010), transparent private governance networks tend to be more credible. Nevertheless, Frynas (2010) specifies that companies does decide upon which parts of their operation that shall be transparent and not. Whereupon these have to be carefully considered since firms, with great probability, only display the most favourable information. Another key thing to remember is that private companies often face different problems regarding information sharing, where their competitive advantages or reputation may be harmed. The same goes with business' individual knowledge, which could have been expensive to secure (Leiter 2015), where risks for imitation by other companies are impending (Smith & Fischlein 2010).

All above brings us to the next topic about crucial incentives that MNCs seek in order to change their businesses into becoming more sustainable. These motivations have been partly mentioned throughout chapter 4, but will be additionally highlighted in the next coming section due to their importance in order to understand how MNCs functions and what drives them forward.

4.5. Motivations for transformations

The accelerating request for green products and a more environmental consumerism have resulted in the adaptation of various firms (Pinkse & Kolk 2012; Auld et al. 2015; Agrawala et al. 2011) and an increasing rise of numerous private governance initiatives (Kalfagianni 2014). For example, Unilever launched a Sustainable Living Plan where all agricultural raw materials shall be obtained in a sustainable manner by 2020, as a response to an increasing pressure from customers (Schleifer 2016). Likewise, MNCs within the palm oil industry in South-East Asia, have engaged in sustainability work aiming at protecting their brands. For instance they established the Forest Stewardship Council (FSC), in collaboration with NGOs, to ensure that traded timber was produced from sustainably managed forests. Additionally exemplifications can be found in the mining sector, where corporations (although pressed by NGOs) adopted their own private labour codes (Nesadurai 2017a). As illustrated by these cases, it is important to keep the MNCs reputation in mind. In general, a brand is defined by different values and not only the logo. This value (and automatically the brand) is more difficult to control the bigger it is, whereat a single scandal or wrongdoing

could ruin its reputation that might have taken several years and decades to build. Thus, MNCs vulnerability is very fragile and may be one of the reasons these organizations take great measurements aiming at protecting themselves (Dauvergne & Lister 2012; Nesadurai 2017b; Schleifer 2016). This is also evident in Elbra's (2014) study where it is discovered that meeting stakeholders' expectations is one of the major incentives for private business within the gold mining industry, to engage in sustainability work. The case with IATA is also an example of how customer's views could affect the actions of a company (Mills 2016).

Schouten and Glasbergen (2011) further argue that voluntary private governance has to rely on legitimacy, more than force, in order to ensure compliance. Whereby companies with a high amount of legitimacy have the power to influent performances within their industries and conduct private authority (Elbra 2014) (as discovered in many of the mentioned studies in chapter 4). To gain legitimacy, their actions will have to be acceptable and judged as desirable and proper within existing social norms, values and beliefs. To that end, firms are ultimately moreover competing for legitimacy, where they seek favourable institutional conditions that will make their activities more privilege (Hahn & Pinkse 2014; Smith & Fischlein 2010).

What is more, companies does not only want to be viewed as a legitimate organization, but also claim a more strategic position or maintain their current stand on the market (Hahn & Pinkse 2014; Pinkse & Kolk 2012; Auld et al. 2015; Agrawala et al. 2011; Chu & Schroeder 2010). In order to receive these advantages, corporations compete over different capabilities, such as knowledge, skills and technical and management systems (Hahn & Pinkse 2014). Put differently, businesses have to use their firm specific advantages (FSA), what could include some of the internal factors just mentioned, but also other intangible attributes such as external relations (Aguilera-Caracuel et al. 2011). A strategic position could furthermore be gained through strong legitimacy where the public are able to support the MNC in various ways. Having said that, competitive capabilities cannot always be accomplished by the firms alone, since the companies own resources could be insufficient. The same goes with legitimacy, which is something that is provided by various stakeholders, and is nothing businesses can address themselves (Hahn & Pinkse 2014). In this manner external views have the power to affect firms towards a certain direction and guide already established FSAs into becoming green(er).

4.6. Companies cannot work in isolation

Even though many sustainability initiatives by MNCs still tend to be so called greenwashing, more companies have started to step up and engage in more serious environment aspirations (Dauvergne & Lister 2012; Kalfagianni 2014). Whether the inclusion of MNCs will take a positive turn towards better standards and regulations complementing those of the state, or a more darker road including weak sustainability performances which states cannot control, depends on, following Larsen et al. (2018), how the these arrangements will play out regarding roles and responsibilities. As notices, private governance arrangements could be difficult for states to govern since they are based upon incentives such as the global market and public legitimacy (Nesadurai 2017a). As noticed, MNCs have the possibility to take over state authority which is mentioned by Hale and Roger (2014) and Green (2013), as a potential risk. The involvement of MNCs can additionally threaten the authority of the UNFCCC. MNCs sustainability efforts could in this manner, and with consideration to all above, have a hard time to solve current environmental problems without the help of an effective and strong governance approach (Dauvergne & Lister 2012).

5. Analysis

5.1. MNCs and their relations to states

It is noticed that states may have a hard time to overlook various environmental initiatives made by MNCs due to the potential benefits, where the state is able to rely upon these corporations in case their own actions are lacking. On the other hand, MNCs often prefer to settle down in countries with well-defined environmental principles. As discovered, weak regulations with an insecure development might result in companies moving abroad, given that they seek firmer demands and want to contribute to climate action. As a result, states may try to improve their environmental regulations, aiming at attracting MNCs and meet current trends.

In case states choose not to increase their climate or environmental regulations, it is likely that MNCs will create their own PSS to compensate for this lack of action, which is identified in the case about Hong Kong. Although, this development can result in states losing their authority, whereat exposed negative risks with private governance can take place and further on, be difficult to break since the MNC can possess a great amount of influence and power. The situation with BCS is one example of potential outcomes if companies gain too much influence in a certain area, as well as the circumstances with the palm oil industry where private regulation appeared to be more promising than the one established by ASEAN. Focusing on brought up cases, one can say that a power-conflict exist between MNCs and states, whereby states have to be cautious not relying on or lending MNCs too much power, since MNCs have the opportunity to establish an entrepreneur mode of governance which can result in declining state authority. This aspect does not only concerns control within certain areas, but also the possession regarding information and knowledge. As mentioned many states gather chemical information from the private domain FracFocus, whereat they may be depended on this corporation regarding the amount, category and the quality of available information.

With regard to MNCs' criticized history (especially with focus the oil industry), existing criticism and doubts about the inclusion of MNCs into the climate governance is understandable. Yet, in the view of GCA these firms contributions could controversially be a good thing, whereat the possibility to

create a diversity of profound standards emerges. As mentioned by Mills (2016) and Roberts (2011), MNCs are able to contribute with a variety of resources, in which states are lacking. As further stated by Kalfagianni (2014), it may be more valuable for MNCs to establish guidelines on their own considering their vast knowledge about the field of operation. If firms manage to establish a successful standard, it may be used by many others, as in the case with CSP in the shipping industry. Introduced circumstances might be further advanced, in consideration to the fact that public institutions and states have the possibility to adopt these PSS, just like the situation with Fairtrade, whereby the standard will develop into something globally acceptable. It is additionally discovered that many MNCs have engage in various collaborations, both within their own operations (as Walmart) and between other actors in the same industry (as the palm oil roundtables). By establishing these partnerships, MNCs have the possibility to affect a range of actors to work towards a common goal. This can not only provide beneficial consequences for the participants but also the environment and the region/field of operation, as in Kalfagianni and Pattberg's (2013) case about the fishery. With this said, MNCs can play a valuable role by contributing with various resources that states are lacking and as a result put more pressure on these actors. Further on, in case states experience a lot of influences from MNCs they could be able to respond to this 'threat of power' by establish more serious regulations and as a result reclaim their authority, with the outcome of both parties functioning next to each other, as in the case with the BIDs.

However, it is not assumable that firms always seek to engage within sustainability work and environmental strong countries, where the need to keep them from moving abroad in search for more favourably FSAs, might be required. For those companies not pursuing these circumstances, regulations in their operating countries or influences from other actors might be necessary, whereat strong governmental approaches become significant. In this perspective, the UNFCCC may play an important role by ensuring that companies do not leave countries with lacking environmental laws, due to major risks of them continuing as usual and even attracts those whom seek mentioned pollution heavens. In this manner, the UNFCCC possesses a valuable position, where it is able to provide MNCs with enough incentives to facilitate their operations within countries with strong environmental laws. The UNFCCC also has the possibility to strengthen MNCs' climate actions in several ways and as a result fulfil its governmental goal, to accomplish a collective and global shift towards a low carbon economy based upon a sustainable development, as mentioned by Falkner (2016). How this relationship could be displayed will be analysed further down, but before that, potential consequences with the inclusion of MNCs into the UNFCCC framework will be reflected upon.

5.2. The UNFCCC's relation to its member states and MNCs

By introducing MNCs into the negotiations, the UNFCCC have the opportunity to expand its base of connections and knowledge, but also distribute a range of task between more actors. Yet, this could result in a more complicated situation since there will be even further opinions to consider. As discovered in presented cases, more members which must be heard does not always result in better negotiations. With this in mind, one may wonder if the UNFCCC is able to incorporate more actors, with consideration to its historical problem with uniting its Party-members. As previously brought up, Roberts (2011) and Kalfagianni and Pattberg (2013) highlight that participants who seek for consensus regarding decision-makings and minimize the risk for any central actor, tend to be more successful. On the other hand, mentioned circumstance does not automatically mean a solution to the risk of negotiation gridlocks or too slow policymaking. Despite the UNFCCC's role in the negotiations, more opinions will have to be considerate with the inclusion of MNCs (and other non-Party members) and could complicate the future negotiations.

Along this path, there is another important aspect to consider. That the UNFCCC is originally monitored by its member states, who have granted the organization authority to partly act upon its own. Whereby there could be a risk that this strategy backfires and instead undermine state governance, which is a discovered possibility with lending companies too much power. Besides, in case member states experience excessively pressure or any negatives from MNCs, they could put a gridlock on future negotiations, aiming at displaying their disapproval with the chosen mode of governance. As discovered, it is not possible to pressure states to implement more climate friendly principles or actions, which puts the UNFCCC in a difficult position. The UNFCCC's statement that there is an increasing need for collaborations between Parties and non-Party members in order to achieve states NDCs, can be perceived as a response to this dilemma. If possibilities for a deeper conversation amongst states and MNCs emerge, these actors have the opportunity to come up with solutions on their own. In the line of this arrangement, the UNFCCC could possess a valuable role by being able to monitor the conversation, making sure it stays on line and that neither of the Parties dominates and undermine each other.

Alternatively, the UNFCCC might also be able to claim a more authoritarian position within the negotiations, by actively guide the Parties toward its governmental goal. However, looking at the huge amount of work that the UNFCCC has done in order to establish a bottom-up approach, this can be perceived as a non-selectable path. Additionally, a hierarchic control contradicts

with an orchestration mode of governance, in which direction it is perceived as the UNFCCC is entering.

5.3. The UNFCCC as an orchestrator: a clarification

As briefly stated in the introduction, the UNFCCC is already displayed as the main orchestrator within the climate change. With regard to mentioned favourably conditions when operating an orchestration and the UNFCCC's history, this point of view will be further explained. The UNFCCC is considered to be well suited for this task due to the adoption of the Paris Agreement (as argued by Bäckstrand and Kuyper (2017)), where it became evident that it is not only the UNFCCC that wants to engage in this mode of governance, but also its members. With this said, the UNFCCC has gained a more independent role, which was advocated by Abbot and Snidal (2010). Shifting focus to the four characteristics mentioned by Abbott and Hale (2014), a variety of suitable intermediaries exists within the area, in which UNFCCC is the leading organization and as a result characterized by a high focality. It is also perceptible as if the UNFCCC do possess an organizational culture in which non-Party stakeholder involvement is promoted and desired. Looking back at the UNFCCC's historical private sector engagement, this approach seems well integrated in its governmental framework since a long time ago. It is moreover noticeable that the UNFCCC have realized the necessity to provide potential intermediaries with resources (which will be analysed further down).

Lastly, legitimacy could as previously brought up, be gained by a record of success, moral authority and expertise. Whereby the UNFCCC's authority, since the 2000s, has been questioned as stated earlier by Streck et al. (2016) and van Asselt and Zelli (2014). As further discussed by Abbott and Hale (2014) legitimacy, together with resources, are the most important factors for an orchestrator to possess in order to successfully attract intermediaries. Following above statement, legitimacy could be identified as a potential obstacle for the UNFCCC. Another impending problematic could be the criteria of a mutual exchange, whereat the chosen intermediaries must possess and provide the orchestrator with complementary resources, which was mentioned by Abbott et al. (2012). With reference to these findings, approaching analysis will consist of reflections upon how the UNFCCC can manage to establish a relation with MNCs based upon a mutual exchange and compensate for its lack of legitimacy.

5.4. MNCs as intermediaries

It already seems that the UNFCCC have recognized that reputational advantages is something crucial to MNCs, considering NAZCA, MfC and the Climate Neutral Now initiative, where companies actions are displayed and promoted. It is also visible in the Yearbook of GCA where single initiatives by MNCs are highlighted. An approval from the UNFCCC can result in MNCs gaining an enhanced legitimacy, reputation and competitive advantages and is connectable to Schleifer's (2016) 'lack of third party verification'-statement and Holland's (2014) discussion about the UNFCCC as a potential non-partial validator. To elaborate, the UNFCCC are able to use its authority to provide MNCs with required incentives since it is displayed as a neutral actor.

As further indicated by Hahn and Pinkse (2014), legitimacy is a characteristic that MNCs cannot gain without the support from other actors which correspond with the recognition that the orchestrator needs to provide its intermediaries with something they cannot receive on their own. Notwithstanding, the question arises whether reputational advantage are enough to secure MNC's legitimacy, with regard to the risks of greenwashing, as in the case with the cut flower in Ethiopia. With this said, it may be problematic for the UNFCCC to only provide companies with reputational benefits without knowing how they function. But also if there are other more valuable things to support MNCs with, such as information, or other technical or managerial services which was mentioned by Hahn and Pinkse (2014) as attractive FSAs.

5.4.1. The importance of collaborations

With consideration to the UNFCCC's new bottom-up approach the comment made by Lövbrand et al. (2017) about the UNFCCC's role to connect various actors, it seems favourable to continue on this path. As also discovered by conducted literature review, interlinking various stakeholders may grant positive outcomes for all participants involved. By bringing together different actors it is imaginable to establish a closer relationship between the members, where the possibilities to discuss eventual barriers and strategies to overcome them, can emerge. Put differently, this tactic might facilitate the UNFCCC's understanding of these specific firms and their diverse requirements.

However, many of these collaborations might face a range of difficulties whereat the risk of them shutting down is impending. For example problems regarding negotiation gridlocks, as the cases involving Barrick Gold Corporation, and dilemmas concerning a fair amount of representatives, as in the palm oil

roundtables and the case about Sweden's forestry. Once again, this situation is connectable to the UNFCCC's potential role as a non-party validator, whereat it could act as a mediator. Making sure that recognized problems does not result in collaborations shutting down, become insufficient or unattractive to participate with. In other words, the UNFCCC holds an opportunity to guide participants towards desired direction, without too much interfering, to facilitate the conversations and later the implementations. If successfully managed, the members might come up with new PSS or other regulations that favours all included and the environment, together with the opportunity to strengthen their reputations, competitive advantages and legitimacy.

As briefly described in the introduction, the amount of non-Party participants during the COPs have outnumbered the quantity of delegates. Whereupon the UNFCCC's acknowledgment in the LPAA (that non-state actors needed a special place in the future COPs), illustrates that the UNFCCC could be aware about its position to act as a mediator and 'connector'. By focusing on these events and provide an opportunity for these members to meet under favourably circumstances, it is possible for the UNFCCC to create a range of various partnerships between MNCs and other actors. In addition, those whom participate during the COPs does with great certainty hold the same environmental agenda as the UNFCCC, which is one of the important attributes for the orchestrator to share with its intermediaries, as explained by Abbott and Hale (2014).

With reference to the UNFCCC's insufficient amount of legitimacy, the collaboration strategy could theoretically restore the UNFCCC's legitimacy and at the same time, contribute to a higher focality and more actors to partner with. The inclusion of MNCs could increase the legitimacy of the UNFCCC since the aspect of representatives will be more accurate, as discovered in Schouten and Bitzer's (2015) article. Likewise, if it becomes well-known that established collaborations are able to provide participants with favourable outcomes, the importance to participate in these may increase. As a consequence, the UNFCCC might be viewed as an IGO that successfully manage to bring together all form of entities, strengthening its record of success.

However, mentioned strategy may need a long period of time before any signifimayt results will be shown, due to the problematics regarding the climate change and the amount of perspectives and different interests that need to be negotiated. Although, considering the UNFCCC's governmental goal stated by Falkner (2016), the Paris Agreement whereat collective ambitions and the inclusion and developments of the private sector are highlighted, the establishment of the Marrakesh Partnership, the GCA, the appointment of the two High-level champions and the overall encouragement for states and non-state actors to enhance the dialogue between each other in the ongoing Talanoa Dialogue, the incorporation of non-state actors into the UNFCCC's framework is perceived as something crucial and which will be implemented for a long period

of time. In other words, the UNFCCC could be viewed as well prepared to distribute more resources and efforts into the huge amount of work that might be required in order to establish any successful collaborations.

5.4.2. Establishing a mutual exchange

As explained by Abbott et al. (2012), the orchestrator must also gain something from this relationship, and as further identified by Abbott and Hale (2014), the capabilities of the intermediaries must complement those of the IGO. With regard to the UNFCCC's limited recourse it seems likely that the mutual exchange could consist of information, technology and expertise within various industries. To elaborate, MNCs have the opportunity to provide the UNFCCC with specific knowledge about their businesses together with country-specific information that could be hard to receive from a top-down approach, which might be useful in future negotiations. As stated by Leiter (2015) the firm's excellent knowledge about its own industry provides them with a huge advantage, where they are able to create well established mechanisms based upon this understanding. Businesses might also support various innovations and be viewed as an inspiration, where others may follow, as previously indicated by Falkner (2016). In return the MNCs will receive the chance to take part in mentioned collaborations and receive other desired FSAs, with possibilities to further develop their operations and obtain important connections. MNCs may consequently view a partnership with the UNFCCC as 'the way in' and something mandatory in order to gain any advanced incentives. This exchange could furthermore provide the UNFCCC with necessary information that it otherwise could have a hard time to receive on its own. However, as already highlighted in the case involving FracFocus, it may be highly uncertain to solely rely on information provided and controlled by companies, whereupon existing risks of the company hiding important information might have to be considered.

As further on implied, the exchange will increase the legitimacy (and focality) of the UNFCCC that will be displayed as an organization with many connections, a profound base of knowledge and the possibility to successfully interlink various actors. Legitimacy are as already explained, not something that the UNFCCC or MNCs can gain on their own, since it depends upon external views. But with the creation of a relationship where the UNFCCC and MNCs support each other, they may receive a higher legitimacy together, whereby everyone involved are classified as 'winners'.

Nonetheless, it is important to remember that MNCs also shall be used as intermediaries in order to accomplish more advanced climate actions amongst the UNFCCC's member states. With this said, MNCs have two roles to play whereat

already mentioned difficulties about who to support becomes significant. Except above dilemma and already mentioned collaboration difficulties, there might be other things to considerate if the UNFCCC want to establish a profound partnership with MNCs based upon a mutual exchange.

5.4.3. Risks of greenwashing and unequal amount of contributions

Focusing on MNCs insufficient initiatives, which can be classified as greenwashing, one has to consider the risk of the UNFCCC supporting these MNCs. Even though brought up collaborations can be viewed as a strategy to deepen potential partnerships and understanding of the members, there is no guarantee that some actors could get away with doing less. The aspect of unequal contributions has several implications that will be discussed in this subchapter.

Starting with consequences within the established collaborations, the UNFCCC could play a crucial part within various collaborations where a PSS (or other guidelines) have been established. In case participants do not manage to fulfil the required regulations agreed upon, there is a risk that more ambitious members are leaving the partnership, where the arrangement could be shut down and/or lose authority or legitimacy. On the other hand, since MNCs cooperate on a voluntarily basic it could be problematic to implement mandatory rules in order for MNCs to participate within UNFCCC-lead collaborations. The execution of rules or potential punishments might end up in a top-down approach, which is the contradiction of the purpose with an orchestration and as well as the goal of the Paris Agreement. Besides, it is known that the Party-members cannot be forced to undertake any changes, which might be highly applicable to MNCs as well. Instead another way to ensure that companies increases their environmental commitments, has to be introduced. Looking at the Paris Agreement's formulation of countries NDCs, which represents a goal rather than a legal duty, one could argue that same approach may be used in mentioned collaborations involving MNCs. The UNFCCC has the possibility to display the attitude of something is better than nothing and that there is always place for improvements and as a result, keep its neutral position whereby everyone that acts upon climate action will be recognized.

Yet, some form of commitments may be required in order to be a participant, both with regard to the prevention of any kind of injustice amongst the members and in order for the establishment to maintain a good reputation. Once again looking at the Paris Agreement, there are a few mandatory commitments which ratifying members have to follow. Furthermore, considering the success of the Agreement where states finally came to a settlement, this policy may as well work in the field of MNCs. Besides, as noticed throughout this thesis, the numbers of

MNCs who want to contribute to climate action are many whereat the quantity of potential intermediaries may be view as high.

With this said, a mixture of a directive and facilitative form of orchestration may be a thinkable strategy in order for these partnerships to remain attractive and effective. By assemble various MNCs with same fundamental goals, they could agree upon measurements that have to be followed in order to stay within the collaboration. As the network evolve, more standards may be implemented whereby the establishment of a weighty PSS is possible, which later have the opportunity to be effected by many other actors. Resulting in the whole collaboration being viewed as highly legitimate and attractive to cooperate with or participate within. To explicate, MNCs that receive numerous of benefits from these establishments may face have a hard time to leave, since these profits will be too great to be disposable. Thus an indirect steering is implemented, whereat the UNFCCC uses MNCs desired incentives as an inducement to continue evolving these relationships towards its governmental goal.

A last crucial perspective not to forget about is that MNCs are driven by market forces, which may be necessary to consider if establishing a collaboration with these firms. In line with the growing number of firms taking climate action, the pile of initiatives that want to partner with the UNFCCC might increase, together with the need for a new way to categorize these contributions. As seen in presented cases (for example the CDM project), the involvement of new standards is something that happens when it is necessary to identify the best initiatives from the rest, with the purpose to distinguish a company and receive better legitimacy and advantages. This means that the UNFCCC, along the growing involvement of MNCs, may need to continuously create something even stronger than current promotions and relationships. If not, the risk of losing potential intermediaries and collaborators could occur, where a partnership with the UNFCCC is not displayed as something unique.

5.4. The role of transparency

An important aspect that has been discovered but not yet mentioned in the analysis, is the criteria of transparency. As already stated by Leiter (2015) business are able to promote its engagements to external actors and as a result gain reputational and competitive advantages. In the light of this thesis area of interest, transparency can be viewed as both a possibility and a hindrance. Starting with the potentials, increasing transparency can result in anyone being able to investigate various operations and initiatives which in turn, may put pressure on other MNCs to do more. Looking at the UNFCCC, the criteria of

transparency is advocated in the Paris Agreement whereat one can say that the UNFCCC have recognized the potential of this characteristic, illustrating that the UNFCCC is pursuing more transparency amongst its members and potential partners. Since this finding correspond with MNCs and other actors own requests, it appears to be a positively path to continue on. As discovered, legitimacy can paradoxically also be gained by increasing transparency, as in the cases with IATA and CSP, whereupon the UNFCCC have the opportunity to influence MNCs to be more transparent. In case MNCs reveal more about their operations, they can inspire other actors to do the same. It is also possible that external views about these corporations will become better due to increased trustworthiness. What is more, the noticed unfair distribution of recognition discovered in Kalfagianni and Pattberg's (2013) case about the fishery, might be improved or at least be more accurate. At the same time, MNCs are able to promote their actions to external parties, which states and even the UNFCCC may perceive as problematic, and as a result inspiring others to follow in the same direction.

Yet, considering that transparency is something that firms often perceive as troublesome, cautiousness regarding the receiving information may be essential. Bearing in mind previous mentioned dilemmas regarding the support of unknown initiatives. On the other hand, if MNCs choose not to provide any information about their industries, a partnership with the UNFCCC might be hard to gain. However, if MNCs will be provided with enough incentives they may possibly agree upon making their operations more transparent. In one perspective, MNCs can decide to only provide the UNFCCC with sensitive information, which will remain confidential to others. Although, this could evoke suspicions amongst other actors and in connection to the growing demands for transparency, it seems unlikely that this strategy would survive for a longer period of time. Identified trends provide the impression that no one could be able to establish a full fledge trust amongst the public (and other entities) without transparency.

By sole focusing on MNCs, it is apparent that these category of firms are displayed in a new light. Not only centring upon the request of marked forces but also on current environmental and political dilemmas, where they actively seek possibilities to contribute to a more sustainable future. Within this spirit, it might be important that the UNFCCC does not face any more gridlocks between its Party-members due to the risk of losing more legitimacy. But also bearing in mind that many initiatives from non-Party members arose due to insufficient negotiations, whereat Hale and Robert's (2014) statement that an entrepreneurial mode of governance has a higher risk to appear when delegation or some kind of authority are non-existent, may be reflected upon. Then again this point of view contradicts with the purpose of an orchestrator, but can be adaptable if a combination of directive and facilitate orchestration is promoted, whereat the UNFCCC have the possibility to act as the 'spider in the web'.

As a conclusion, it is very likely that MNCs' engagement in the climate governance will continue regardless of the UNFCCC's governance approach which could result in MNCs (or other actors) taking over the central position within the field of climate change, leaving the UNFCCC behind.

6. Conclusions

Throughout this thesis, the UNFCCC's private sector involvement has been presented, in combination with the assumption that the UNFCCC, by the adoption of the Paris Agreement, is pursuing the role of an orchestrator in the governmental area of climate change. It is evident that the UNFCCC tries to display the increasing engagements from non-Party members in a brighter light, with the possibilities to use these actors as intermediaries, aiming at evoking further ambitions amongst its member states. In turn, MNCs have started to realize the need to change, due to potential consequences of climate change which they might face, whereupon several important aspects from the inclusion of these corporations have become vital.

First of all, MNCs have the possibility to affect states by either taking over the authority in a certain area or by complementing state's lacking environmental actions by several means. These supplements can consist of the establishment of various PSS or collaborations, which are the main discovered strategies used by MNCs in order to contribute to climate action. Secondly, MNCs are continuously competing over incentives such as legitimacy, reputation and competitive advantages which can be gained by above mentioned strategies. However, they often face a range difficulties and barriers in order to enter this arena, such as competition, disputes, insufficient state regulations and lack of trust amongst external actors. These obstacles might moreover prevent companies from manufacture greener products, but also generating a more transparent organization, which is discovered as crucial in order to successfully mediate their initiatives towards external actors and meeting current trends. Looking at identified consequences of the involvement of MNCs, the risk of an entrepreneurship mode of governance is very high if these companies will be granted too much power. As highlighted, the danger of an entrepreneurship mode of governance increases when member states cannot unite and as a consequence delegate less authority. With the result of MNCs taking over the role of the state and further on threaten its governmental authority.

What is more, the UNFCCC might need to carefully consider and balance the amount of support that will be given to MNCs in relation to Party-members. Since the UNFCCC is ultimately controlled by states, this new bottom-up strategy might backfire and result in even more troublesome negotiations. However, by promoting further collaborations amongst Party and non-Party members, these

actors have the possibility to come up with solutions on their own, whereby the UNFCCC will mainly function as an observer, making sure that the conversation progresses in a desirable direction and preventing any risk of gridlocks or disputes which cannot be solved.

To able to use MNCs as intermediaries the UNFCCC has to provide them with reputational benefits and competitive advantages, which in turn may turn out to increase the legitimacy of these business. However, the UNFCCC could also need to deepen its relation with these corporations in order to grasp their actually need and prevent the risk of supporting any initiative that could be labelled as greenwashing. This could be possible by establishing various collaboration opportunities, such as roundtables, where the UNFCCC will mainly function as a spectator making sure that the conversation continues and support the participants to overcome various obstacles. Yet, these partnerships must be continuously developed, in order to view the UNFCCC as an attractive partner and secure MNCs participation within these collaborations. It might furthermore be necessary for the UNFCCC to create a system where participants follow established guidelines within these various partnerships, without reintroducing its top-down approach. In this manner, the UNFCCC might need to indirect guide the behaviour of the MNCs, where a combination of a facilitative and directive mode of orchestration could be favourably. By furthermore support MNCs in various ways, the UNFCCC is able to gain specific knowledge about their industries and the countries of operation, which could be hard for it to receive on its own. With this said, the mutual exchange which is discovered necessary in order to coordinate an orchestration, is able to emerge and will be built upon: recognition and collaborations possibilities versus firm and country specific information, together with increasing legitimacy for both sides. As a result, the UNFCCC could also be granted a higher focality when the amount of potential collaborators (and thereby intermediaries) increases. With this said the aim of this thesis has been answered.

It is moreover noticed that transparency may result in MNCs gaining an even higher legitimacy with the outcome of a stronger reputation and increasing competitive advantage. Conversely, MNCs often perceive this requirement as somewhat difficult due to sensitive information and (ironically) the need to secure competitive advantages. Even though the UNFCCC may not wish to engage within market forces, one cannot exclude the fact that MNCs must gain favourable conditions in order to engage in certain collaborations and business areas and further on stay within them. In this aspect, the UNFCCC is able to play an important role by encourage and provide MNCs with sufficient incentives in order for them to turn their operations into becoming more transparent. In turn, this could result in other actors (such as states or other non-Party members) being inspired or feeling the pressure to follow in the same direction. By this means, transparency could also be a crucial aspect to involve within the recognized

mutual exchange between the UNFCCC and MNCs, with the aim to evoke even more ambitious initiatives, collaborations and policies.

If the UNFCCC plays its cards correctly, keeping in mind mentioned consequences of the involvement of MNCs in the UNFCCC framework, it may accomplish a well-established orchestration with MNCs as intermediaries. By successfully incorporate these unique companies the UNFCCC furthermore has the opportunity to reclaim its legitimacy, in parallel with possibilities to combine its new bottom-up approach with the traditional top-down (with focus on countries' NDCs) and as a result maximizing its operation. The inclusion of MNCs will also represent a major step forward towards reaching the goals of the Paris Agreement where a global climate action is (literally) created.

Last of all, another crucial factor not to forget is that the undertaken assumption of states as the UNFCCC's main target corresponds to its current position. But considering modern trends and the UNFCCC's new goal of collective actions, it is questionable if the UNFCCC will continue on this course, only acting upon the requests of its member states. Moreover, even though the states have officially recognized the UNFCCC's new position and strategy, one cannot stop speculating about if this tactic has the sole purpose to evoke more climate action or for states to get away with doing less. Yet, much rest upon the Talanoa Dialogue and future negotiations, whereat it could be essential for the UNFCCC to bring together all actors in order to keep the control of its own organization. The purpose of the UNFCCC has, as a consequences of this new approach, drifted away in all kinds of directions, whereby it is important to ensure that everyone involved strive towards the same goals with the same fundamental ambition. This is furthermore necessary in case the UNFCCC wants to conduct a thriving orchestration mode of governance for a long period of time. Depending on the outcome of the Dialogue, the UNFCCC could adopt a new role, where it will represent a centrality for all entities within the field of climate change.

6.1. Further studies

The focal point in this thesis has been on MNCs as intermediaries, whereby necessary circumstances in order for the UNFCCC to act as an orchestration can differ depending on what entitle that is highlighted. For example, NGOs and the civil society require other aspects to be considerate, if they should function as intermediaries. In this manner there is a need for more specific studies about these actors, in order to increase our understanding of how the UNFCCC's can incorporate each one of them individually. As moreover noticed it may also be

favourable to investigate how the UNFCCC's member states react upon the UNFCCC's new role within the climate governance.

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