

POLLUTING PARIS:

How Big Polluters are undermining global climate policy

EXECUTIVE SUMMARY

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Introduction

In November 2017, during one of the most unprecedented periods of climate-related extreme weather events and humanitarian crises, governments will once again gather in Bonn, Germany, for the 23rd Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC). High on government's list will be to discuss the procedures that will guide the implementation of the Paris Agreement. If the world is to avoid the worst of the climate crisis and keep warming to 1.5 degrees Celsius and well below 2 degrees, Parties must agree to real, just, and sustainable solutions, and reject the false solutions pedaled by the world's dirtiest polluters and their proxies (including obstructionist governments and industry trade groups).



PHOTO: Kemal Jufri/Greenpeace

A WOMAN LOOKS ON TO A COAL FIRED POWER PLANT IN CENTRAL JAVA, INDONESIA.

THE HIDDEN STRINGS

A common thread throughout this report is the interference of Global North governments, particularly the United States. Donald Trump and his administration are deep in the pockets of the very industries—the fossil fuel industry, the agrochemical industry, the banking industry—that are one of the primary obstacles to progress. While the U.S. has long undermined the U.N. climate negotiations, Donald Trump's dismantling of domestic climate policy and his commitment to withdrawal from the Paris Agreement means that the U.S. arrives at COP23 with nothing of substance to offer in addressing this crisis. In fact, the Trump administration's deep ties to the fossil fuel industry and other big polluting industries are just about all this year's delegation will bring to the table at COP23.

Perhaps worse, the European Union—often praised as a climate hero—is also undermining climate policy. From the Commissioner for Climate and Energy, who used to be president of not one but two oil companies, to the EU-established natural gas lobby group, the European Network of Transmission System Operators for Gas, the line between government and industry is increasingly blurred. Whether overt or subtle, co-option of the UNFCCC by corporate representatives



PHOTO: Ken Cedeno/Greenpeace

U.S. EPA ADMINISTRATOR SCOTT PRUITT ANNOUNCES THE TRUMP ADMINISTRATION'S INTENT TO WITHDRAW THE U.S. FROM THE PARIS AGREEMENT.

pulling government strings must come to an end if the Paris Agreement and international climate policy is going to be effective in averting the worst of the climate crisis.

Big Polluters like oil, gas, coal, and agricultural transnational corporations (TNCs) are not only the largest emitters, their climate denial, lobbying, and policy interference make these industries one of the primary obstacles to sound climate policy at every level of government.

This report, with contributions from five global organizations deeply concerned with the outsize influence of corporate power, exposes how the industries most responsible for climate change, especially fossil fuel TNCs, are obstructing real progress to address the climate crisis across

key policy areas that will largely determine how habitable our future will be. Within the U.N. climate talks, key negotiating tracks undermined by industry interference include finance, mechanisms for international cooperation, agriculture, technology, and observer participation. But all is not lost. This report highlights what can be done in each of these tracks to protect against corporate capture and to unlock the key to the solutions already at our fingertips.

Industry groups stalk the halls of the UNFCCC

In this section, Corporate Accountability discusses one of the most egregious ways big polluting industries undermine climate policy: by walking the halls as “observers” to the UNFCCC negotiations. Currently, groups like the U.S. Chamber of Commerce, Business Europe, and the Business Council of Australia, which have all undermined climate action on behalf of their corporate members, have unfettered access to the climate talks. Such access allows for not only direct lobbying of delegates, but also for unparalleled information gathering, as well as the greenwashing of corporate images. To address the myriad ways the presence of trade associations undermines the talks and to strengthen the implementation of the Paris Agreement, the authors resolve for the UNFCCC to adopt a standard definition of conflict of interest and implement a binding conflict of interest policy to help reveal and limit undue corporate influence via observer participation.

Carbon majors masquerading as part of the tech solution

Environmentally sound technologies, such as renewable energy and local innovations, will play an essential role in mitigating and adapting to climate change. While there is a mechanism in the UNFCCC to accelerate development, transfer, and deployment of climate technologies to Global South countries, this mechanism has been co-opted by Big Polluters, from Électricité de France and Shell to the World Coal Association. As Neth Daño of the ETC Group explains, this cooptation prevents the Technology Mechanism from providing sound information and technical advice. Instead it allows polluting corporations to project an image of being part of the solution while at the same time continuing to operate businesses that are primarily responsible for the climate crisis. The UNFCCC should not allow industry involvement to compromise this transfer. Instead, as Daño recommends, the Secretariat should fully evaluate the environmental, social, and economic impacts of climate technologies and ensure that the non-State actors invited to take part in technology development, transfer, and deployment do not introduce potential conflicts of interest.

Article 6 and the invisible hand of carbon chaos

Markets are often portrayed as a magical solution to environmental pollution. Yet study after study reveals that carbon markets not only fail to reduce emissions but create new problems as well. Article 6, which may provide incentives to set up and expand carbon markets, could very well make matters worse—providing opportunities for Big Polluters to continue to pollute egregiously without consequence and distracting attention from real solutions. Not surprisingly, trade groups and corporations have promoted these markets and affiliated individuals have even found a place at the negotiating table. This is unacceptable. In this section, Corporate Accountability calls for governments to create binding regulations that require polluting corporations to drastically reduce emissions and reject carbon markets.

The corrupting influence of corporations’ COP sponsorships

For almost as long as the UNFCCC has existed, the very same transnational corporations whose profits depend on the burning of oil, coal, and gas have been permitted to bankroll the U.N. climate talks. In this section, Corporate Europe Observatory’s Pascoe Sabido makes the case for eliminating the corporate sponsorship of international climate negotiations. As Sabido outlines, transnational corporations use the access to the UNFCCC that sponsorship buys them to undermine progress and push false solutions (like failed carbon trading or carbon capture and storage schemes). While addressing sponsorship alone will not fully eliminate corporate influence at the COPs, it would chip away at the green and blue façades Big Polluters have erected. It would also provide space for an honest conversation on what role Big Polluters should have in solving a crisis that they continue to profit from. Sabido concludes with a call for a policy to reject sponsorship from corporations whose interests are in conflict with the objectives of the UNFCCC and for COPs to instead be financed equitably by member states.

Fighting corporate interests in the Green Climate Fund

As Lidy Nacpil of the Asian Peoples’ Movement on Debt and Development discusses in this section, climate finance is the foundation for a just, fair, adequate, and effective global response to the

climate crisis. Yet the Global North is not living up to their finance obligations. Further, many Northern governments are facilitating the domination of climate finance by corporate interests. The Green Climate Fund, central to climate financing, is exposed to capture by corporate interests, which among other things risks public funds subsidizing profit-making investments of private corporations and supporting projects that are not publicly accountable. Civil society has also had an increasingly difficult task of preventing financial institutions with track records of fossil fuel investments from getting accredited by the Fund. As Nacpil explains, to ensure climate finance is used for the interest of the communities and not corporations, we must keep banks and entities that have a financial interest in fossil fuels from accessing or disbursing funds from the Green Climate Fund. And we must create guidelines that ensure that entities accredited to access these funds are held to the highest levels of accountability while financing and implementing climate projects.

Weeding out “Climate-Smart” distractions from agriculture

In this section, Teresa Anderson of ActionAid International upends an often pushed but rarely defined term: “Climate-Smart Agriculture.” The term, originally developed by the U.N. Food and Agriculture Organization (FAO), has been co-opted by Big Ag to greenwash its environmentally harmful practices including synthetic fertilizers and monoculture-crop farming. By using the branding of “Climate-Smart,” trade associations and corporations have been able to position themselves within the policymaking process at the U.N.. Such positioning not only helps to greenwash a very dirty industry, it staves off regulation, preventing decision-makers from advancing policies that would limit farming emissions and cultivate more environmentally sound practices. Instead of continuing

down the road Big Ag seeks to pave for us, Anderson calls for policies that regulate non-CO₂ emissions from industrialized farming and promote agroecology practices that are proven to benefit farmers, nature, and people.

Conclusion

At the UNFCCC, fossil fuel TNCs and other industries intent on exploiting the climate crisis are hijacking the talks, stifling ambition, pushing false solutions, and blocking the financing of real solutions. Without the UNFCCC and the Paris Agreement, Global North governments are left free to do the bidding of the fossil fuel industry, while the rest of the world continues to pay the price. World governments can use the negotiations at the UNFCCC to insulate climate policymaking from corporate capture at all levels, and to hold recalcitrant Global North governments accountable for doing their fair share to address climate change.

These policy areas—finance, cooperative mechanisms, agriculture, technology, sponsorship and public participation—are essential building blocks of climate action on the ground. If countries construct their national climate action plans upon building blocks made of faulty materials, then a future of irreversible climate catastrophe will be set in stone.

The greatest storms are yet to come. If we are to survive them, governments must publicly call out corporate capture of climate policy where and as it occurs. And they must put in place safeguards and policies that protect the UNFCCC and the Paris Agreement—as well as its implementation at the national level—from industry interference.

Citations: For sourcing, please refer to full report at www.CorporateAccountability.org/PollutingParis



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