

To: Connie Hedegaard, Commissioner for Climate Action
Cc: Antonio Tajani, Commissioner for Enterprise and Industry

Subject: Open letter on WBCSD report on role of business in the UNFCCC

Brussels, 23 November 2010

Dear Commissioner Hedegaard,

We would like to raise our serious concerns about the report released by the World Business Council for Sustainable Development (WBCSD) on [Options for institutional engagement in the UNFCCC process](#).

The report¹, published jointly with consultancies Ecofys and Climate Focus and launched on the 31 August 2010, was funded by the European Commission (DG Enterprise) to “design options for private sector engagement in the context of the UNFCCC international climate negotiations”². We are concerned that the Commission is funding the work of a corporate lobby group such as WBCSD which has a history of lobbying against ambitious international agreements to regulate environmental problems. Instead the WBCSD tends to promote dangerous pseudo-solutions such as nuclear energy, forestry genetics and agrofuels³.

More importantly we are concerned that the Commission might support the recommendations of the report. The influence of large corporations on decision-making both domestically and in international negotiations is already now one of the main obstacles to effective and just policies to tackle climate change. Further expanding corporate influence in UN climate policy-making, as the WBCSD report demands, would be disastrous.

The report claims that increased involvement of the private sector in the UNFCCC is a condition for the success of any international agreement on climate change. The report outlines some general options as to how this might be achieved, but also makes some very specific suggestions.

These correspond to the areas of climate policy which are of particular and direct interest to big business, such as the carbon market mechanisms, particularly the UN's Clean Development Mechanism (CDM). The report advocates direct participation of business associations at the policy level, including involvement in drawing up standards and guidelines, as well as business involvement in implementation. It is suggested that the more business engages, the more effective the mechanisms will be. This is a deceptive logic which ignores the reality that corporations lobby for their own commercial interests, which are more often than not at odds with the effective functioning of any mechanism intended to cut greenhouse gas emissions.

The track record of industry lobbying on the CDM over the last decade leaves no doubt that giving business further decision-making powers will undermine the aim of cutting greenhouse gases⁴. No doubt you will be aware of this danger after the recent intense business lobbying to limit the restrictions that DG CLIMA is considering for the CDM in order to protect any environmental integrity that the ETS might have⁵.

1 <http://www.wbcds.org/web/energyclimate/WBCSD%20Ecofys%20ClimateFocus%20Final%20Report.pdf>

2 Contract by DG Enterprise (Competitiveness and Innovation Framework Programme) funding a study aiming at the evaluation of design options for private sector engagement in the context of the UNFCCC.

ENTR/2009/20 — sectoral approaches to fostering international action on climate change. The contract (for which the three groups got € 262.566) award notice was published in the Official Journal of the EU on 27/10/2009 (OJ S 207, ref. no. 2009/S 207-296807)

3 See fi <http://www.wbcds.org/DocRoot/d47ffN9eloTinVhOed1S/TowardsLowCarbonEconomy.pdf>

4 See fi <http://www.carbontradewatch.org/publications/carbon-trading-how-it-works-and-why-it-fails.html> and http://www.sandbag.org.uk/site_media/pdfs/press_releases/PR_Offsettting_report2009.pdf

5 See fi <http://www.bloomberg.com/news/2010-11-18/enel-rwe-lobbying-delays-curbs-on-un-offsets-cdm-watch-says.html>

The WBCSD report also outlines how business representatives might participate more directly as advisors in the Technology Mechanism currently discussed in the UN climate negotiations. Again, the WBCSD and other big business lobbies have to date pushed for pseudo-solutions such as carbon capture and storage (CCS) and agrofuels, technologies that are widely criticised for their serious environmental and social negative effects (agrofuels) and risks (CCS).

The report also advocates the formal engagement of business in the Secretary General High Level Advisory Group on Climate Change Financing and in the Green Climate Fund, allowing business to favour corporate-friendly solutions despite its lack of expertise on what is in the best interests of communities.

Finally, on the controversial issue of REDD+ (the UN mechanism for forest protection), the report recommends the participation of individual industry experts, companies and business associations, for instance to provide assessment in social and environmental standards. In the light of the ongoing corporate lobby to allow monoculture forest plantations to be included in REDD+, with devastating impacts for biodiversity, local communities, and the climate, boosting the role of industry in this way would have disastrous consequences.

The report recommendations are said to be in part based on conclusions adopted at five workshops and the authors claim that these conclusions reflect a consensus of views from a truly inclusive group of stakeholders, including NGOs. We believe the report is misleading on this point. As can be seen from the participant lists ⁶ NGOs are heavily outnumbered, and the NGOs participating are far from representative.

In the light of the imminent climate summit in Cancun, please could you clarify the Commission's position on the recommendations outlined in the WBCSD report?

We assume the European Commission will not embrace the flawed recommendations of this report, which would exacerbate the serious problems that already exist with excessive influence of big business in climate policy-making. Lobbying by business groups such as the WBCSD has been one of the main hurdles for a fair and effective agreement to tackle climate change. In the report and in their lobbying the WBCSD argues that business expertise is needed in UN decision-making structures on climate policy. The Commission should not accept, let alone promote, this attempt by big business to further increase their grip on international climate policy.

We look forward to your response.

Yours sincerely

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⁶ <http://www.wbcds.org/web/projects/energy/SummaryWorkshops1.pdf>