SDG 13

The pivot point: realizing Sustainable Development Goals by ending corporate capture of climate policy

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The influence of transnational corporations is the greatest obstacle to achieving Sustainable Development Goal (SDG) 13, which commits states to "take urgent action to combat climate change and its impacts". For too long, transnational corporations have relied on their disproportionate economic and political might, and used both subtle and overt methods to undermine UN initiatives to achieve global justice and sustainability. This force is especially evident in the corporate capture of the United Nations Framework Convention on Climate Change (UNFCCC). If equity and sustainability as embodied in the 2030 Agenda are to be protected, the UN and its institutions must pivot away from involving transnational corporations in global policy-making, which includes indirect activities and initiatives that influence the course of action taken by any policy-making body – not only regarding climate, but across all areas of development and sustainability.

SDG 13: essential to equitable and sustainable development

The critical role of SDG 13 in achieving sustainable development cannot be understated. If we do not take urgent action, the climate crisis will continue to wreak havoc around the globe, but it will have particularly devastating effects for people living in the lowest income countries. Simply put, climate change will widen the inequality gap and exacerbate poverty for people and countries that have done next to nothing to cause the climate crisis.

Climate change is already causing displacement and economic hardship, and those effects will intensify if we do not take urgent action. The year 2016 was the hottest ever recorded, and a record-topping occurrence of natural disasters, such as floods, earthquakes, and hurricanes left US$ 175 billion of damage in their wake.[1] After last year's drought across Southern Africa, 17 million people were expected to require food assistance before the 2017 harvest, Chinese floods caused US$ 14 billion in damage, flooding and landslides in Sri Lanka displaced hundreds of thousands, and climate and weather-related events displaced 19.2 million people, twice as many as conflict and violence in 2015.[2] Bolivia endured its worst drought in a quarter of a century,[3] and 175,000 Moroccan farmers lost their jobs due to drought.[4] Given these recent disasters, we can see how a quarter of a billion people, predominantly from lower income communities, are projected to become climate change migrants by 2050.[5]

Fossil fuel corporations have intensified climate change knowing it would come at such a devastating

1 Riley (2017).

2 World Meteorological Organization (2016).

3 Jemia (2016).

4 Middle East Monitor (2016).

5 Christian Aid (2007).

social and environmental cost,[6] but the daily business practices these corporations employ to expand operations and amass profits also have a direct and devastating effect on equality and sustainability. For example, in Peru's Amazon rainforest, the Spanish oil company Repsol, part of a group of 90 corporations most responsible for creating the climate crisis,[7] has quite literally drilled into and built upon the livelihoods of indigenous populations that have lived self-sustainable lives for generations.[8] Now, these once entirely self-sufficient populations are less able to provide for themselves and are forced to rely on the same corporation that has endangered them to provide them with necessities.

Worldwide efforts to achieve sustainable development will be futile unless we act quickly and ambitiously to address climate change and the danger it already presents to people's lives and livelihoods. Critically, if the global community fails to achieve SDG 13, we will fail more broadly to realize the pressing and necessary goals of the 2030 Agenda.

Corporate capture of global climate policy is a severe threat to success

Given the fundamental nature of SDG 13 to the entire sustainable development agenda, it is imperative that the global community closely examine and take action to eliminate the biggest obstacle to achieving robust, decisive climate policy: corporate capture. From policy development to implementation, at local and global levels, corporate interests delay urgent climate action, weaken country commitments to cut emissions, stifle initiatives by States to act according to current need, historical responsibility or capacity, and block climate financing initiatives in an effort to protect profits and ensure future expansion.

Intense industry pressure aimed at promoting a weak regulatory environment results in commitments that are voluntary in nature and weak in scope, form and content.[9] Take, for example, the UNFCCC's Paris Agreement, which is recognized as the main international pathway to achieving progress on SDG 13. The Agreement hinges on voluntary, inadequate and inequitable country pledges (Nationally Determined Contributions) that fall significantly short of the "urgent action" needed to effectively and equitably address climate change, let alone stand a chance at keeping global temperature rise to well below 2° Celsius. Even now, as world governments work towards a 2018 deadline to transform the Paris Agreement from words into action, countries with strong fossil fuel ties continue to undermine meaningful action at every turn. These countries are not only adamantly opposing measures to strengthen the global response to the climate crisis, but are even attempting to weaken commitments already clearly made in the Paris Agreement, all while refusing requests from global South countries to address the role corporate capture has played in undermining decades of meaningful climate action.[10]

This is particularly concerning, given that the driving motive of the fossil fuel industry – expansion and profit – is fundamentally at odds with the need to drastically curb emissions to address climate catastrophe.

Tactics employed by transnational corporations to thwart climate action

To understand how transnational corporations have been able to undermine climate policy, we must examine the varied tactics they employ. These include:

- Direct lobbying of policy-makers and political contributions, which leave politicians in debt to the industry and its will;

6 Center for International Law (2016) and Carrington/Mommers (2017).

7 Clark (2013).

8 Corporate Europe Observatory/The Democracy Center/TNI (2014).

9 See for example, Corporate Accountability International (2017), InfluenceMap (2015), Corporate Europe Observatory/The Democracy Center/TNI (2014) and Leggett (1999).

10 See for example www.nytimes.com/2017/05/16/climate/corporations-global-climate-talks-bonn-germany.html?_r=0 and www.theguardian.com/environment/2017/may/17/fossil-fuel-lobby-to-declare-interests-at-un-talks.

- Indirect lobbying through industry associations and front groups that gain direct access to the world leaders who decide climate policy;
- Co-opting science by undermining sound science, promoting misleading science, and occupying academia, increasingly shaping the scientific foundation that informs policy;
- Buying goodwill and influence by joining non-binding voluntary initiatives, offering technical assistance to governments, corporate sponsorship and public-private partnerships, corporations buy goodwill for financially rescuing public institutions in times of need, and the power to dictate global solutions to the same problems they knowingly created.

Following are a few examples of each of these tactics.

Direct lobbying of policy-makers and political contributions

- Just ten of the largest fossil fuel corporations, all of which are among the top 40 corporations most responsible for greenhouse gas emissions to date,[11] spent as much as US$ 21 million lobbying EU policymakers between 2015 and 2016.[12]
- The oil and gas industry spent more than US$ 117 million lobbying in 2016[13] and more than US$ 100 million in political contributions during the 2016 US election cycle alone.[14] Shell, ExxonMobil, the industry-funded American Petroleum Institute, the Western States Petroleum Association (WSPA) and the Australian Petroleum Production & Exploration Association (both industry trade associations) collectively spend an estimated US$ 115 million annually obstructing climate policy.[15]
- Between October 2013 and March 2015, in the lead-up to the Paris Agreement, eight oil and gas corporations or bodies with industry-related interests, whose future profits hinge on weak climate policy, reported holding 143 meetings with European government representatives, including at the highest levels,[16] providing just a snapshot of the amount of lobbying taking place across the industry.
- Industry representatives also join official government delegations at UNFCCC negotiations,[17] giving them face-to-face time with governments working toward solutions to the very problems corporations drive. For example, Shell representatives joined both the Nigerian Delegation at COP16 in Cancun (2010)[18] and the Brazilian delegation at COP14 in Poland (2008).[19]

Indirect lobbying through industry associations

- BusinessEurope, whose membership and leadership includes many fossil fuel corporations, has influenced European Commission policy proposals so successfully that Commission climate policy recommendations have reflected most, if not all, of BusinessEurope's interests, weakening recommendations significantly.[20]
- Business Roundtable, U.S. Chamber of Commerce, Fuels Europe, National Mining Association, International Chamber of Commerce and Business Council of Australia are only six of hundreds of industry-funded or industry-associated groups that are allowed direct access to UNFCCC negotiations.[21] Some still have yet to publicly acknowledge the burning of fossil fuels as the main driver of climate change, while others are allowed full access to UNFCCC negotiations even while strongly

11 Heede (2014) and Clark (2013).
12 EU Transparency Register (2017): Profiles of Repsol, S.A., Shell Companies, BP Plc, Statoil ASA, ExxonMobil Petroleum & Chemical, Chevron Belgium NV, Rio Tinto, Total S.A, ConocoPhillips, and Lukoil (http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en#en).
13 Center for Responsive Politics (2016a).
14 Center for Responsive Politics (2016b).
15 Influence Map (2016).
16 Clarke/McClenaghan/Carter (2016).
17 Hope (2016).
18 UN Framework Convention on Climate Change (2010).
19 UN Framework Convention on Climate Change (2008).
20 Corporate Europe Observatory/Friends of the Earth Europe (2014).
21 UN Framework Convention on Climate Change: Admitted NGO Database (http://unfccc.int/parties_and_observers/ngo/items/9411.php).

opposing the Paris Agreement and aggressively undermining national and international climate policies. Collectively and in recent years, they have spent millions lobbying decision-makers and have received millions from fossil fuel corporations.[22]

Co-opting science

- Even while 97 percent of climate scientists agree that climate change is real and driven by human activity,[23] Exxon Mobil gave more than US$ 27 million between 1998 and 2012 alone to institutions and think tanks that have produced research discrediting and questioning the science of climate change.[24]

- Corporations have continuously sought to weaken the scientific reports of the UN Intergovernmental Panel on Climate Change (IPCC), the leading international body for analyzing climate science. In 1999, as the IPCC was preparing to publish a groundbreaking report establishing a correlation between human activity and global warming, industry representatives succeeded in watering down a 40-page draft report to only eleven pages.[25] An industry-associated group[26] has even gone so far as to offer to pay individuals up to US$ 10,000 to critique IPCC reports.[27]

- Corporations are increasingly, and often quietly, funding some of the most prestigious academic institutions researching energy and climate change, including Harvard (US$ 3.75 million from Shell), Stanford (funded by Exxon), and UC-Berkeley (US$500 million from BP).[28] Research that appears to be independent and objective is being funded through deals that give the fossil fuel industry the power to steer climate research in a self-advancing direction.

Buying goodwill and influence

- Shell, BP, Crescent Petroleum, Electricite de France, General Electric, and Rio Tinto all have partnerships with the UN,[29] giving corporations with vested interests financial leverage that they can use to shape the international policy agenda. Historically, the UN has established partnerships with organizations such as the International Chamber of Commerce, which is largely funded by transnational corporations[30] and which has a track record of undermining climate policy initiatives.[31]

- The Global Compact, a non-binding, entirely voluntary UN partnership initiative, allows corporations to self-identify as 'socially responsible'. This allows them to effectively avoid stringent, binding regulations while simultaneously promoting a socially responsible image by association with the UN.[32] As of April 2017, participants included 137 oil and gas producers, including some of the world's biggest polluters like Shell, BP, Repsol, Lukoil and Total.[33]

- Caring for Climate, a corporate-driven partnership launched by the UN Secretary General in 2007, allows corporations to promote themselves as leaders in climate action, despite the fact that joining the initiative is voluntary and lacks mechanisms to commit them to take specific, enforceable action.[34] It is led by a steering committee composed of corporate executives who advise the UNFCCC itself.[35] As a result, the highest intergovernmental institution responsible for addressing climate change is being advised by some of the very corporations fueling the climate crisis.

22 Corporate Accountability International (2017).
23 Cook et al. (2013).
24 Greenpeace (2013).
25 Leggett (1999).
26 The American Enterprise Institute (https://www.aei.org/about/).
27 Littlemore (2006).
28 Franta/Supran (2017).
29 Adams/Martens (2015).
30 Jewler (2014).
31 Corporate Accountability International (2017).
32 UN Global Compact (www.unglobalcompact.org/what-is-gc).
33 UN Global Compact: Our participants (www.unglobalcompact.org/what-is-gc/participants).
34 http://caringforclimate.org/about/.
35 http://caringforclimate.org/about/governance/.

The role of transnational corporations in sustainable development and climate policy must be redefined

Transnational corporations have increasingly come to occupy a political space in the UN, a space which Member States, and only Member States, legitimately can – and should – fill. As a result, there is an inherent and irreconcilable conflict of interest at play. The legal duty to shareholders, and therefore the mandate of transnational corporations is to make profits and to expand. The mandate of the UN and its institutions is to advance policies that provide solutions to global inequality, poverty and climate change. Given that transnational corporations exacerbate inequality by externalizing costs and disregarding human rights, and given the liability and culpability of corporations in fueling climate change, it is clear that these two mandates are fundamentally at odds.

The UN cannot purport to address global inequality and poverty while its institutions, such as the UNFCCC, fail to take decisive action to address the underlying and irreconcilable conflict posed by allowing corporations to have so heavy a hand in shaping policy agendas. Such inaction, even in the face of evident need, can be seen in and of itself as a likely result of the industry's influence.

There is indeed a role for corporations to play in addressing sustainable development and climate change. They should be actively adapting their policies, products and practices, such as transitioning away from increased fossil fuel production into sustainable energy solutions, or eliminating dangerous and controversial practices such as drilling in nature reserves or fracking. Profits cannot come at any cost, and corporations must reverse the course of the social and environmental destruction they leave in their wake. They must be legally bound to act with an urgency that matches the magnitude of the climate crisis, rather than primarily through inadequate voluntary initiatives that will always be secondary to the fiduciary duty corporations have to maximize profits for their shareholders. They should be required to implement business practices that abide by strong policies and regulations set by governments – nothing more and nothing less. But allowing the private sector to promote itself as the solution and financier for sustainability and equality puts our future quite literally in the hands of the very entities that have played a large part in placing it at such tremendous risk.

The UN cannot continue to serve the interests of the very corporations that have driven and continue to drive the climate crisis, above and beyond the interests of the billions of people whose lives and livelihoods hang in the balance. The success of SDG 13, and therefore the success of the SDGs in their entirety, hinges on this. If we are to advance real solutions to avoid climate chaos and disaster, we must rid the UN of these polluters of policy. If we do not, the very institutions and procedures put in place to address inequality and sustainability, such as the UNFCCC, the Paris Agreement and the 2030 Agenda for Sustainable Development, will become the drivers of further social and environmental injustice.

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