



Reclaim the UN from corporate capture



**Friends of
the Earth
International**



Reclaim the UN from corporate capture

Friends of the Earth International is an international federation of diverse grassroots-based environmental organizations with over 2 million members and supporters around the world. We challenge the current model of economic and corporate globalization, and promote solutions that will help to create environmentally sustainable and socially just societies.

Our vision is of a peaceful and sustainable world based on societies living in harmony with nature. We envision a society of interdependent people living in dignity, wholeness and fulfilment in which equity and human and peoples' rights are realized.

This will be a society built upon peoples' sovereignty and participation. It will be founded on social, economic, gender and environmental justice and free from all forms of domination and exploitation, such as neoliberalism, corporate globalization, neo-colonialism and militarism.

We believe that our children's future will be better because of what we do.

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Introduction

Introduction

2012 marks the 20th anniversary of the say United Nations Conference on Environment and Development (UNCED), also known as the Rio Earth Summit. As Rio turns 20, the world finds itself on the edge of a precipice. The lives and livelihoods of millions of people are being devastated by the impacts of climate change, the global financial and economic crisis, the recent food crisis and ongoing environmental devastation.

The UN is the most democratic and appropriate global institution to address these issues and should provide the best forum for international negotiations. All 192 countries from around the world are included, with each country having an equal voice, at least in theory. Of course, there are still power imbalances, a lack of transparency, insufficient resources and unequal participation. But the UN is still a more democratic multilateral forum than the G8 and G20 for example, or the International Monetary Fund (IMF) and World Bank, where poor countries are excluded or their interests marginalised – which undermines the moral legitimacy of these agencies.

There are, however, real concerns about the increasing influence of major corporations and business lobby groups within the UN. The problem with the UN Rio conference is not so much the talks themselves, but rather what happens in advance, during and in parallel to them. We are experiencing a corporate takeover of the UN, as big business exerts its influence in a number of ways. There is increased business influence over the positions of national governments in multilateral negotiations; business representatives dominate certain UN discussion spaces and some UN bodies; business groups are given a privileged advisory role; UN officials move back and forth to the private sector; and – last but not least – UN agencies are increasingly financially dependent on the private sector.

An even greater cause of concern is the emergence of an ideology among some UN agencies and staff that what is good for business is good for society. This is reflected in a shift away from policies and measures designed to address the role of business in creating many of the problems that we face, towards policies that aim to define these problems in terms dictated by the corporate sector, meeting their needs without tackling the underlying causes of the multiple crises. UN policies increasingly appear to have been designed to support the commercial (and often short-term) interests of certain companies and business sectors, instead of serving the public interest.

Over the last decade – and in particular since the launch of the Global Compact in 2000 - there has been a growing trend towards closer links between the UN and major corporate actors and lobby groups, to the extent that the role of the UN as a peoples' space is in jeopardy. Paradoxically, this has happened with the backing of the UN - and in particular some of its powerful member states. Finding major multinational companies – many of which have a long history of human rights violations and environmental pollution such as Dow Chemicals, Coca Cola, Shell, Exxon and Rio Tinto - as prime sponsors of UN events or as project partners with individual UN agencies has become the norm rather than an exception.

Recent examples of the growing influence of companies over the UN include the crucial role played by a high-ranking Deutsche Bank executive¹ in drafting "UNEP's Green Economy Report" ahead of Rio and in developing "The Economy of Ecosystems and Biodiversity" (TEEB) at the UN Convention on Biological Diversity (CBD)². In April 2012 a behind-closed doors industry conference was held in the Netherlands, focusing on the "green economy" agenda³ - with the support of the UN and some member states and advertised as a "Business & Industry Consultation with Government and Civil Society". Governments no longer consult with business, business consults with governments. The annual World Business and Development Awards⁴ (to be presented the day before the opening of the Rio conference in June) reveals another example of corporate capture, Organised by the UNDP in partnership with the International Chamber of Commerce (which has a track record of lobbying against a number of environment- and climate-friendly measures), it provides a massive and high-profile opportunity for greenwash.

This shift, with the UN increasingly catering for the demands of corporate interests, does not only divert the UN from tackling the root causes of environmental, social and economic problems, but it is also detrimental to its efforts to honour its mission to be a peoples' space, providing fora for multilateral discussions. The many examples of corporate capture are detrimental to the good work being done by many UN agencies and officials worldwide for the protection and empowerment of people. Allowing this to happen is putting both the UN's and its member states' credibility and integrity at risk. In fact this threatens to undermine the mission of the entire UN system and must be stopped.

To live up to its founding charter of principles, which starts with the words 'We the peoples of the United Nations', the UN

(and its member states) must listen to peoples' voices and corporate interests must be forced out.

Corporate and elite capture of political decision-making

Friends of the Earth International is publishing 'Reclaim the UN from corporate capture' to help shed light on what we consider to be a key issue underlying the lack of governmental accountability towards ordinary citizens on the most pressing issues we are currently facing. In the areas of climate change, food and agriculture, biodiversity, human rights and beyond, governmental positions have been increasingly hijacked by narrow corporate interests linked to polluting industries and industries seeking to profit from the environment, the climate and the economic and financial crises.

We present a number of cases that clearly expose how UN policies and agencies have been excessively influenced by the corporate sector. We also show how this damages the ability of the UN to solve the various problems it is tasked with, removing its willingness to address the role of major corporations in causing many of the environmental, social, food and economic problems that the world faces today. Instead, this all too often results in new UN policies that mainly benefit these same corporate actors that created the problems in the first place.

- Ahead of the **Rio+20 Summit**, the UN has been working very closely with big business in developing

and promoting the concept of '**Green Economy**' at the expense of sustainable development. This concept, which takes a market-based approach to protecting the natural environment, has been heavily promoted by the UN Environment Programme (UNEP) and supported by the World Bank, EU Commission and crucially by (big) business. Business is sitting in the driving seat when influential UN reports are written, partnering UN agencies to host consultations and conferences, and feeding in recommendations to the Rio agenda. No surprise then that industry is increasingly seen as a solution to our global environmental problems, ignoring the role of major corporations in creating the current multiple crises.

- The **Sustainable Energy for All (SE4ALL)** initiative was launched by the UN Secretary General Ban Ki-moon in November 2011 supported by the International Year of Sustainable Energy for all (2012). Its stated aim is to tackle the twin global challenges of energy access and climate change by providing, as the name suggests, sustainable energy for all. Yet what constitutes 'sustainable energy for all' and how it is to be achieved is being decided by an unaccountable, handpicked group, dominated by representatives of multinational corporations and fossil fuel interests, virtually without any involvement from or consultation with global civil society. Instead of tackling climate change and global energy poverty, the initiative risks mainly allowing for greenwash and locking developing country economies into expensive, destructive, unsustainable dirty energy systems.
- Support for **agriculture and food policy** also appears to be compromised by corporate links. The UN International Fund for Agricultural Development (IFAD), which is supposed to work in the interest of the poorest, has a special agreement with the Bill and Melinda Gates Foundation. The Gates Foundation is very closely linked to multinationals, such as Monsanto and DuPont which promote false solutions to the food crises such as GM crops and a reliance on biotechnology. While boosting corporate benefits, such technologies further endanger peoples' right and access to food. Advice by other UN bodies and experts such as the FAO Committee

Shell CEO Peter Voser shaking hands with UN Secretary-General Ban Ki-moon.



Introduction

for Food Security and UN Special Rapporteur on the Right to Food, Olivier de Schutter, seems to be ignored.

- On the issue of **biodiversity** the Convention on Biological Diversity (CBD) is increasingly driven towards a market-based approach by corporate actors. The rationale is that environmental protection will be better achieved by putting a value on biodiversity, so it can then be traded by companies. To put it simply, destruction of one eco-system by a company can be justified if that company invests money in the protection of another eco-system. The involvement of companies is celebrated by governments and UN bodies, such as UNEP, whose endorsement provides the respective corporations with an enhanced green image. At the same time, these companies are able to get away with ignoring existing national and international regulations, and are not required to develop more sustainable behaviour in terms of natural resource use. In fact this access provides corporations with a welcome opportunity to influence the policy agenda and protect their interests – not in the conservation of nature, but in securing access to natural resources, and in ensuring their business model is not threatened by the introduction of new environmental regulations, maximizing profits and limiting costs.
- **Water policy** provides yet another illustration of how private sector interests are active within the United Nations, increasingly seeking ways to make water a profit-driven business, leading to proposals to treat water as a tradeable commodity. This would create further opportunities for businesses to seek profit, while depriving people of their universal right to water and endangering access to water and sanitation for millions of people worldwide. Proposed solutions in the Rio+20 outcomes would make water a tradable good, owned and sold by companies, turned into a financial product notwithstanding the related risks for people and the environment. At the highest UN level, the corporate influence on water policy can be seen, from the UN Secretary General's Advisory Board on Water and Sanitation to the CEO Water Mandate, and the water-related projects flagged up by the UN Office for Partnerships – which all feature advocates

of water privatization and chief executives from major water multinationals.

- The **UN Global Compact** claims to be the world's largest corporate sustainability initiative, but it is voluntary in nature and is not transparent. Companies which have signed up are not obliged to act on the founding principles of the compact, and there are no sanctions attached for non-compliance. So far no company has been punished for violating the Compact and complaints from civil society about human rights violations by companies have been rejected. As a result, the Compact allows companies to boost their image by (mis-)using the UN flag for their own benefits ('bluewashing'), yet fails to deliver real improvements in business behaviour. The Compact's high profile status within the UN also gives corporations privileged access to governments, allowing them to influence decision makers and successfully argue against stricter environmental and other regulations to hold companies accountable for their abuses

Rio+20 was supposed to deliver a transition to more just and sustainable societies. This requires a dramatic transformation of national economies and the global economic system, a shift away from fossil fuel dependency, overconsumption, polluting industries, exploitation, human rights violations, industrial agriculture, and systems of global trade which push for market liberalization. But such a transformation threatens the interests of national and international elites, and of national and multinational businesses – that all have a vested interest in the status quo and in the opportunities provided by the so-called green economy. This explains why powerful corporate bodies - such as the International Chamber of Commerce (ICC), the World Business Council for Sustainable Development (WBCSD), the International Federation of Private Water Operators (Aquafed), CropLife International, or the World Steel Association among others - are partnering with the UN as official industry and business representatives at the Rio+20 process as part of Business Action for Sustainable Development (BASD)⁵.

By being allowed to influence political decision-making, such groups are pushing governments to resist the urgent calls for a drastic transformation of our economies, yet this transformation is essential for driving down greenhouse gas emissions in an equitable manner, and for safe-guarding

biodiversity, water and land resources in a way that respects the rights and livelihoods of workers and communities.

First steps to end corporate capture of the UN

In this series of case studies⁶, Friends of the Earth International aims to open a window onto the complex and largely hidden world of corporate influence over UN policies. We hope that these case studies will draw attention to the power of financial and industrial interests, and multinational corporations which put considerable resources into ensuring that the current economic system remains fundamentally unchanged and that they can find new opportunities to profit from the crises.

There is an urgent need for strong policies to prevent this disproportionate influence being exerted. Without pretending to have a ready-made and complete solution to the problem of corporate capture, a number of NGOs and social movements that have followed UN negotiations over the last few decades, have agreed on a number of first steps that need to be taken urgently in order to reverse the tide.

Friends of the Earth International, Corporate Europe Observatory, La Via Campesina, Jubilee South/Americas, Peace and Justice in Latin America/SERPJA-AL, Polaris Institute, The Council of Canadians, The Transnational Institute, Third World Network, World March of Women, with the support of hundreds of civil society organizations across the world, propose the following measures⁷:

- The UN and its member states should restate that their over-riding prerogative is to serve the public interest. It should overhaul its decision-making processes to ensure that civil society has a more prominent role and that industry's influence is limited.
- The UN and member states must resist corporate pressure to give business a privileged position in UN negotiations:
 - Governments must stop setting up new discussion bodies and high-level groups (and dissolve existing ones) that grant businesses a privileged status within official negotiations, such as the "Mexican dialogues" set up in relation to the 2010 climate negotiations in Cancun.
 - The UN and its member states should take determined action to strengthen transparency around lobbying and ensure that no business

groups are given privileged access over UN policy-making. The Civil Society mechanism of the UN Committee on World Food Security could be taken as a model of how direct participation of CSOs can be improved.

- Business representatives should not be part of national delegations involved in UN negotiations.
- The role of the "business and industry" group should be limited. As the business sector holds significantly larger resources than any other sector, there should be a cap on its participation: business should not have more representatives than any of the other major groups in multilateral negotiation processes.
- The UN must disclose all existing relations and links with the private sector.
- A code of conduct for UN officials, including a "cooling off" period during which officials cannot start working for lobby groups or lobbying advisory firms, should be introduced.
- The UN should not engage in any further partnerships with corporations and trade associations and should review all such existing partnerships⁸.
- The UN, in serving the public interest, should monitor the impacts of corporations on people and the environment and establish a legally binding framework of obligations that can hold companies accountable to environmental, human rights and labour rights law. This should include an obligation for companies to report on their social and environmental impacts.

These are the basic requirements necessary to ensure that the UN lives up to its founding mission of being a forum for peoples' representation and the protection of their universal rights and interests. We call upon governments to take up these concerns as a way to build a space that responds to peoples' needs, and one which is able to produce initiatives that favour the public interest and adequately address the multiple crises facing the world today.

Green economy

Greenwashing the global economy

Summary

Twenty years after the first UN Earth Summit, the agenda for Rio +20 appears to have abandoned sustainable development in favour of the 'Green Economy'. This concept, which takes a market-based approach to protecting the natural environment, has been heavily promoted by the UN Environment Programme (UNEP) and supported by the World Bank, EU Commission and crucially by (big) business.

Indeed big business has become increasingly influential in the Rio +20 discussions, sitting in the driving seat when influential UN reports are written, partnering UN agencies to host consultations and conferences, and providing recommendations to the Rio agenda.

As a result, business is increasingly seen as a solution to our global environmental problems, despite mounting evidence to the contrary, and ignoring the role of major corporations in creating the current multiple crises. What we need to tackle the crises is an overall reform of the economic system, including a shift towards genuine sustainable initiatives that put people and planet before corporate profits.

Promoting a Green Economy

The United Nations Environment Programme (UNEP) has been key in developing the 'Green Economy' concept. It launched a 700 page 'Green Economy' report⁹ (GER) in February 2011, arguing that the environment can be saved and faster growth achieved if governments cut environmentally damaging subsidies (fossil fuels, fisheries, etc.) and use these funds to invest in new technologies. This could enable the transition from a 'brown' to a 'green' economy, the report argued.

The report has been criticized heavily by non-governmental organizations (NGOs)¹⁰ because it ignores the deeper causes of the ecological crisis and places the emphasis on economic growth, technology and market-based approaches. This emphasis may not be surprising considering the role of investment banker Pavan Sukdhev. Mr Sukdhev, the report's chief spokesperson, drafted the report while on sabbatical from Deutsche Bank¹¹ (one of the world's largest derivatives traders).

The focus on technology is problematic because of the types of controversial new technologies that are promoted, including biomass incineration, synthetic biology and

nanotechnology¹². Nuclear power and GMOs are not explicitly endorsed, but fit with the approach.

While some elements appear sensible, such as phasing out environmentally damaging subsidies, the overall market-based approach is flawed. It assumes that nature can be measured and valued according to the 'services' it provides (cleaning water, capturing carbon and so on). This way nature's services can be given a price, offset and traded on markets via credits, similar to carbon trading. Putting a price tag on nature is the best way to protect it, UNEP argues. The report followed an earlier UNEP report on "The Economics of Ecosystems & Biodiversity"¹³ (TEEB), published at the UN biodiversity summit in Nagoya, Japan at the end of 2010, also written by Sukdhev.

The approach ignores the lessons from the carbon trading debacle, despite the fact that the European Emissions Trading Scheme (ETS)¹⁴ - the largest carbon market mechanism in the world - has failed to deliver genuine carbon emissions reductions. Instead it has allowed companies to make massive profits out of the system without changing their business model or cutting carbon emissions¹⁵. Leaving nature to the market undermines the opportunities of communities and states to protect the commons¹⁶.

The report also puts all its faith in markets, despite the recent financial and economic crises. The lessons provided by the chronic failure of deregulation and market-based approaches have been ignored.

Friends at the EU Commission

Mr Sukdhev is not just popular with UNEP; he also has a large fan base in the European Commission¹⁷ and among several European governments, speaking at Green Week in Brussels in June 2010¹⁸.

The spirit of the Green Economy report was apparent when the EU environment Commissioner Janez Potocnik summed up the thinking by many EU officials when he said: "We need to move from protecting the environment from business to using business to protect the environment"¹⁹.

Why is the UNEP's concept of "Green Economy" so popular at the EU Commission? Firstly it fits neatly with the EU's Global Europe strategy as making nature and biodiversity a tradable commodity will enhance access for European companies to these resources. Secondly, biodiversity credit

trading is an extension of the market-based climate policies that the EU has already committed to and invested in.

The Green Economy Report is also supported by the World Bank²⁰ and the World Trade Organisation (WTO)²¹.

Ignoring the concerns of G77

The Green Economy may have become the preferred slogan in the run-up to Rio+20 of the EU, the US, Japan and other highly industrialized countries, but developing countries and civil society groups have raised serious concerns. The G77 block of developing countries are worried that the 'Green Economy' discourse will replace the previous emphasis on sustainable development and the analysis of consumption and production patterns, which reflects north-south inequality²². While some of the G77's members' critiques are based on regressive motives (for example, OPEC members are unhappy about the promotion of renewables), much of it is justified.

The Green Economy approach, with its focus on growth, techno fixes and the marketization of nature, stands opposed to the proposals of several Latin American governments, which are based on an alternative vision that nature has constitutional rights. Some observers have predicted this clash could intensify, perhaps leading to a north-south conflict similar to what happened at the UN climate talks (COP16) in Copenhagen.

The role of UNEP

UNEP has worked very closely with industry on the Green Economy agenda ahead of Rio+20. In April 2011 UNEP co-hosted the "UNEP Business and Industry Global Dialogue"²³ in Paris, with the International Chamber of Commerce (ICC), an industry lobby group. Some 200 business representatives attended. The ICC has also submitted detailed comments²⁴ on the Green Economy Report, which it supported, but insisting that definitions of which investments should be considered 'green' were kept very broad, not excluding any technology (i.e. nuclear or biotech). The main critique in the ICC comments, drafted by a working group including representatives from oil companies ExxonMobil and Shell as well as from tar sands investor RBS, was that there was too much emphasis on renewables. Monsanto, BASF²⁵ and Suez²⁶ – all known for their poor environmental track record – were also involved.

The business lobby

Among the keynote speakers at the Paris conference was Chad Holliday, who leads Business Action for Sustainable Development 2012 (BASD 2012²⁷), the main vehicle for corporate campaigning on Rio+20. Holliday is Chairman of Bank of America and former Chief Executive Officer of DuPont. BASD wants to lobby but also to "demonstrate the achievements" of business in terms of sustainable development and "ensure that business is recognised as a solutions provider"²⁸.

BASD and its member groups have hosted a series of joint industry-government lobbying events ahead of Rio+20. These have included a 'high-level dialogue' in New York in March and a two-day consultation in The Hague in April. Outcomes of the consultation, held jointly with the government of the Netherlands and the UN Department of Economic and Social Affairs (UNDESA) were to be "fed into the negotiation process for Rio+20".

The World Business Council on Sustainable Development (WBCSD), together with UNEP, organised a summit in New York in February, on the *Business Perspective on Sustainable Growth: Preparing for Rio+20*. In late May the WBCSD, with the UN, hosted the Global Business for the Environment (B4E) Summit in Berlin, focusing on "Delivering the Green Economy", and featuring a session on "Valuing natural capital – a roadmap to Rio+20"²⁹. During Rio+20 itself, BASD hosts the 2012 Business Day, described as "a high-profile platform for interaction between business leaders and policy makers"³⁰.

BASD's campaign for Rio+20 has been a rerun of what happened ahead of Rio+10 in Johannesburg³¹, described by the then head of UNEP as "the world's biggest trade fair". Over 100 chief executives from large companies attended, along with 600 other delegates from big business, not only using the opportunity to lobby, but also to showcase and greenwash their activities, with billboards across Johannesburg, glossy reports, exhibitions and events. In the convention centre BMW had a 'Sustainability Bubble' showcasing its hydrogen-powered cars - five years later BMW was central in campaigning against stricter CO2 limits for large petrol-guzzling cars³².

The central message was that business was voluntarily acting to solve environmental challenges and that government legislations was not needed. Industry explicitly saw this as "a way to sidestep government intervention and regulation"³³.

Green economy

Shell, Suez, TEPCO and many other firms presented isolated examples of business initiatives that revealed nothing about the overall record and impact of these companies. It was very effective greenwash³⁴ - deceptive, but it worked.

Encouraging partnerships

The impact of this strategy was even more effective because Rio+10 had a strong focus on partnership: between industry and NGOs, industry and governments and industry and UN agencies. These partnerships were given official UN recognition.

Rio+10 showed that the relationship between the UN and big business had dramatically changed. Having previously viewed business from a critical distance, the emphasis was now on partnership and increasingly co-option. The then UN Secretary-General Kofi Annan played an active role in this shift. In Johannesburg, Annan called for business to embrace more public-private partnerships arguing: "If we don't, we

are going to be under pressure and governments can then introduce laws that are not necessary".

This happened at a time when the model of globalization was facing severe criticism because of the way in which it had led to a significant increase in the power and economic dominance of large corporations. For the UN, embracing big business was also a way to keep increasingly sceptical northern governments on board, including the US government that had threatened to withhold funding from the UN.

This approach has continued and there is a worrying degree of corporation co-option, if not capture, of key UN agencies. One way this happens is through partnerships, such as those showcased on www.business.un.org³⁵.

Perhaps the most problematic of all is the Global Compact, a voluntary corporate sustainability initiative, set up by Kofi Annan and the then chief executive of Nestle, Helmut Maucher in 2000.



Painting on the fence of a Cargill factory in Saint Nazaire, France.
© (cc) Francois and Maie 2016

The Global Compact³⁶ is now one of three main partners in BASD 2012, with the ICC and the WBCSD. The Global Compact is a UN office, yet it is also an active part of the primary corporate lobbying campaign for Rio+20. The boundaries between UN and big business are increasingly blurred.

Conclusion

Big business has made major inroads into the UN system. There is an ever-increasing emphasis on markets and business as a solution to environmental problems. On this basis it is therefore perhaps not surprising that business lobbies are now demanding a much stronger, deeper and more formal role in UN environmental decision-making. These demands have been voiced most clearly in the context of the UN climate talks. Some of their demands have already been implemented in the run-up to the Cancun climate summit³⁷.

Challenging the corporate co-option of the UN should be a major priority in the run-up to and during Rio+20.

SE4ALL

Sustainable Energy For All: tackling global energy poverty or promoting greenwash?

Summary

The Sustainable Energy for All (SE4ALL) initiative was launched by the UN Secretary General Ban Ki-moon in November 2011³⁸, supported by the International Year of Sustainable Energy for all (2012). Its stated aim is to tackle the twin global challenges of energy access and climate change by providing, as the name suggests, sustainable energy for all. Yet what constitutes 'sustainable energy for all' and how it is to be achieved is being decided by an unaccountable, handpicked group, dominated by representatives of multinational corporations and fossil fuel interests, virtually without any involvement from or consultation with global civil society, including environmental organizations, energy users, energy co-operatives, and affected communities.

As a result, it already looks like SE4ALL's agenda will not deliver the dramatic expansion of energy access through community-controlled small-scale sustainable energy sources that is needed if we are to tackle climate change and global energy poverty. Instead, SE4ALL has set weak objectives and vague definitions which allow projects using dirty fossil fuels and other unsustainable energy sources to be greenwashed under the guise of sustainable development and poverty alleviation; and which also risk locking developing country economies into expensive, destructive, unsustainable dirty energy systems.

What is SE4ALL calling for?

SE4ALL has three specific objectives for which it aims to "mobilize action from all sectors of society" to deliver by 2030. These are:

- To ensure universal access to modern energy services
- To double the global rate of improvement in energy efficiency from 1.2 per cent to 2.4 per cent
- To double the share of renewable energy in the global mix from 15 per cent to 30 per cent³⁹.

SE4ALL is asking for commitments from governments, civil society, business and finance to support the delivery of the goals. At the end of April 2012 the initiative launched an action agenda setting out how they believe the goals can and should be achieved⁴⁰.

Democratic mandate, accountability and representation

Key questions surround SE4ALL's basic mandate and the accountability of the project. Initiated by Ban-Ki Moon in his capacity as the UN Secretary General, it has no formal connection to any multilateral processes or conventions. The powerful High Level Group – responsible for driving forward the initiative and agreeing the content – was handpicked by Ban-Ki Moon and his office⁴¹ and its membership is mainly made up of private sector interests, some government representatives and some from international agencies⁴².

Despite its undemocratic composition, its lack of accountability, and its lack of formal multilateral status, SE4ALL's objectives were included in the original zero draft negotiating text for the Rio+20 summit and the text lent explicit support for the initiative⁴³.

Government representation

Government representation among the Principals of the SE4ALL High Level Group is limited to industrialized countries - the United States, the EU (through the European Commission), Russia – and two powerful emerging economies, India and Brazil. African countries are represented in the Principals sub Group only through the participation of the chief executive of the New Partnership for Africa's Development (NEPAD). Small Island States, and the group of poorest Least Developed Countries are not represented at all.

Corporate and dirty energy interests

The High Level Group has representation from a wide range of multinational corporate and financial interests. This includes representatives from corporations and organizations investing in, developing or manufacturing renewable energy technology, for example the International Renewable Energy Agency and wind turbine manufacturers Vestas. However, a significant number of representatives are either directly or indirectly linked to corporations and organizations active in the exploration, production and processing of oil, gas and other fossil fuels, and others are active in financing these activities. Most of these companies are massively investing in development of dirty, unconventional fuels - such as tar sands and shale gas with much higher CO2 emissions - and are strongly lobbying against effective measures to reduce greenhouse gas emissions. Such practices strongly contradict SE4ALL's objective to double the share of renewable energy.

Representatives from South Africa's state-owned electricity company and the largest electricity producer in Africa, Eskom; Latin America's biggest power utility company, the Brazilian company Eletrobras; the Norwegian oil and gas company, Statoil; and Duke Energy, an American multinational heavily involved in coal and active in the US, Canada and Latin America are amongst the Principals on the High Level Group. The director-general of the Organization of the Petroleum Exporting Countries' (OPEC) development fund is also on the group, alongside Mark Moody-Stuart, Chairman of the Foundation for the UN Global Compact and former CEO of Royal Dutch Shell, and John Browne, former chief executive of British Petroleum (BP) and current managing director of Riverstone Holdings, a private equity

firm specialising in maximizing returns on investments in the energy and power sectors. And the group itself is chaired by Charles Holliday, former Head of DuPont and current CEO of Bank of America, the world's third largest coal financier⁴⁴.

Civil Society representation

In contrast to the strong representation of corporate voices, there is only one independent civil society representative among the Principals of the High Level Group – Sanjit Bunker Roy from the Barefoot College in India. Energy users, energy cooperatives, organizations representing people without energy access, small-scale energy cooperatives, environmental organizations, labour, communities affected by dirty energy extraction and processing, and Indigenous Peoples are not represented.

BMW showcasing hydrogen-powered concept car in the company museum in Munich, Germany.
© (cc) Alexander Corlin



SE4ALL

Efforts by campaigning organizations to pressure SE4ALL to broaden civil society representation and to facilitate a wider process of civil society consultation to inform SE4ALL's work have been largely ignored, despite formal requests for greater representation⁴⁵.

Prioritising profits for business

SE4ALL sees the private sector as the key actor in delivering and financing its goals, with governments and civil society playing enabling roles. The initiative aims to “change the game” in creating access to energy by bringing together stakeholders from governments and from business, to introduce new public-private partnerships, built from “constructive dialogue on... market development”. The Action Agenda identifies only one model to deliver the goals: the business model. Communities are excluded from being anything other than recipients of energy services, not partners and certainly not providers for their own energy needs.

The initiative is not framed around meeting the needs of those without access to clean, affordable, sustainable energy or protecting the planet, but delivering results that meet business needs, i.e. through – creating new markets, where business can generate high profits regardless of whether or not people can afford the services provided.

Presenting the initiative at a conference in Colorado in 2011, Ban-Ki Moon said: “There are enormous business opportunities for those who are prepared to establish modern, efficient energy generation and distribution networks. Someone is going to do it. The question is: who will be first? And who will profit most?”⁴⁶

In February 2012, the UN Foundation organised a consultation in Brussels, including highly polluting companies such as BP, Dow, Shell, and Statoil. To develop new business opportunities, companies stressed the “need to work hand-in-hand with governments on developing market-based incentives, and reducing political and regulatory risks”⁴⁷. Regulation, on environmental standards for example, is seen as “regulatory risk”.

Sustainable Energy for All?

The problematic nature of the SE4ALL process – including the lack of democratic accountability, the disproportionate involvement of multinational corporations and fossil fuel interests, and the weak participation and consultation of civil

society– is reflected in the significant weaknesses in the initiative's objectives and some fundamental issues with its priorities and overall emphasis. These problems include:

1. Objectives are not proportionate to the climate crisis change

The stated objectives are too weak to address the pressing global issues of climate change and poverty linked to lack of energy access:

- SE4ALL aims to **double the share of renewable energy in the global mix** from 15 per cent to 30 per cent by 2030. This will not deliver the dramatic reductions in emissions from fossil fuel-based energy systems needed to stop climate change from getting worse and to avoid dangerous tipping points⁴⁸.
- SE4ALL's objective of **doubling the global rate of improvement in energy efficiency** from 1.2 per cent to 2.4 per cent has been identified as too weak by the International Energy Agency⁴⁹.

2. Greenwashing and locking in dirty energy

SE4ALL has decided not to define ‘sustainable energy’, instead leaving it to individual countries to decide. This allows corporations to push false energy solutions such as ‘advanced fossil fuel technology’ and promote them as ‘sustainable’ or ‘green’. In addition, the definition of ‘renewable energy’ allows highly destructive and unsustainable energy sources such as agrofuels and large-scale hydro-electric power to be put forward as potential energy ‘solutions’⁵⁰. Co-chair Charles Holliday recently announced that his own Bank of America and the World Bank were planning biofuels roadmaps in 10 Southern countries under SE4All, although the secretariat has since denied it⁵¹.

Ghana (the first developing country to engage with SE4ALL) is developing a national action plan to increase renewable energy, but under the plan, most of the energy will be sourced from non-renewable liquefied petroleum gas (LPG)⁵². And one of the initiatives flagged for possible inclusion in SE4ALL's Energy Planning Action Area is the King Abdykkag City for Atomic and Renewable Energy in Saudia Arabia⁵³.

At a SE4ALL event organised by the Norwegian mission to the UN to discuss “the role of private solutions in ensuring Sustainable Energy for All and the role of public incentives in stimulating such solutions”, the

biotech company Novozymes claimed that biotechnology could make consumer products more environmentally friendly⁵⁴.

Corporations are taking advantage of SE4ALL to profit from the climate crisis by using it to promote unsustainable technologies linked with environmental destruction and human rights abuses.

3. Over-emphasis on private finance

Finally, the initiative has an overwhelming emphasis on leveraging private finance to expand energy access. Historically, energy expansion has often relied on state subsidies⁵⁵. In contrast, experience of private finance in climate change mitigation to date demonstrates an extremely poor record in delivering social and environmental benefits and a real transition to more sustainable societies.⁵⁶

SE4ALL's emphasis on private finance to deliver expanded energy access means that:

- Profitability, not development goals, will be the over-riding factor influencing decision-making around projects – which might potentially have harmful environmental and social impacts.
- State responsibility for providing public goods including energy access will be passed on to the market, lessening democratic accountability.

- The role of the public sector is likely to be limited to helping to 'leverage' private finance by carrying the investment risks while private companies profit, increasing the likelihood that governments will once again have to bailout the private sector through the use of public funds.

Conclusion

By giving people linked to the fossil fuel industry and the current, unsustainable energy model such a dominant position, this initiative is doomed to fail in its stated aim of tackling the twin global challenges of energy access and climate change. In practice SE4All is already subordinating these aims to that of generating profit-making opportunities for business, and has opened the door to all kinds of dirty, destructive and unsustainable energy projects and infrastructure that will further contribute to the onset of dangerous climate change. SE4All looks on track to provide little more than a 'sustainable' veneer for some of the most environmentally and socially destructive energy technologies currently available, while ignoring the voices of affected communities and the energy poor and allowing the private sector and multinational corporations in particular to decide what their needs are and how best to meet them.

IFAD

Gates Foundation and the UN: promoting business interests in the name of tackling food poverty

Summary

The International Fund for Agricultural Development (IFAD) is a United Nations (UN) agency, established in 1977 and dedicated to eradicating rural poverty in developing countries.⁵⁷

The Bill and Melinda Gates Foundation, a philanthropic organisation set up by the founder of Microsoft, Bill Gates, has committed over \$1.5 billion to international agricultural development over the last seven years, including \$155 million in co-financing for IFAD-supported projects.⁵⁸ But the Foundation's close links to agribusiness and its firm commitment to working with food multinationals with a bad track record on environmental and human rights issues have raised questions about its role.

IFAD and the Gates Foundation work closely together. In February 2012, Bill Gates launched a new partnership with IFAD, which is supposed to boost support for smallholder farmers.⁵⁹ However, the partnership is strongly promoting the interests of private companies such as Dupont⁶⁰ and branch organizations such as CropLife International. It seems that it will merely provide opportunities for agribusiness corporations to strengthen their positions in Africa. Within other projects the Gates Foundation, which owns shares in Monsanto, has allowed Cargill to introduce genetically modified soya in Africa, while not addressing the social and environmental damage caused by intensive agriculture. Thus, its cooperation with the Gates Foundation will undermine IFAD's mandate to promote the interests of poor rural people.

The partners

IFAD

IFAD's goal is to "empower poor rural women and men in developing countries to achieve higher incomes and improved food security"⁶¹.

IFAD's priorities include halving the proportion of hungry and extremely poor people by 2015 as set out in the Millennium Development Goals.⁶²

The Gates Foundation

The Bill & Melinda Gates Foundation⁶³ was set up 1994 and "works to help all people lead healthy, productive lives". It supports work in developing countries, and has a particular focus on agricultural projects in Africa. Its grant-making strategy is driven by the Foundation's co-chairs, Bill and Melinda Gates, with trustee and donor Warren Buffett.^{64 65}

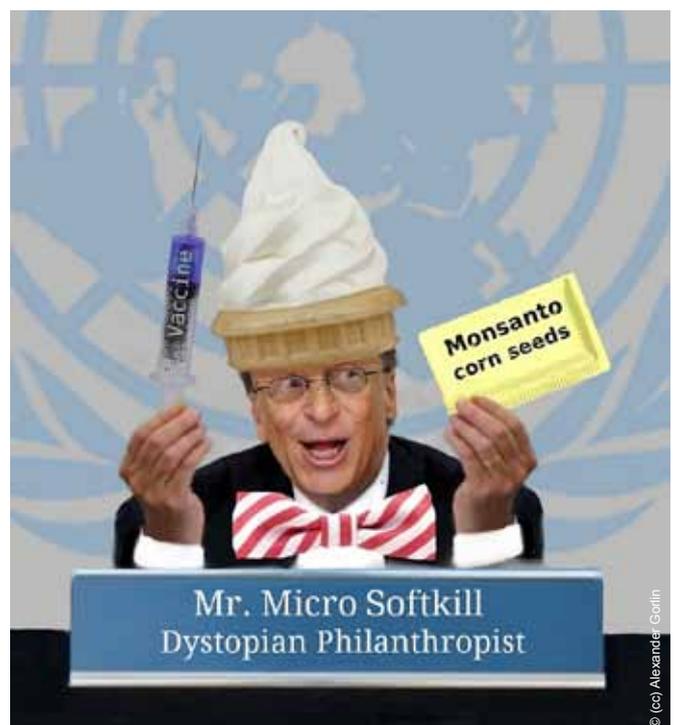
In January 2007, an investigation by the Los Angeles Times found that the Foundation had invested a significant proportion of its funds in corporations responsible for the problems they aimed to solve and that this behaviour could be explained by the tax exemptions that the foundation was receiving as a result of its grants.⁶⁶

The investigation found the Gates Foundation endowment had major holdings in companies ranked among the worst U.S. and Canadian polluters, including ConocoPhillips and Dow Chemical Co.⁶⁷

Gates Foundation and AGRA

In 2006, the Gates and Rockefeller Foundations jointly founded the Alliance for a Green Revolution in Africa (AGRA), to promote what it describes as comprehensive changes across the agricultural system.⁶⁸

This has included US \$150 million for a five-year programme to develop the Africa's Seed System (PASS), intended to "transform seed systems in Africa", establishing "small-scale agro-dealers at village level, creating a conduit for seeds, fertilisers and other farm inputs".⁶⁹ The AGRA programme is supported by IFAD, as well as a number of donor governments.⁷⁰ The Board of the Alliance is chaired by Kofi



Annan, former UN Secretary General, who has declared that the group “does not fund the development of GM crops” and that it would not consider incorporating GM into its strategy.⁷¹

In bed with big business

In 2010, the Bill & Melinda Gates Trust, which manages the Foundation’s endowments, purchased half a million shares in Monsanto worth US\$23 million.⁷²

The Gates Foundation has also formed an US\$8 million partnership with the US commodity giant Cargill⁷³ to introduce soya to African smallholder farmers. The project aims to introduce so-called “modern” technology and increase farmer productivity and market access for 37 000 small-scale farmers. Partners include: The Coca-Cola Company, General Mills, Goldman Sachs, J.P. Morgan, Nestlé-Nespresso, Olam International, Peet’s Coffee & Tea and Unilever⁷⁴.

Critics of the Gates Foundation agricultural work in Africa say that the narrow focus on private sector involvement and biotechnology is a threat to farmers and agro-ecology.⁷⁵

The ETC group has accused the Foundation of promoting a model for agricultural development that is benefiting large agribusiness companies.⁷⁶

Critics point to the potential consequences of the close connections between AGRA’s donors (the Gates Foundation) and GM giant Monsanto and they are worried that AGRA is developing seeds that remain privately owned, with potential harmful impacts on food security⁷⁷.

Capturing IFAD

On 23rd February 2012, IFAD and the Gates Foundation announced a new joint partnership to support the “generation of new technologies to create the possibility of sustainable intensification of agriculture.”⁷⁸

Speaking at the launch in Rome, Bill Gates criticized the “outdated and somewhat inefficient” world food system and said that: “The real expertise lies with private sector companies, and with rapidly growing countries like Brazil and China where the agricultural sector is booming.”⁷⁹

IFAD, the Gates Foundation and other partners have granted around US \$200 million⁸⁰ in projects to promote biotechnology and the interests of agribusiness corporations. These include the Water Efficient Maize for Africa project⁸¹; a partnership with DuPont Crop Genetics Research on The Africa Biofortified Sorghum⁸²; and research with the

International Food Policy Research Institute (IFPRI),⁸³ - a research institute promoting the development of GM crops⁸⁴ ⁸⁵, involved in projects with the Syngenta Foundation, the International Life Science Institute (ILSI), Veolia and Croplife International⁸⁶.

Who benefits from IFAD and the Gates Foundation Initiative?

The partnership’s focus on “sustainable intensification” is increasingly promoted as a solution to achieving global food security. Several high-level donor and multilateral institutions such as the UN Agency for Food and Agriculture (FAO), the World Bank and national governments have committed funding for sustainable intensification.

Yet, according to the description given in the partnership statement, sustainable intensification is little more than business as usual, taking agri-business into the as yet untapped African market.

The Gates Foundation projects provide opportunities for agribusiness corporations to strengthen their positions in Africa, but do little to address the damaging impacts caused by intensive agriculture.

Despite the evidence of widespread environmental and socio-economic damage caused by soya production, for example, the Gates Foundation is allowing Cargill to take over the African soya market, enabling the introduction of genetically modified soya on the continent⁸⁷.

An alternative way forward

The International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) – an international multi-stakeholder initiative on agriculture and food, sponsored by several UN agencies such as FAO, UNEP, WHO⁸⁸ - has warned that “continued reliance on high-tech solutions (including transgenic crops) is unlikely to reduce persistent hunger and poverty and may in some cases exacerbate social inequities and environmental degradation.”⁸⁹

The UN Special Rapporteur on the Right to Food, Olivier De Schutter, has said IFAD should focus on “supporting ambitious programs and policies to scale up agroecological approaches for lasting change, including genuine multi-polar engagement with public authorities and experts and existing local organizations of food providers”.⁹⁰

IFAD

Conclusion

As the UN specialized agency to finance agricultural development in the developing countries, IFAD has to prioritize peoples' rights over corporate interests.

It is clear that the Gates Foundation promotes agriculture strategies that will open new markets to corporations, including the promotion of public policies to benefit business interests. IFAD should not fall in this trap. It should follow the recommendations of the United Nations Special Rapporteur on the Right to Food, Olivier De Schutter, and engage in long-term relationships with partner countries, supporting policies to scale up agro-ecology, invest in public goods rather than private goods, and encourage the involvement of small farmers.

CBD

Business influence in the Convention on biological Diversity: biodiversity for sale

Summary

The Convention on Biological Diversity (CBD) is an international agreement on protecting global biodiversity. It has become an important legal tool, enshrined in national laws, providing vital legal protection for biodiverse areas. This has proved particularly valuable when such areas are under threat from corporate activities - mining or oil extraction for example - or from other destructive or polluting industries.

Negotiated by governments under the auspices of the United Nations (UN), the Convention has attracted increasing interest from business, which has been welcomed and encouraged by the UN. This has given corporations a privileged position at the negotiating table, in some cases allowing the voices of business increasingly to be heard over the voices of others, including Indigenous People and affected communities.

For corporations, access to the Convention provides a welcome opportunity to influence the agenda and protect their interests – not in the conservation of nature, but in securing access to natural resources, and in maximizing profits by avoiding regulation and limiting costs.

Corporate influence is driving the Convention increasingly towards a market-based approach, where the aim is not to protect biodiversity per se, but to put a value on biodiversity, so that can be traded. UN bodies such as UNEP have sought to promote corporate involvement by seeking out ways in which “in addition to minimizing and mitigating adverse impacts, business can also generate revenue from conserving biodiversity and delivering ecosystem services.”⁹¹

However UN bodies increasingly seem to forget about their role in ensuring that companies minimize their negative impacts, comply with national and international laws and change their unsustainable use of natural resources. Instead UN agencies more and more prioritize creating new ways for companies to make profits from commercializing nature.

Corporate interests and the CBD⁹²

The original goal behind the UN international Convention on Biodiversity was to unify existing legally binding instruments designed to protect natural resources, including regional agreements, laws related to migratory species, laws on the trafficking of endangered species and on maritime issues.

Within the negotiations, the notion developed that countries and local communities/indigenous peoples would only protect

natural resources if they were given an economic incentive to do so. This notion was influenced by the idea that the emerging biotechnology industry would have an interest in financing conservation because of its reliance on natural genetic material.

This led to a focus on the opportunities to profit from biodiversity and conservation, rather than on preventing environmental degradation.

Lobbying by the biotech industry

The US biotechnology industry – including companies such as Bristol Myers, DuPont, Pfizer, Monsanto - was concerned by the proposed Convention which they feared could limit their access to natural resources, particularly in the South. Just ahead of the final round of negotiations in 1992, they lobbied the Bush administration, demanding changes to protect their interests.

They were particularly concerned by plans to introduce a de facto licensing regime for the export of genetic resources, and also by the impact on intellectual property rights (IPRs). As a result, various articles in the CBD were amended, including a number of articles concerning intellectual property. Wording was included that left effective enforcement up to each individual state's discretion, excluding for example indigenous peoples and local communities in the affected country

Proponents of IPRs have suggested they benefit agricultural development and resources protection in the poorest countries as well as encourage technology transfer and investment in research. In fact they threaten to privatize local agriculture and resources, and reorganize local markets to the benefit of powerful multinationals operating worldwide and putting the burden of royalties to companies on local communities - but without giving them any say⁹³.

Other changes were designed to create ambiguity around the meaning of different articles⁹⁴ – so for example, following intervention from the US, text was added to Article 16 (paragraph 2) which appears to contradict text in a later paragraph (paragraph 5), but which from industry's perspective, secures adequate and effective protection for intellectual property rights.⁹⁵

Promoting offsetting for damage to biodiversity

Another active corporate lobby within the CBD has been seeking the introduction of a market-based solution to

CBD



biodiversity loss and degradation, through what is being called a Green Development Mechanism (GDM).

The aim of the GDM is to mobilize private finance for investment in conservation projects by linking the supply and demand of biodiversity through a market mechanism (like the Clean Development Mechanism introduced to tackle climate change). The voluntary scheme would allow trade in biodiversity credits and propose payments for environmental services as solutions to offset biodiversity and ecosystem degradation and loss.

The GDM would establish requirements and a certification system for land to be managed in such a way as to protect biodiversity. It supports the idea of biodiversity offsetting on

a case by case basis. Differences in prices would distinguish between different habitats: the more biodiversity or a higher number of endangered species would result in a higher price.

The GDM could allow corporations which plan to develop destructive projects in one part of the world, to buy conservation credits from a certified conservation scheme. According to its proponents, this system would help secure financial support for conservation programmes, allowing countries to manage their biodiversity protection more effectively.

The GDM could also hold a record of all the national schemes included in this trading system, and would be able to provide finance and technical support for national offsetting schemes,

acting as an intermediary between those who want to buy and sell the conservation certificates.

Such an initiative would in no way address the fundamental problems of the unsustainable trade in natural resources and overconsumption. It would allow governments to shun their responsibility to protect biodiversity and shift it to companies, while these have been criticized for having harmful impacts on local communities and environment⁹⁶. However it appeals to business because not only does it provide a means of avoiding dealing with the direct impacts of their activities, it also creates an extra profit-making opportunity.

Corporate interests reflected in COP 10 agreements⁹⁷

The growing influence of corporate interests is also clearly reflected in other decisions taken at recent CBD negotiations in Nagoya, Japan (known as COP 10). For example, the negotiations agreed that governments should:

- promote a public policy environment that enables private-sector engagement and the mainstreaming of biodiversity into corporate strategies...;
- encourage involvement of businesses as stakeholders in any future revision and implementation of national biodiversity strategies and action plans;”

This growing relationship with business has been reflected in a formal partnership with the 193 member governments, the Global Platform on Business and Biodiversity, announced by former CBD Secretary, Ahmed Djoghlaif, at the Nagoya talks.⁹⁸

Global Platform on Business and Biodiversity⁹⁹

The Global Platform on Business and Biodiversity has been established to promote markets that support nature conservation and the sustainable use of natural resources. Because businesses depend on products and services provided by the natural environment, while at the same time contributing to the exponential loss of biodiversity, the Platform promotes the idea that biodiversity must become a business opportunity so that it can be preserved.

The Global Platform on Business and Biodiversity section on the CBD website highlights the advantages to be gained from including biodiversity in business plans, showcasing the opportunities to enhance the public perception of corporate activities.

A number of case studies showcase specific initiatives that mainly serve to greenwash the image of companies involved¹⁰⁰, which include oil and mining companies with poor environmental records.

For example, the Energy and Biodiversity Initiative¹⁰¹, set up to maximize biodiversity conservation opportunities in the oil and gas industry, includes BP, Chevron Texaco, Shell and Statoil.

Another case is Rio Tinto’s biodiversity strategy¹⁰², which involves paying for conservation schemes elsewhere in order to offset the damage done through Rio Tinto’s mining activities. Rio Tinto was recently classified as the 6th worst mining company in the world¹⁰³.

The Shell Group’s biodiversity standards are also highlighted, including the company’s respect for protected areas and the role the Group plays in contributing to the conservation of biodiversity. Yet Shell’s operations in Nigeria, for example, have destroyed the livelihoods of communities, polluting the land, water courses and the air through oil spills and gas flaring activities¹⁰⁴.

Promoting Greenwash

Many of these corporations, including Shell and the International Mining and Metal Council, have also sponsored CBD publications¹⁰⁵, further boosting their image as protectors of the environment.

Conclusion

The involvement and influence of corporations within the CBD allow them to be seen as working to protect the natural environment, and these corporate initiatives are celebrated by governments and the UN bodies.

So rather than ensuring that corporations comply with existing national and international regulations, or develop a more sustainable model of business, the CBD is generating new ways for business to profit from the natural environment, at the same time as legitimising the environmental damage being done.

Water Policy

Watering down universal rights: business influence on water policy at the UN

Summary

Water is the source of all life on the planet and is essential to everyday life. Without access to water, people simply die. But private sector interests, active within the United Nations, are increasingly seeking ways to make water a profit-driven business, leading to proposals to treat water as a tradeable commodity (commodification), and even to turn it into a financial product or derivative (financialization).

These interests are being pushed ahead of Rio+20 through a range of UN-led initiatives and partnerships with business. Backed by governments, business groups are seeking to push market forces as a solution to managing water supplies – threatening the status of water and sanitation as a universal right, as recognised by the UN General Assembly resolution 64/292. As a result access to water would depend on the ability to pay for it. Millions of poor people, who cannot afford to pay high prices for water, will face enormous problems if this goes ahead.

There is a long history of communities standing up for their right to water (eg in Cochabamba, in Kerala, in Johannesburg). Now this fight must shift to the UN level.

The UN was established as the place for defending the common good, human rights and our common future. It has always been vulnerable to abuse by the powerful, but we are now seeing a campaign to co-opt and infiltrate the UN by private interests in the form of corporations, particularly in the field of water policy.

Corporate capture of water policy within the UN

This corporate influence has permeated the UN in a number of specific ways:

The UN Secretary General's Advisory Board on Water and Sanitation (UNSGAB)¹⁰⁶: Set up to 'galvanize global action on water and sanitation issues, which are central to the world's hopes of eradicating poverty and achieving sustainable development', UNSGAB provides direct input to the UN Secretary General on water issues. More than a quarter of its 23 members have direct links to private water companies¹⁰⁷ and many of the rest advocate the liberalization and privatization of water resources. They include high-profile figures such as Gérard Payen, a former senior executive-vice-president of Suez and current President of Aquafed (the international Federation of Private Water Operators) and

Richard Torkelson, a finance specialist with experience in water privatization projects.

UNSGAB's working groups are chaired by individual members. Payen chairs the Financing working group (which has pushed for "sustainable cost recovery for water delivery"¹⁰⁸) and the Rio+20 working group (which has been calling for more inter-dependency between water and the green economy)¹⁰⁹. At events such as the annual World Water Forum, he exploits these different positions, sometimes highlighting his role at the UN¹¹⁰, sometimes speaking on behalf of water operators¹¹¹. Businesses and the UN are working hand in hand.

The CEO Water Mandate¹¹² Established as part of the **Global Compact** (the UN's largest voluntary corporate accountability initiative) in 2007, is presented as a '*unique public-private initiative designed to assist companies in the development, implementation, and disclosure of water sustainability policies and practices*'. Yet it includes some of the planet's biggest water polluters and abusers who use this corporate-supported platform to promote their goals within the UN. Member companies include Nestlé, Veolia Water, and the Coca-Cola Company. One of their calls is for '*Corporate Water Stewardship*'¹¹³, that is an enabling environment for companies to secure their competitive advantage and profits. But this initiative fails to look at water policy from the rights' perspective that the UN is supposed to defend' and that is needed to guarantee access to clean and drinking water for local communities.

Instead, the CEO Water Mandate appears to legitimize the growing influence of companies on water policies, promoting private market systems for water delivery and access.

Like the Global Compact, the CEO Water Mandate is voluntary in nature, with non-binding agreements. Companies are asked to submit Communications on Progress related to water issues, but these are not checked or evaluated by independent experts¹¹⁴. As partners, member companies are able to shape UN recommendations and promote their preferred standards and tools¹¹⁵.

As a result the Mandate provides corporations with an opportunity to "green" or "bluwash" their activities, hiding their damaging environmental impacts under the UN flag.

Critics have pointed out that such a model presents an inherent conflict of interest: "Corporations whose business models depend on controlling access to water or gaining

entry to new water service markets cannot uphold the public interest if it conflicts with their *raison d'être* and shareholder obligation."¹¹⁶

Governments that are supposed to regulate companies, are instead hosting an initiative created by and for those companies with a vested interest in influencing them.

The United Nations Office for Partnerships (UNOP)¹¹⁷ allows companies such as Coca-Cola and Dow to form formal partnerships with the UN, positioning themselves as defenders of UN causes, including human and environmental rights, including water, while avoiding any mandatory commitment to adhere to human rights or environmental standards. The UN's Joint Inspection Unit has questioned whether UN-business partnerships are delivering results that fit with UN ideals or are of benefit to people¹¹⁸.

Dow, a formal UN partner for several initiatives¹¹⁹, has not fulfilled its obligations following the contamination of water in Bhopal as a result of the chemicals disaster. Coca-Cola has faced severe criticism for levels of water extraction in India, depleting water levels and causing problems for local communities¹²⁰.

UN Water¹²¹ The group tasked with inter-agency coordination within the UN in relation to water and sanitation issues, has formed partnerships with some of the biggest private water lobby organizations¹²², including Aquafed, the World Water Council and the Global Water Partnership. Partners must be non-profit organizations, but this does not prevent umbrella organizations that represent companies from joining, gaining a direct overview of and influence on all UN water initiatives. These lobby groups are able to put forward 'advisers' who contribute to UN reports on water. Sometimes these lobbyists even get to write the reports themselves.

The content coordinator for the Third World Water Development Report¹²³, William Cosgrove was a former director of the World Water Council,¹²⁴ as well as presiding over a private water consultancy firm.¹²⁵

The results of this influence mean that companies have direct access to and strong influence over the highest level of the UN (the CEO Water Mandate, UNOP and UNSGAB all come under the direct authority of the UN Secretary General) on water management issues.

The case for corporate involvement in water policy management

Corporations have played an increasing role in the UN, starting in the late nineties, with the UN starting seeking corporate funding. In 2000 the founding of the Global Compact marked a shift from the regulatory to the voluntary approach – companies would be persuaded to act responsibly through partnerships¹²⁶. Member states have supported these changes, and in some cases blocked attempts to hold the private sector accountable¹²⁷.

At the Rio+10 World Summit on Sustainable Development – enthusiastically referred to as the “world’s biggest trade fair”¹²⁸ by UN Development Programme (UNDP) official Mark Malloch-Brown - the World Business Council for Sustainable Development (WBCSD) lobbied on behalf of the water industry for its powerful members, which include Veolia, Suez, The Coca-Cola Company and Dow Chemical¹²⁹. Its 2002 report “Water for the Poor”¹³⁰ advocated accelerating public-private partnerships (PPPs) and facilitating private investment as “a new strategy for the delivery of efficient water and sanitation services”.

This input was welcomed, with Kofi Annan saying that the private sector was a key actor to ensure that sustainable development did not “*remain a distant dream*”. The current UN Secretary General Ban Ki Moon has praised business’ “*integral role in delivering economic and social progress*.”¹³¹

The WBCSD recognizes that its lobby efforts have “*succeeded in elevating water issues up the business agenda by increasing awareness among opinion leaders and decision makers*.”¹³² As a result, public-private partnerships dominate UN-level discussions on water issues and business is seen as a solution to water access issues.

The WBCSD and other corporate lobby groups will continue to play a major role at Rio +20 through Business Action for Sustainable Development (the official UN coordinator for the business and industry major groups).

Right to water at risk in Rio+20

In July of 2010, the Council of Canadians campaigned to get the UN General Assembly to pass an historic resolution, 64/292, recognizing the human right to water and sanitation. Although two thirds of European Union states (including the UK, Denmark, Austria, Greece and Netherlands) joined Canada, the United States (US), Japan, New Zealand,

Water Policy

Australia and Israel in abstaining on the vote, the resolution was passed.¹³³ Similar resolutions followed at the Human Rights Council, despite resistance from market-friendly developed countries.^{134 135}

Rio+20 will set the direction for the next generation with respect to our environment and sustainable development, with the so-called Green Economy being promoting as the next step for the corporate capture of nature itself. Established principles are being replaced by a focus on the

market, corporations and putting a price on nature. And the private water lobby is at the forefront.¹³⁶

The consequences for the natural world and for communities could be devastating. These market-based approaches would mean the introduction of water markets, pricing of water for agriculture and full cost pricing. Access to water would no longer be a fundamental human right but water would become a profit driven business. This would be a direct attack on water justice and limit access to drinking water for millions of people.



Global Compact

The Global Compact: very few strings attached

Summary

The UN Global Compact is a voluntary initiative that “seeks to align business operations and strategies everywhere with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption”.¹³⁷ Its voluntary nature means that the corporations which have signed up are not obliged to act on these principles.

Of the nearly 7,000 businesses that have signed up,¹³⁸ a number have faced numerous allegations of environmental and human rights abuses.

However, because there are no sanctions for not complying with the principles, and because the official complaints procedure is loosely-worded and open to interpretation, attempts to raise concerns about corporate abuses by Compact members have not been acted upon.

The Compact’s high profile status within the UN also gives corporations privileged access to governments, allowing them to influence decision makers and successfully argue against stricter environmental standards and other regulation to hold companies accountable for their abuses.

As a result, the Compact has been widely criticized as a tool for “bluewashing” corporations, allowing them to enhance their reputation by association with the UN, without changing their behaviour.

Voluntary principles without accountability

When the UN Global Compact was launched in July 2000, there were widespread concerns that it would allow corporations to appear to be acting without actually changing their behaviour.

Pierre Sané, then Secretary-General of Amnesty International and now Global Compact Board member, pointed out the need for independent monitoring, and sanctions for corporations that failed to comply, to make the Compact “effective and credible”.¹³⁹

Environmental activists and human rights campaigners were familiar with industry’s voluntary approach, pioneered by the chemical industry in the wake of the Union Carbide gas leak in Bhopal and the Rhine River spill in Basel. Voluntary action by a select few was combined with a political agenda of lobbying against international legislation and regulation.¹⁴⁰ This was supplemented by a public relations campaign, combined with best practice case studies, devised

to reassure the public and policy makers that industry understood the problems and was working on solutions.

This approach was coined “greenwash” ahead of the Rio Earth Summit in 1992.¹⁴¹ The move to bluewashing through the UN seemed to be the latest stage in the process. In 2011, these fears were recognised when an independent external body set up to oversee the United Nations, the Joint Inspection Unit, found that the Global Compact posed a “reputational risk” to the UN, officially confirming the existence of bluewashing.¹⁴²

Weak standards, no enforcement

While companies that have signed up to the Global Compact are not required to enforce the 10 principles, measures were introduced requiring an annual ‘Communication on Progress’ (COP), disclosing to stakeholders progress in implementing the principles and in supporting broad UN development goals.¹⁴³

Many companies failed to meet this requirement. More than 3,000 companies have been expelled from the Compact as a result since 2005.¹⁴⁴

Companies that do report are not required to comply with any reporting standards and as a result, the information provided is often superficial and imprecise.¹⁴⁵

The information is not verified by the Global Compact, but taken at face value. And because there are no sanctions, provided participants disclose information about their business practices regularly, they cannot be expelled – whatever the quality and the reliability of the information submitted.

Similarly, there are no real standards to meet the Compact’s Integrity Measures designed “to promote continuous quality improvement and assist the participant in aligning its actions with the commitments it has undertaken with regard to the Global Compact principles.”¹⁴⁶

So when human rights activists attempted to challenge the oil company PetroChina / CNPC’s activities in Sudan (see box below), the issues raised did not lead to any action. The Global Compact appears unwilling to take substantive action against companies involved in human rights violations.

The campaign group Baby Milk Action has repeatedly criticized the Global Compact office for its failure to properly investigate complaints against companies such as Nestlé,

Global Compact

which it claims are involved in serious breaches of the Compact's principles¹⁴⁷.

There is also a lack of transparency. The Global Compact does not divulge which companies are involved, who has made the complaints, or the specifics of the charges. Information about the number of complaints or the number of companies removed from the list as a result of conduct "detrimental to the reputation and integrity of the Global Compact"¹⁴⁸ is not made public.

The criteria for making complaints are also vague, applying to instances that illustrate "systematic" or "egregious" abuses, which are not clearly defined, making it difficult to know when to lodge a complaint. Even if a complaint is upheld, the only potential sanction is expulsion from the Global Compact.

The Compact and Rio +20

In its submission to the UN secretary of the 2012 Earth Summit – Rio+20 - the Global Compact called for business to be recognised as part of the solution, and urged governments to acknowledge that "*partnerships between business, the public sector and civil society contribute important solutions for realizing development goals [and that they] commit to support the development of transformational partnerships which address systemic issues*".¹⁴⁹,

The Global Compact clearly wishes to further advance the role of business and industry within the UN system and their influence on UN discussions about sustainable development and the protection of the environment – and it seems to be succeeding. It is actively involved in the Rio +20 Corporate Sustainability Forum¹⁵⁰, which takes place just prior to the summit. Organisers expect 2,000 participants and offer business and investors "*an opportunity to meet*

Integrity Measures of little use: complaint against PetroChina

In December 2008, Investors Against Genocide (IAG) and the Centre for Research on Multinational Corporations (SOMO) submitted a formal complaint to the UN Global Compact office requesting the removal of PetroChina from the list of participants if no satisfactory resolution of the issues raised was found. The groups alleged that PetroChina, through its investments in Sudan, contributed to grave human rights violations in Darfur.

The Sudanese Government has been accused of supporting genocide, including by funding military groups in Darfur. Despite the situation and these grave allegations, PetroChina has not stopped its investments in Sudan, thereby providing significant financial resources to the national Government and potentially making it complicit to Human Rights violations.

On 12 January 2009, the UN Global Compact responded, refusing to act on the complaint. Georg Kell, Executive Director of the UN Global Compact Office, noting that "the matters raised could equally apply to a number of companies operating in conflict prone countries."

He explained that the "Global Compact's approach to business and peace emphasises engagement rather than divestment and the power of collective action rather than focusing on any one individual company." The complainants asked the members of the Global Compact Board to reconsider their response, which they did, but the decision remained the same. In July 2009, Sir Mark Moody-Stuart, Vice-Chair of the Global Compact Board and a former Chairman of the Royal Dutch Shell/Shell Group and AngloAmerican plc, stated that PetroChina's parent company, CNPC "...has been active in supporting sustainable development in [Sudan] and engaged in the newly formed and embryonic Local Network, although not itself a Global Compact signatory."

The Global Compact Board explained that "the Board agreed that the operation of a company in a weakly governed or repressive environment would not be sole grounds for removal from the initiative and that the Global Compact, as a learning platform, cannot require a company to engage in advocacy with a government."

In January 2012, the world's third largest pension fund, ABP Investments, blacklisted PetroChina for non-compliance with the principles of the Compact. ABP concluded that PetroChina / CNPC lacked solid policies to prevent involvement in human rights violations in Sudan. ¹⁵⁴

with governments, local authorities, civil society and UN entities". The Compact is also cooperating with Business Action for Sustainable Development (BASD) and it has a prominent role in the organisation of high-level side events, allowing business to have privileged discussions with UN and government representatives ahead of the summit.

At Rio UNEP and the Global Compact will announce their first Forum on Innovative Business, which will take place in Hong Kong at the end of 2012 and will bring some 400 business representatives to focus on Rio+20 outcomes¹⁵¹. UNEP has also partnered with the ICC to organise the Global Business and Industry Dialogues, in which ICC is giving direct input into agriculture, energy, transport, manufacturing, waste and energy¹⁵².

Conclusion

If the UN is to meaningfully and effectively address irresponsible business behaviour, it must come up with something far more ambitious than the Global Compact. The UN should move beyond the pragmatism that underpins the Compact's strategy and set up a more rigorous initiative for corporate accountability. This new initiative should monitor the impacts of corporations on people and the environment. Moreover, it should work towards a legally binding framework for corporate accountability, which would include, among other elements, a sound mechanism for redress of grievances and a system of legal sanctions for violations.

The continuation of the work of the UN Centre on Transnational Corporations (UNCTC), established in 1974, or setting up a similar UN organization could be one of the first steps to seriously start addressing the impacts of big business at a UN level.



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Mineral water bottled for oil company PetroChina.

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