

Climate Summit Inc.

The Danish Government, the host of the crucial climate summit in December, wants to create an alliance with big business to promote an ambitious international climate agreement. That doesn't add up.

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Introduction

From the 24-26th May big business will attend a major conference in Copenhagen, the World Business Summit on Climate Change. For three days up to 1,000 prominent business leaders from large companies around the world will discuss climate change and come up with a joint statement, "The Copenhagen Call". Their objective is to influence the international negotiations on a new climate agreement for beyond 2012 - an agreement which should be reached in Copenhagen at the UN climate summit in December . According to the organisers, business must up on its toes: "Your company's future is being decided! Any inputs?" the invitation readsⁱ.

The World Business Summit is an extraordinary event in many ways. Firstly, because it probably brings together the biggest international business alliance ever on the issue of climate change; and secondly because the idea of a big conference did not come from business themselves. The World Business Summit is the brainchild of the host of the crucial December summit, the Danish Government. This can be seen from a large number of documents, acquired by Corporate Europe Observatory. The documents also show the Danish Government's level of commitment to building the World Business Summit. In fact, the conference is a cornerstone of the Government's strategy for involving the international business community in securing the conclusion of an "ambitious" agreement on climate change at the December summit. In particular, the Government hopes that business leaders will recommend "climate-oriented" technologies, and that they will help convince the more reluctant governments, including the US, China, India and Mexico, of the benefits of a climate agreementⁱⁱ.

Is this strategy credible?

The evidence below, which examines the Government's involvement in World Business Summit, and briefly surveys the driving forces behind the Summit, suggest not. In fact, more than anything, the World Business Summit represents an obstacle to anyone wishing or working for an ambitious and effective agreement in Copenhagen at COP 15.

The idea for the business meeting appears to be successful in the sense that it will bring together a large number of leaders from multinational corporations. It will be this year's largest business event on climate change, and this success is due not least to the efforts of the Danish Government, which has ensured the participation of the UN Secretary General, has been active in building the coalition behind the meeting, and has provided a lot of help with the invitations. And not least; the Government has promised that the event will be used to give the business community a more central role in the negotiations on a new international climate change agreement, currently underwayⁱⁱⁱ.

Against this background it is hardly surprising that the meeting will be well-attended by representatives from large companies around the world. Increased involvement in the political process leading up to the summit is pretty attractive bait. And those who are attracted are to a large extent the very multinational companies which have for so long tried to influence international climate policy. They have been given a nice offer, a prominent role served on a silver platter, by the host government of the crucial summit, so their attendance is not surprising.

Whether the meeting also will be a success for the international climate is more doubtful. Many of the players at the World Business Summit have tried hard to

weaken previous climate agreements. Therefore there is good reason to be concerned about this meeting and the exceedingly close cooperation with the host government of the climate summit.

It's not that the chief executives do not speak in anguish about the climate crisis. It's their proposals that are worrying. The main players among those present all put their weight behind a number of proposals that in elegant ways will allow large companies to continue on the same track; "business as usual". So, although the Danish Government supposedly wants to get business support for an "ambitious" climate agreement, it is hard to imagine anything other than the reverse as the result of a close alliance with big business – an agreement so full of loopholes and uncertainties that even ambitious reduction targets could end up as almost nothing.

The strategy of the host government and the World Business Summit

There are several elements to the Government's plan for involving "international business" in the climate negotiations^{iv}. But among the specific tools to promote participation, the World Business Summit stands out. This proposal was put forward by the Government at a meeting in October 2007 in a paper that reads that "an international business conference should take place in Copenhagen in the summer of 2009 with the purpose of adopting a declaration on climate change addressed to the heads of government."^v

Among the Government's proposals for the draft declaration were that it "could include" calls to reach an "ambitious climate agreement", and a statement from business leaders on "active support and self-responsibility" of the business community^{vi}.

If this statement were to have any impact, the Government wrote, it's a precondition that its possible "to create broad support from influential global business leaders and companies"^{vii}. The government even had specific suggestions as to how to make such a broad coalition a reality, proposing that the UN Global Compact, World Business Council for Sustainable Development (WBCSD) and World Economic Forum (WEF) should be considered very interesting players. These coalitions later became the convenors of the World Business Summit^{viii}.

It was the so-called Copenhagen Climate Council^x which went ahead with the idea, but they emphasise from time to time that they have been asked by the Danish Government to bring together the international business community^x. With the think tank Monday Morning as the front runner, and with backing from a number of large Danish companies, the Copenhagen Climate Council is at the heart of the World Business Summit,

taking on the organisational responsibility and managing to make industry put up the money. The government has contributed only 1.5 million Kroner (appr. 200.000 euro). However, an event of the World Business Summit's apparent format and size would have been impossible, had it not been for the political backing of the government and the strong support from four ministries – the Ministry of Economy and Industry, the Ministry of Foreign Affairs, but especially the Prime Minister's office and the Ministry of Climate and Energy. Nearly a dozen civil servants from the latter two have been involved at different levels and times in the preparation of the World Business Summit. As has the Prime Minister and the Minister of Climate and Energy.

As if it were a UN event

One of the contributions which only the Danish government would have been able to deliver, is the World Business Summit's profile as almost an official UN initiative. A meeting of the global economic elite needs a little something extra to obtain legitimacy. An official stamp, which can make the meeting appear to be a genuine and honest contribution to the political process – and conversely avoid being labelled as a lobbying forum for vested interests.

To achieve this, the Danish Government has assisted the World Business Summit in obtaining commitment from the UN Secretary General Ban Ki Moon, who will speak at the meeting. More specifically, this was done by the then Prime Minister Anders Fogh Rasmussen who wrote a letter to Ban Ki Moon, in which he warmly recommended the World Business Summit, and called it "... a pivotal event that can deliver an important contribution to the political decisions to be made during the UN Climate Conference, COP 15 in Copenhagen in December 2009"^{xi}.

The letter was followed up by the Danish UN mission in New York until Ban Ki Moon had accepted the invitation.

The desired link to the official climate summit is also clear in most of the advertisements for the World Business Summit, where the official logo for the Climate Summit is often at the forefront.

Building a coalition with official assistance

The high priority given by the Government to achieving unity among the main business players on climate policy is very clear from the work which has been done to build the coalition. Not least, the convenors of the World Business Summit included all the bodies recommended by the government in its submission to the Danish business community in October 2007 – the UN Global Compact, World Business Council for Sustainable Development (WBCSD) and World Economic Forum (WEF). In addition, Combat Climate Change (a Vattenfall Initiative), and Tony Blair's "The Climate Group", have got involved. Civil servants have been actively involved, even coordinating the building of the coalition^{xii}.

Several ministries have also worked actively to bring on board particular companies, such as Shell which has been given special treatment^{xiii}.

Ministers too have been directly involved. For instance, it was Prime Minister Anders Fogh Rasmussen, who laid the foundation for the alliance with the global elite forum of business, the World Economic Forum (WEF) through a personal meeting with the leader of the WEF, Klaus Schwab^{xiv}. This was followed up by the Minister for Climate and Energy Connie Hedegaard, who in January 2009 used the WEF's annual conference to raise support for the meeting in Copenhagen^{xv}.

The Government "invites"

Besides getting companies and coalitions on board, and providing speakers at the highest level, several ministries were also involved in issuing the invitations. While the Prime Minister preferred an unreserved, but general tone in his recommendation letter^{xvi}, the Minister for Climate and Energy Connie Hedegaard wrote an unusually warm invitation letter, which referred to the invitees in laudatory terms.

"With your position as leader in addressing this challenge, I believe that your presence at the World Business Summit on Climate Change would make a difference, inspiring business leaders and policy makers to work together towards a new global climate treaty,"^{xvii}.

So compelling was the tone that replies began pouring in, not to the organisers but to the Ministers' mailbox. Many invitees thought the invitation actually came from the Minister. Of the many responses, inter alia, the Minister considered the chief executives of Fiat and Toyota to be "leaders" on climate policy^{xviii}.

Furthermore, the so-called Climate Attachées in Danish embassies around the world were asked to present the World Business Summit in an "appetizing manner" to ensure a solid support^{xix}.

The roads to the negotiating table

All these official contributions have been important to get the World Business Summit up and running. Absolutely crucial, however, is the government's willingness to help the World Business Summit access the climate negotiations themselves. The Government has promised to ensure that the outcome of the Business Summit will be disseminated to the chief negotiators on the climate agreement, and during the

preparations for the World Business Summit, civil servants have been heavily involved in preparing the final statement, “The Copenhagen Call”. They expect the statement to become a tool for the Danish Government during the preparation of the climate summit in December. The objective is to have a document that is written in such a way that the government can “refer to the backing of international business in the last months of negotiations”^{xx}.

In addition, the Climate and Energy Ministry has been in dialogue with Monday Morning concerning a “structured dialogue” between industry and negotiators during the important inter-governmental negotiations^{xxi}. At the World Business Summit, this willingness to help business is most obvious in a closed part of the programme, called the Business Prepcom, or just Prepcom (a term borrowed from the official negotiations). The PrepCom is primarily two closed meetings which will be held in the latter part of World Business Summit,^{xxii} with the Minister for Climate and Energy Connie Hedegaard as host at one, and Prime

Minister Rasmussen at the other. They will meet with a selection of business leaders, chosen by the organisers of the World Business Summit, and other government representatives and negotiators, who are officially selected by the government. This is the official story. In reality it was Monday Morning that proposed which governments they preferred to engage in dialogue at the PrepCom. It was Monday Morning who designated specific individuals from the US, India, China, Brazil and South Africa to participate. On the final list of the Ministry for Climate and Energy Ministry only one name changed (another Indian minister) and one was added – Mexico^{xxiii}.

All in all, it is quite remarkable how much the Danish Government has done to bring together business, and how much the business community has been offered in terms of inroads to the official negotiations in the last crucial months leading up to the summit in December.

The ends and means of the powerful coalition

But who are they, then? And what do they want, these corporate representatives that the Danish government has helped to assemble? Will they provide support for an “ambitious” climate agreement?

Six coalitions made up of large private firms are convening the event: Combat Climate Change, the UN Global Compact, the Climate Group, the World Economic Forum Climate Change Initiative, the World Business Council for Sustainable Development (WBCSD), and the Copenhagen Climate Council^{xxiv}. Hundreds of corporations are included under these umbrellas and the World Business Summit has the potential to create the greatest business alliance on climate change ever. In fact, with a few exceptions, the event seems to bring together all significant lobbying coalitions around one table.

On the list of individual companies, we also find for example. Shell, Vattenfall, BP, TOTAL, the international association of airlines, IATA, the World Steel Association, Embraer Aviation Europe, SAS and Norsk Hydro. They probably all desire some sort of green profile, but will the Danish government really have us believe that these are obvious candidates for delivering an ambitious climate policy agenda? Or take the most important partner in the US, Duke Energy, which is a member of the ACCE coalition, which this year implemented a breathtaking campaign in an attempt to convince American consumers that coal can become clean technology.^{xxv}

No solution to the climate crisis

A look at the main forces behind the meeting and what unites them, provides some basis for assessing the probable outcome – and to say the least, it doesn’t look convincing. A comparison of the key policy

statements from the five coalitions behind the event, provides us with the following picture:

Plans for 2050

Almost all put their emphasis on the period from now until 2050. Considering that urgent action is needed by 2015, this is worrying.

In one document, the WBCSD even writes that climate policy must be adjusted to revenue opportunities: “International political frameworks must be aligned with the long range business investment cycle, so that investments in CO2 abating technologies can be justified commercially.”^{xxvi}

Only one of the others – the Climate Group – emphasises the importance of action in the short term.

But the climate agreement to be concluded in Copenhagen in December, is exactly about the short term. It covers the period 2012-2020. And according to the Intergovernmental Panel on Climate Change (IPCC), emissions must peak in 2015 if we are to avoid a temperature increase of 2 C°, the Panel considers the threshold for increased likelihood of catastrophic scenarios.

Development of Technology – the CCS example

The coalitions behind the World Business Summit all emphasise the development of new technologies as essential to climate policy. This position dominates their views. They seem convinced that various technical fixes can cope with the situation, and as in the material produced for the World Business Summit, they stress that there are opportunities for good profits.

Yet in at least in one area – the capture and storage of CO₂ (CCS) – this talk of technological development is strikingly irrelevant. This is a technology that aims to capture CO₂, for example, by cleaning smoke, and storing it, for example, underground. There are several problems with this technology. The first is that it is far from completion. Even supporters of CCS in the International Energy Agency estimates that CCS will only be developed in 2020^{xxvii}. A second and more independent source estimates that CCS can not be commercially applied until 2030^{xxviii}. CCS will be of little or no significance for the period covered by the next climate agreement.

Renewable energy of no importance

In addition, it must be striking even for the most critical observers, how little attention the coalitions give to renewable energy. In fact, only one of the six refers to renewable energy directly and positively in their key political statements. And this only in a subordinate clause:

“A number of low- and zero-GHG technologies (e.g. nuclear, renewables, fuel cells, clean coal and CCS) must be developed and commercialized over the coming decades”^{xxix}.

The market place

Last but not least, they are all very eager to promote a climate agreement based on the market. This includes a global market for CO₂ emission permits. A market of a type which has hitherto failed miserably in the European Union, where it has not led to reducing emissions. In the coming years some CO₂ allowances are likely to be bought from, for example, Russia, which has plenty of allowances to sell. Since this is based on emissions in 1990, and since Russia has experienced a near-collapse of industry in the meantime,

the Russians have plenty of allowances to sell. Nothing spared in Russia, lots of extra pollution permits for other countries!

Overall, this menu is likely to prove toxic for a future climate agreement. If the players behind the World Business Summit succeed in convincing negotiators that an agenda along these lines would constitute an ambitious climate agreement, the prospect of an effective agreement will be very bleak. They may not lobby against ambitious reduction targets, but will certainly put their weight behind the use of methods that are unreliable.

Conclusion: Towards an unambitious agreement

According to the Danish Government's plan, the World Business Summit will act as a sort of turbocharger on multinational companies' contribution to the international climate agreement in December. They will produce a statement, "The Copenhagen Call" which will include concise requirements and suggestions. The Danish Government will then disseminate these messages to the negotiators and quote the position of the business community whenever it is useful. The Government has also made sure that there will be a thorough dialogue between ministers and negotiators from several countries which are seen as sceptical of an ambitious climate agreement (USA, Mexico, South Africa, China, India and Brazil), and prominent business representatives. And on the rest of the way to the summit, the Danish Government is consideringd "a structured dialogue" between industry, meaning the coalition at play at the World Business Summit, and government representatives. Additionally, regional meetings between negotiators and key business leaders are planned, plus a "common knowledge" database which can be shared between negotiators and others in the World Business Summit network^{xxx}.

Will all this take us closer to an ambitious climate agreement?
It would take a lot of imagination to claim that it will.

Towards an unambitious agreement in December

By placing a large bet on "international business" in the run up to the climate summit, the Danish Government has opened doors to business lobbyists in a way in which the lobbyists could only have dreamt of beforehand. Industry has lobbied for years for self-regulation and the right to make use of various extensive loopholes, allowing them to continue producing as before. Now they are given the best possible means to form international climate policy in their interests. In the last phase of the negotiations, expect to see a stronger business platform to introduce and reinforce loopholes, placing the hypothetical techno-solutions to the climate crisis a the centre of the debate.

Whether or not this was the intention of the Danish Government, there is nothing about the Danish Government's involvement with international business, which will lead in any way to an effective agreement in December. It starts to look like a serious political blunder if a government believes it can use companies like Shell, BP and Vattenfall to persuade the more reluctant governments, including the US, to conclude an "ambitious" agreement.

The more likely scenario is that business will make powerful new arguments to negotiators in these countries for a weak agreement.

So, rather than clearing the way for an ambitious agreement, the Government has with its commitment to the World Business Summit helped build a powerful coalition of companies and business coalitions, that could undermine the efficiency of a new agreement.

In stead of placing its bet on a group of corporations which include a heavy share of oil and energy companies, many of which are infamous polluters, the Danish Government should have banked on the increasingly strong demand for an effective international climate agreement that comes from experts, many in civil society and the population in general, who have long since begun to demand credible action.

As it stands, the Danish Government is challenging anyone who wants a truly ambitious agreement, due to its approach to the climate negotiations and the role it is

giving corporations in them. The Danish Government has in fact expressed a wish for business to play “a more central role in efforts to meet the intentions in a new climate agreement, based on economic incentives”.

This enhanced role for industry is an issue that must be followed closely by NGOs and social movements in the coming months. The platform, the Danish Government has built for the big players in the global economy must be removed immediately, and the debate turned effectively away from the question of what the industry believes can raise profits, and to what is necessary for the future of the globe.

Corporate Europe Observatory, May 2009

- i Website of World Business Summit: <http://www.copenhagenclimatecouncil.com/world-business-summit.html>. See also the pamphlet: http://www.unglobalcompact.org/docs/issues_doc/Environment/climate/WBSCC_Brochure.pdf
- ii Written contribution from the government to "Erhvervsklimapanelet", an advisory body on climate change with representatives from Danish business associations and large companies, Friday the 5th of October 2007. Title: "Inddragelse af internationalt erhvervsliv frem til klimakonferencen i 2009". The information on the correspondance between Monday Morning and the Danish ministries are acquired through a formal request for access to documents.
- iii This is explicitly stated in a large number of documents, for instance communication on PrepCom (see below) between the Prime Ministers office and the organisers (Monday Morning), January 2009-
- iv "Inddragelse af internationalt erhvervsliv frem til klimakonferencen i 2009". This document outlines the key components including the proposal for a major business event and more involvement in the international negotiations. This document also outlines the governments plan to have the international business community persuade the US, India, China and other governments to conclude an agreement.
- v "Inddragelse af internationalt erhvervsliv frem til klimakonferencen i 2009"., page 5.
- vi Ibid. page 3.
- vii Ibid. page 5.
- viii Ibid. page 2 and 4. See also a critical appraisal of the convenors at <http://www.climategreenwash.org/business-summit>
- ix See www.copenhagenclimatecouncil.com
- x Erik Rasmussen (Monday Morning) at a meeting at the Danish Association of Engineers, 11th of May 2009.
- xi Letter from the Danish Prime Minister Fogh Rasmussen to the UN General Secretary Ban Ki Moon, 18. december 2008.
- xii Email correspondance between Bo Lidegaard (STM/Prime Ministers Office), Dominic Waughray (WEF) and Georg Kell (UN Global Compact). On the bringing together of the key players.
- xiii Correspondance mellem Lars Hummelose (UM/Foreign Ministry) og Christian Eika Frøkjær (Monday Morning), October 2008.
- xiv Email correspondance between Bo Lidegaard (STM/Prime Ministers Office) and Børge Brende (WEF), January 2008.
- xv Minister for Climate and Energy Connie Hedegaard, speech at an event at the World Economic Forum, 30. January 2009.
- xvi An issue debated between Monday Morning and a civil servant. Emails mellem Morten Holm Østergaard (STM/Prime Ministers Office) og Johannah Christensen (Monday Morning), November 2008.
- xvii Letter to invitees from the Minister for Climate and Energy Connie Hedegaard, November 2008.
- xviii Letters from Guido Zinconne (Fiat) and Katsuaki Watanabe (Toyota), February 2009.
- xix Email from Else Kloppenborg (KEMIN(Ministry for Climate and Energy) to Johannah Christensen (Monday Morning).
- xx Email from Johannah Christensen (Monday Morning) to WEF on the wishes of Bo Lidegaard (STM/Prime Ministers Office) for at statement, 26. August 2008..
- xxi Email from Trine Tougaard (KEMIN/Ministry for Climate and Energy) to Monday Morning, 21. may 2008.
- xxii Agreement on PrepCom circulated between the Ministry of Climate and Energy and Monday Morning, January 2009.
- xxiii Email communication between Puk Ovesen (KEMIN/Ministry for Climate and Energy) and Johannah Christensen (Monday Morning), February 2009 .
- xxiv More on the convenors, see <http://www.climategreenwash.org/da/hovedakt%C3%B8rnerne>
- xxv See for instance "The Clean Coal Lobbying Blitz", The Center for Public Integrity, 20. april 2009, http://www.publicintegrity.org/investigations/climate_change/articles/entry/1280/
- xxvi World Business Council for Sustainable Development; "Policy Directions for 2050", page 4, 2007
- xxvii Se IEA's oversigt på <http://www.iea.org/Textbase/techno/etp/roadmap.pdf>
- xxviii McKinsey & Co; "Carbon Capture & Storage – Assessing the Economics", 2008. http://www.mckinsey.com/clientservice/ccsi/pdf/CCS_Assessing_the_Economics.pdf
- xxix World Business Council for Sustainable Development; "Policy Directions for 2050", side 5, 2007
- xxx Email from Laura Storm (Mandag Morgen) til KEMIN/Ministry for Climate and Energy, and "Inddragelse af internationalt erhvervsliv frem til klimakonferencen i 2009", page 4.