

# EU and big polluters ignore climate action - pushing to expand carbon markets at COP19

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The EU aims to expand carbon markets that would benefit big polluters at the UN climate talks, COP19 in Poland, says a Statement signed by 135+ groups, movements and networks from all over the world. The Statement denounces the corporate capture of COP19 by the same companies that stand to profit.

“The European Commission and the carbon crooks who turn profits from the failing EU ETS are pushing for a lifeline through linking up markets, foreshadowing a global carbon market,” stated Tamra Gilbertson from Carbon Trade Watch.[1]

COP19 partners, explains the statement, include Polish energy group PGE, whose Belchatow coal-fired plant was the biggest polluter and the biggest recipient of free allowances in 2012.[2] “COP19 will be the most extreme case of corporate capture we have seen within the COP,” according to Belén Balanyá from Corporate Europe Observatory, “The Polish government has granted partner status to eleven companies, among them climate culprits with horrendous track records – such as ArcelorMittal, the biggest beneficiary from the EU ETS, and auto maker BMW – who are blocking EU’s attempts to reduce emissions from cars for decades.”

The statement highlights the links between the Polish Ministry of Economy and the coal industry, who are organising a Coal and Climate Summit in parallel to the climate talks. “The cooperation between the coal industry and the Polish government is blatant” says Maxime Combes from Attac France, “they have drafted a communiqué promoting coal as a solution to the climate crisis. Coal is one of the dirtiest energy sources, fuelling climate change.” Rather than consuming coal and fossil fuels, EU countries should enable a just transition to a post-fossil fuel society. It is time to scrap the ETS and other attempts to commodify nature, time to leave fossil fuels and minerals in the ground, and time to start a real transition towards just and people-driven alternatives.

Brussels, 7<sup>th</sup> November 2013

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[1] Discussions on the Framework for Various Approaches (FVA) would be the first step towards allowing the trading of permits from different emissions trading schemes (dangerously including permits created outside of the UNFCCC) to be used for compliance with targets under the Convention. Many industrialised countries see this as a paving stone to a global carbon market.

[2] "EU ETS emissions dropped by 1.4% in 2012", ENDS Europe, 2 April 2013, <http://www.endseurope.com/31222/>

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## **COP 19 STATEMENT**

For almost 20 years, multilateral climate policies have served to create profitable financial schemes that maintain fossil fuel dependent systems that are responsible for the climate crisis. November 11-22 in Warsaw, Poland, the 19<sup>th</sup> Conference of the Parties (COP19) to the UN Framework Convention on Climate Change (UNFCCC) will be no exception. The EU's agenda for the COP19 will be both to scale-up carbon trading mechanisms and find other ways of sustaining an industrial and financial system dependent on coal, oil and gas, which is facing a crisis of multiple dimensions.

### **EU's agenda for COP19: more carbon markets**

In an attempt to increase the reach of carbon markets, the EU will pledge its continued support to a set of failed policies that have been rejected by more than 140 organizations and social movements from around the world. The EU, Norway, Australia, the USA, and a host of corporate allies aim to establish more environmental markets under the UNFCCC to supplement the EU Emissions Trading Scheme (ETS), which lies in shambles.[1] The New Market Mechanism (NMM) would expand the scope of offset schemes like the Clean Development Mechanism (CDM). In addition, discussions on the Framework for Various Approaches (FVA) would involve an agreement to approve international trading from various existing national, regional and local carbon markets for compliance with the commitments under the Convention.

The 2012 UN decisions agreed on guiding elements for the NMM, which raise a number of concerns such as the expansion of carbon markets to include forest and other land-based emissions, such as the problematic REDD+ mechanism (Reducing Emissions from Deforestation and forest Degradation)[2]. The structure of a possible NMM remains undecided. However, the EU is promoting a NMM that covers broad sectors of Southern countries' economies[3]. This would multiply the severe impacts that the CDM has already had on affected communities, the environment and the climate.

Further, the FVA would allow carbon pollution rights from various national, regional and local Emission Trading Schemes to be traded under the Convention. Pollution permits created by schemes with very different rules would become tradable on a wider scale in a move toward a "global carbon market". As a result, the EU pursues an agenda for increasing markets that have not only failed to provide a solution to the climate crisis, but further benefit industries responsible for continuing climate change.

### **Climate culprits capture the Convention**

COP19 not only risks adding to the EU ETS disaster, it also scales up corporate capture of the climate negotiations by providing a chair inside the central negotiating block. As the Minister of the Environment of Poland, Marcin Korolec, in charge of organising the UN talks announced, "[f]or the first time in 19 years, since the climate talks are being held, representatives of global business will be a part of it." [4] This capitulation to corporate-power furthers a dangerous trend of openly placing corporations at the centre of the decision-making process and guarantees further corporate-led

policies that will benefit polluters instead of forcing them to take effective action.

To make things worse, the companies singled out are those with some of the most damaging track records.[5] Some examples are ArcelorMittal, the steel giant which has massively profited from carbon markets while causing damage to vulnerable communities;[6] Alstom, which plans to build the biggest coal power plant in Poland; PGE, Poland's biggest energy company, with investments in coal, shale gas and nuclear and; the oil company LOTOS S.A, which is involved in shale gas and led an astroturf group promoting fracking;[7] and car giants such as BMW, which have been actively lobbying against CO<sub>2</sub> emission reductions for cars.[8]

## **Coal interests strong at COP19**

The coal industry, one of the dirtiest energy sources contributing to the climate crisis, will have a strong presence at COP19. The Polish Ministry of Economy and the World Coal Association (with members such as Rio Tinto, Katowice and BHP Billiton) have launched a Communiqué calling on the UN and development banks to set a pathway towards increased use of coal and coal technology.[9] Apart from calling on developmental banks to support Southern countries in accessing new coal technologies, they are organising a "Coal and Climate Summit" during the talks.[10]

COP19 is shaping up as a culminating moment in the corporate capture of the UN talks. With governments partnering up with some of the biggest culprits responsible for the climate crisis, COP19 will increase polluters' ability to profit at the expense of the climate. Carbon markets have demonstrated an absolute inability to start reducing greenhouse gases at source, or promote a just transition away from fossil fuels, both necessary to reduce the impacts of climate change.

We, the undersigned organizations, denounce governments, the UN and their financial allies for yielding to corporate power and their lobby groups instead of standing up to them and enabling a just transition to a post-fossil fuel society. It is time to scrap the ETS and other attempts to commodify nature, time to leave fossil fuels and minerals in the ground, and time to start a real transition towards just and people-driven alternatives.

## *Notes*

[1] EU ETS myth busting: Why it can't be reformed and shouldn't be replicated, [www.fern.org/EUETSmythbusting](http://www.fern.org/EUETSmythbusting); EU Emissions Trading System: failing at the third attempt <http://corporateeurope.org/news/eu-ets-failing-third-attempt>; Carbon Trading - how it works and why it fails, [www.carbontradewatch.org/publications/carbon-trading-how-it-works-and-why-it-fails.html](http://www.carbontradewatch.org/publications/carbon-trading-how-it-works-and-why-it-fails.html); Trading carbon - how it works and why it is controversial, [www.fern.org/tradingcarbon](http://www.fern.org/tradingcarbon); Energy Security For Whom? For What? [www.thecornerhouse.org.uk/resource/energy-security-whom-what](http://www.thecornerhouse.org.uk/resource/energy-security-whom-what); Green is the Color of Money: The EU ETS Failure as a Model for the "green economy" [www.carbontradewatch.org/publications/green-is-the-color-of-money-the-eu-ets-failure-as-a-model-for-the-green-economy.html](http://www.carbontradewatch.org/publications/green-is-the-color-of-money-the-eu-ets-failure-as-a-model-for-the-green-economy.html)

[2] For further information on REDD+ see: <http://noredd.makeanoise.org/>

[3] A key decision under discussion includes whether to create a NMM based on project-based approaches, like the CDM, or sector-based. Bolivia on the other hand, has called for a moratorium on the establishment of any new markets under the Convention, saying that carbon markets support the constitution of a new global right - the right to pollute - and contradict environmental integrity and the basic science of climate change. See:

[www.fern.org/sites/fern.org/files/fern-comment/nmmpaper\\_internet-1.pdf](http://www.fern.org/sites/fern.org/files/fern-comment/nmmpaper_internet-1.pdf)

[4] Dirty Business in Warsaw: <http://corporateeurope.org/it/node/1530>

[5] The corporate partners of COP19 are: ArcelorMittal Poland SA, ALSTOM Power Pty Ltd, BMW Group Poland, Emirates, EUROPRESEE Poland Ltd., General Motors Poland Ltd., Grupa LOTOS SA, International Paper-Kwidzyn . z oo, Kaspersky Lab Poland, LeasePlan Fleet Management (Poland), PGE Polish Energy Group, LOT Polish Airlines (as of mid October LOT Polish Airlines has been removed from the list of partners in some of the posts of the Polish government's official COP19 website )

[6] [www.carbonmarketdata.com/cmd/publications/EU%20ETS%202012%20Company%20Rankings%20-%204%20June%202013.pdf](http://www.carbonmarketdata.com/cmd/publications/EU%20ETS%202012%20Company%20Rankings%20-%204%20June%202013.pdf)

[7] <http://www.greens-efa.eu/astroturfing-in-the-ep-8588.html>

[8] <http://www.transportenvironment.org/news/%E2%80%98bad-blood%E2%80%99-over-cars-co2>

[9] [www.worldcoal.org/extract/wca-launches-the-warsaw-communique-call-to-action-2-2698/](http://www.worldcoal.org/extract/wca-launches-the-warsaw-communique-call-to-action-2-2698/)

[10] <http://scc.com.pl/konferencje/en/cct/>

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## List of signatories

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ASC – Alianza Social Continental,  
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Collectif 07 Stop au Gaz et Huiles de Schiste (France),  
Collectif ALDEAH (France),  
Collectif Basta! Gaz Alès (France),  
Collectif Briard 77 (France),  
Collectif Causse Méjean - Gaz de schiste NON! (France),  
Collectif citoyen Ile-de-France non aux gaz et pétrole de schiste (France),  
Collectif "gaz de schiste non merci" de Clapiers (France),  
Collectif "non gaz de schiste Florac (France),  
Collectif Pays Cigalois non aux gaz et pétrole de schiste (France),  
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Friends of the Earth International,  
Friends of the Earth Mauritius,  
Friends of the Earth Sweden,  
Friends of the Siberian Forests (Russia),  
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Fundación Solon (Bolivia),  
GAIA – Global Alliance for Incinerator Alternatives,  
Générations Futures (France),  
Global Alliance of Indigenous Peoples and Local Communities on Climate Change Against REDD,  
Global Forest Coalition,  
Global Justice Ecology Project,  
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International Oil Working Group,  
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Movimento Mulheres pela P@Z! (Brazil),  
National Adivasi Alliance (India),  
New York Climate Action Group (USA),  
No REDD in Africa Network – NRAN,  
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Otros Mundos AC/Amigos de la Tierra México,  
Pan-African Club (Zimbabwe),  
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Platform (UK),  
Plataforma Interamericana de Derechos Humanos, Democracia y Desarrollo (PIDHDD),  
Polaris Institute (Canada),  
PRRM – Philippine Rural Reconstruction Movement (Philippines),  
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World Development Movement (UK),  
WRM - World Rainforest Movement,  
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**P.S.**

\* <http://scrap-the-euets.makenoise.org>