Ceremony to ask the ancestors to protect the community.

how corporations rule

Part 4: Anglo American's dirty energy lobby and its false climate solutions

november 2014 | **report**

CEO

TNI

Friends of the Earth International

As part of one of the greenwashing projects, a new hill has been created using sand and materials from the mine.

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CEO

Corporate Europe Observatory (CEO) is a research and campaign group working to expose and challenge the privileged access and influence enjoyed by corporations and their lobby groups in policy making, particularly at the EU and UN level. Corporate Europe Observatory works in close alliance with public interest groups and social movements in and outside Europe to develop alternatives to the dominance of corporate power.

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Friends of the Earth International

Friends of the Earth International is the world's largest grassroots environmental network with 75 member groups and over two million members and supporters around the world.

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

Friends of the Earth International has groups in Africa Cameroon, Ghana, Liberia, Mali, Mauritius, Mozambique, Nigeria, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Uganda. **Asia - Pacific** Australia, Bangladesh, Indonesia, Japan, Malaysia, Nepal, New Zealand, Palestine, Papua New Guinea, Philippines, South Korea, Sri Lanka, Timor-Leste. **Europe** Austria, Belgium (Wallonia & Brussels), Belgium (Flanders), Bosnia and Herzegovina (associate member), Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, England, Wales and Northern Ireland, Estonia, Finland, France, Georgia, Germany, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Macedonia (former Yugoslav Republic of), Malta, Netherlands, Norway, Poland, Scotland, Slovakia, Spain, Sweden, Switzerland, Ukraine. **Latin America and Caribbean** Argentina, Brazil, Chile, Colombia, Costa Rica, Curaçao (Antilles), El Salvador, Grenada (West Indies), Guatemala, Haiti, Honduras, Mexico, Paraguay, Uruguay. Canada, Russia (associate member) and United States.

This report is part of a series of case studies since 2011,[1] in which Friends of the Earth International (FoEI) and partners have been exposing the diverse ways that corporations exert pressure over national level and multilateral political decision-making.

TNI

Transnational Institute (TNI) of Policy Studies envisions a world of peace, equity and democracy on a sustainable planet brought about and sustained by an informed and engaged citizenry.

It carries out radical informed analysis on critical global issues, builds alliances with social movements and develops proposals for a more sustainable, just and democratic world.

The Transnational Institute (TNI) was established in 1974 as an international network of activist researchers ("scholar activists") committed to critical analyses of the global problems of today and tomorrow. It aims to provide intellectual support to movements struggling for a more democratic, equitable and environmentally sustainable world.

Over almost 40 years, TNI has gained an international reputation for:

- **carrying out well researched and radical critiques** – sometimes against the grain - of current pressing global problems
- **anticipating and producing informed work on key issues** long before they become mainstream concerns, for example, our work on food and hunger, third world debt, transnational corporations, trade, and carbon trading
- **Supporting and enhancing social movements' work for economic and social justice worldwide**
- **naming outstanding TNI fellows** from many countries and backgrounds whose scholarship, analysis and research have inspired and educated generations of activists and whose writings continue to provoke debate
- **building alternatives that are both just and pragmatic**, for example developing alternative approaches to international drugs policy and providing support for the practical detailed work of public water services reform
- **influencing policy makers** thanks to its research and its direct links and engagement with mass movements, particularly those most affected by current global economic and social policies
- **remaining non-sectarian** and able to bridge different political tendencies, thereby helping build coalitions of social movements that span regions and continents

footnote

1 For previous briefings see: http://www.foei.org/resources/publications/publications-by-subject/economic-justice-resisting-neoliberalism-publications/ and http://www.foei.org/resources/publications/publications-by-subject/economic-justice-resisting-neoliberalism-publications/reclaim-the-un-from-corporate-capture/

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How corporations rule

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Introduction

How corporations rule

Anglo American's dirty energy lobby and its false climate solutions

Greenhouse gas emissions are now the highest in human history and climate change is having widespread impact on human life and natural systems.[2] But when governments meet at the United Nations COP 20 (Conference of Parties) climate talks in Lima under the United Nations Framework Convention on Climate Change (UNFCCC) they will be subject to intense lobbying by some of the biggest industrial polluters. The stakes could not be higher, as countries then head to the pivotal 2015 UNFCCC meeting in Paris, but the corporate capture of policy-making means there is an ongoing failure to address the root causes of climate change.

Instead of governments and international public institutions like the United Nations reigning in corporations that harm people and the environment they are, themselves, more and more controlled by those corporations (see box 1: **how do corporations get their way?**). In this publication Friends of the Earth International (FoEI), Corporate Europe Observatory (CEO), and the Transnational Institute (TNI) expose how corporations are undermining crucial climate policies, and promoting **false solutions** (see box 6 on page 10) that will allow them to profit from the climate crisis, while expanding the extraction of dirty energy. This is exemplified through the case of the British-South African company **Anglo American**, which this report examines from its activities at the world's biggest open-pit coal mine in Cerrejón, in La Guajira, Colombia, all the way up to its lobbying at the UNFCCC.

The UNFCCC should be a space for states to build commitments to change the current model of production and consumption, including a binding agreement to cut fossil fuel emissions on a fair, equitable, and scientific basis, taking into account the historical responsibilities of industrialized countries and their corporations. But the climate talks, from Lima to Paris, are likely to fail once more because the UNFCCC and governments are in thrall to transnational corporations such as **Anglo American**, whose business model depends upon our continued consumption of dirty energy.

BOX 1: How do corporations get their way?

Some of the diverse ways that corporations ensure their own interests are prioritised over the rights of people and the planet:

- *Aggressive lobbying through a plethora of business associations;*
- *Lobbying to scrap binding regulations at national and international level, to be replaced with self-regulated voluntary corporate standards;*[3]
- *Direct funding of political parties;*
- *Revolving doors, ie the movement of key personnel from public administration into the private sector and vice versa;*
- *Strong presence in countries' official delegations at UNFCCC negotiations and in all the so-called civil society major groups, which includes the business sector.*

Under the excessive influence of corporations, the UNFCCC is not only unable to deliver concrete measures for climate justice and serve peoples' interests, it is paving the way for corporations, mainly big and historical polluters, to build new opportunities to profit from the climate crisis. In sum, the UNFCCC has been transformed from its intended use as a democratic forum into yet another space to create corporate-friendly policies and stall progress on action for climate justice. And the reality is that even before governments arrive at the UNFCCC talks they will have been subject to intense national level lobbying from corporations that will have influenced the positions they take internationally.

footnotes

2 IPCC, 'Climate Change 2014 Synthesis Report', see: http://www.ipcc.ch/report/ar5/syr/
3 David Sogge, 'State of Davos', in: State of Power 2014. TNI, Amsterdam 2014.

BOX 2: Anglo American

The British-South African transnational corporation Anglo American is one of three equal shareholders in El Cerrejón in La Guajira, Colombia, among the world's largest open pit coal mines. It exports both the highly polluting fuel and all its profits, but leaves behind the social and environmental destruction, adding to the climate debt owed to the global south. The Colombian state has used violent measures to displace the local indigenous, Afro-Colombian and peasant communities in La Guarija in the territory where the mining company operates.[4]

From privileged access to governments and the UNFCCC climate talks, to deploying a web of trade associations and lobby groups, Anglo American has ensured its coal business can continue while profiting from business-friendly **false solutions** (see box 6 on page 10).

BOX 3: Financialisation of nature

When the environment is turned into a financial asset or commodity than can be traded on a market, this is known as the financialisation of nature. Supported by banks, speculators, and corporations – who see market mechanisms as a way to avoid binding regulation while getting rich – public commons like water, carbon, biodiversity, landscapes, and the functions of land are being transformed into new property titles that can be speculated on and bought and sold for profit.

Corporations use these to 'offset' their environmental damage – instead of changing their behaviour they are given a licence to pollute. For example, **carbon markets** allow industry to greenwash their polluting means of production, while earning money for credits from efficiency savings.

Another example is **biodiversity offsetting**, a market-based solution based on the erroneous idea that biodiversity destroyed in one place can be 'offset' by simply 'replacing' it in another.

The **financialisaton of nature** means common resources are transferred into the hands of corporations and the financial system, concentrating power over them further, while communities lose sovereignty and their rights to use and live in their own territories.[6]

Behind and beyond the growing corporate power at the UN, free trade and investment negotiations are exacerbating the dirty extraction model, as well as transferring both resources and profits to northern corporations and their governments.

This discredits the UN. In 2013, civil society walked out from the coal-sponsored Warsaw COP19 to expose developed countries' collusion with corporate polluters blocking progress at the talks. In September 2014, as governments gathered for the UN Secretary General's corporate Climate Summit in New York, the city's streets were flooded with hundreds of thousands of people demanding more than the empty promises on offer.[5]

The COP20 in Lima is a key step towards a global climate agreement in Paris in 2015. But all signs point towards it expanding carbon markets and other **false solutions** (see box 6 on page 10). There is little hope of progressing towards a fair agreement, moving beyond voluntary and insufficient pledges of emission reductions and finance. In both Europe, Latin America, and worldwide, the increase of **dirty energy** extraction infrastructures, combined with the **financialisation of nature** (see box 3 on the current page), has led to ordinary people demanding real solutions to the climate crisis and an end of **corporate led policy making**.

A sign blocking the entrance to part of the mine.

footnotes

4 See cases presented at the Permanent Peoples Tribunal and the Popular Tribunal on Mining: http://enlazandoalternativas.org/spip.php?article983, https://www.youtube.com/watch?v=uyXjc6CJS8I , https://www.youtube.com/watch?v=L4mX5Va24Tc

5 The UN climate Summit was held in New York on 23 September 2014.

6 Friends of the Earth International, 'Financialization and Nature: we need to stop the financial sector's takeover of biodiversity', 21 October 2014, see: http://www.foei.org/resources/publications/publications-by-subject/economic-justice-resisting-neoliberalism-publications/financialization-and-biodiversity/

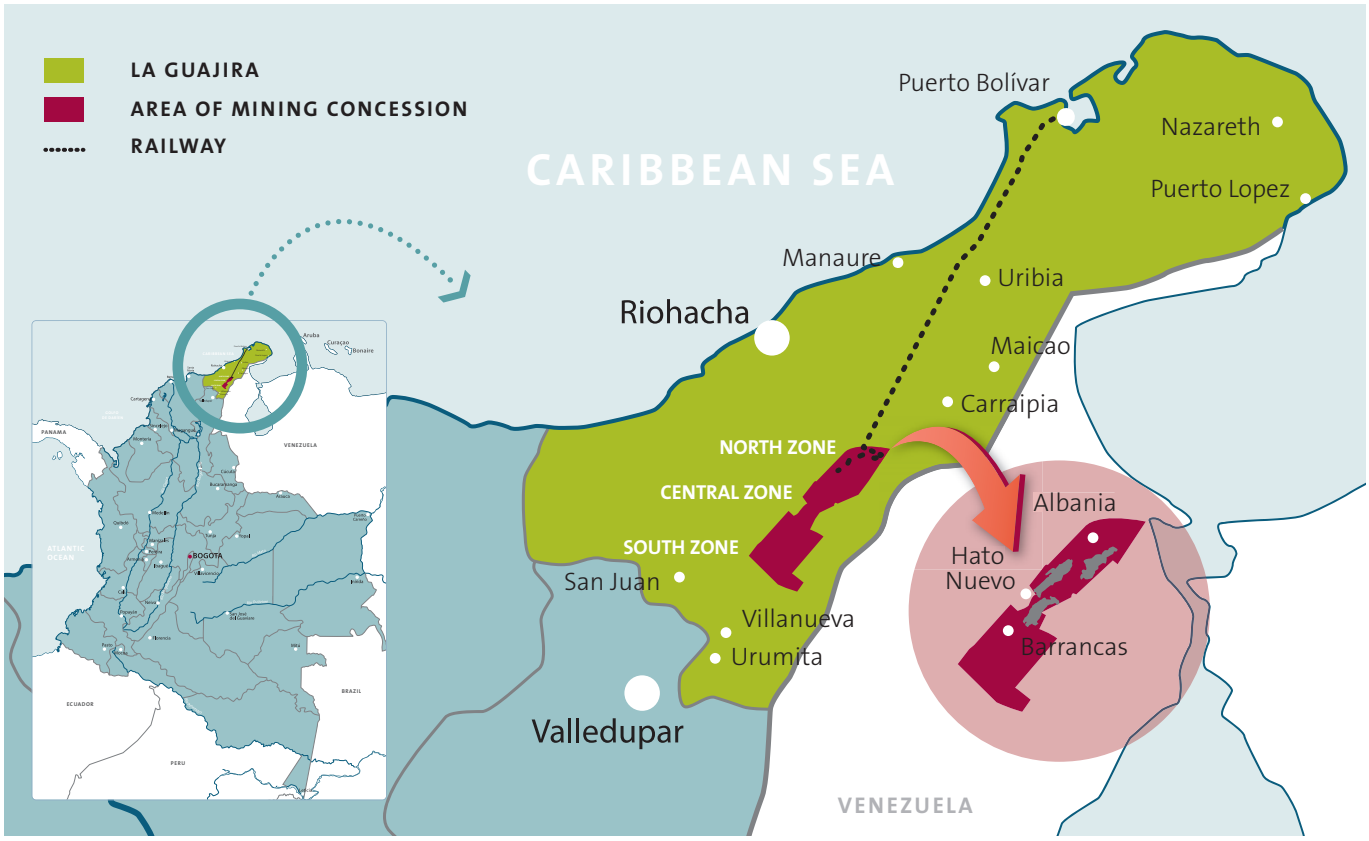
one The impacts of Anglo American's dirty energy projects on the ground: El Cerrejón coal mine

The impacts of Anglo American's dirty energy projects on the ground: El Cerrejón coal mine

Operations at the El Cerrejón open-pit coal mine, located in La Guajira on Colombia's Caribbean coast, began more than 30 years ago. In 2000 the Colombian government sold its shares to three transnational corporations: BHP Billiton, Glencore Xstrata, and Anglo American. Despite the massive social and environmental conflicts of the mine, it is a member of the UN Global Compact and its motto is "responsible mining".[7]

The territories of indigenous, Afro-Colombian and peasant communities have been privatized through its control, pollution and appropriation.

FIGURE 1 **EL CERREJÓN COAL MINE, COLOMBIA**



The mining complex extends over 69,000 hectares, of which approximately 4,000 are currently active. Over 30 years of open-pit coal mining have profoundly affected, directly and indirectly, the peoples of La Guajira, home to one fifth of Colombia's indigenous people.

Environmental and social conflicts

Local peoples – indigenous, Afro-Colombian and peasant farmers alike – have denounced the numerous impacts and conflicts of the mining activities, linked mainly to land-grabbing, dispossession, and control over water. According to data from the El Cerrejón Environmental Management Plan, the coalmine uses an incredible 17 million litres of water per day.[8] An average resident in Alta Guajira, meanwhile, consumes just 0.7 litres of water per day, a fraction of the UN's recommendation of 50-100 litres.[9,10] Anglo American and its partners' previous attempts to satisfy the mine's thirst, by diverting streams, have also contaminated surface water, underground rivers and wells with coal dust, leading to respiratory and intestinal diseases among the local populations (like the Provincial and Cerro de Hato Nuevo indigenous communities, and the Afro-Colombian population in Patilla and Chancleta). Those living close to the mines also suffer from eye diseases attributed to the dust.

The appropriation of communal water sources and the health problems from the pollution of water, air, and their territories have led to local communities losing much more than their food sovereignty. Pollution of the Rancheria River has made it impossible for local people to hunt, fish, or raise livestock, but the loss of community sovereignty over their territories also violates the right to health, water, a healthy environment, and the right to life itself.

BOX 4: Corporate Social Responsibility (CSR) Strategies

El Cerrejón claims it is "known for its social and environmental programs" and that its four CSR foundations work "closely with the Colombian government and with national and international bodies to promote... sustainable, fair development for La Guajira and its people."[11]

But its 'green' projects have given few benefits to the local population, the environment, or the climate. This 'greenwashing' is a way to cover up the socio-environmental conflicts its activities generate, while ignoring their structural causes. Furthermore, its far from benevolent role as a provider of local public 'services' is effectively privatising public policy making.

Through its foundations, El Cerrejón:

- *Measured its fossil fuel consumption, but between 2008-2011 saw no significant reduction in emissions;*[12]
- *Received financial assistance from the Inter-American Development Bank to evaluate the 'feasibility' of building a 10MW wind farm and the 'potential' of agrofuels to power its fleet of trucks; while lowering company costs this would do little to reduce overall emissions from the extraction and processing of coal;*[13]
- *Works with local and international NGOs (Conservation International, The Nature Conservancy, WWF) to pay to save 'priority conservation areas' that are judged to be the equivalent 'ecological value' as the areas it destroys. This ignores the unique and irreplaceable quality of the original biodiverse areas and their value to local communities;*[14,15]
- *Tries to buy community support for the mine by appearing to provide public services such as schools and health care, taking advantage of the state's absence. Yet local people have complained the health checks ignore respiratory and eye disease and are instead used to 'prove' the mine isn't harming local populations.*[16]

footnotes

7 See: http://www.cerrejon.com/site/
8 El Cerrejón, *'Plan de manejo ambiental del proyecto Cerrejón central'*, 2000.
9 PNUD, *'Medidas de adaptación al cambio climático'*, p3 2012, see: http://issuu.com/pnudcol/docs/medidas_adaptaci__n_al_cambio_clima
10 In July 2010, the UN General Assembly recognized the right of every human being to have access to sufficient water for personal and domestic uses. See: http://www.un.org/en/globalissues/water/
11 See: http://www.cerrejon.com/site/english/our-company.aspx
12 El Cerrejón, Informe de Sostenibilidad 2011, see: http://www.cerrejon.com/site/sala-de-prensa/archivo-de-noticias/-informe-de-sostenibilidad-2011.aspx
13 IDB, sustainable Energy and Climate Change Initiative, Annual Report 2008. Pg 54; IDB Watch, Issue 2, April 5, 2008, p1 and 6.
14 In August 2012, the Colombian Government issued a handbook on biodiversity compensations, with support of TNC, WWF and IC. The handbook sets the rules for biodiversity offsetting in Colombia. MAVDT (Ministerio de Ambiente, Vivienda y Desarrollo Territorial) Convenio de Asociación No. 09 de 2008, The Nature Conservancy, World Wildlife Fund y Conservación Internacional Colombia, *'Manual para la asignación de compensaciones por pérdida de biodiversidad'*, August 2012, see: https://www.siac.gov.co/documentos/DOC_Portal/DOC_Biodiversidad/291012_Manual_compens_biodiversidad.pdf
15 El Cerrejón, op cit.; see: http://www.cerrejon.com/site/desarrollo-sostenible-%E2%80%A2-responsabilidad-social-rse/medio-ambiente.aspx; World Bank, 'Joint MDB Report to the G8 on the Implementation of the Clean Energy Investment Framework and Their Climate Change Agenda Going Forward', June 2008, p 27.
16 A combination of a lack of state presence and the copious production of El Cerrejón propaganda material has meant the foundations have monopolised local means of communication, effectively privatising it, which further hides their activities.

one The impacts of Anglo American's dirty energy projects on the ground: El Cerrejón coal mine

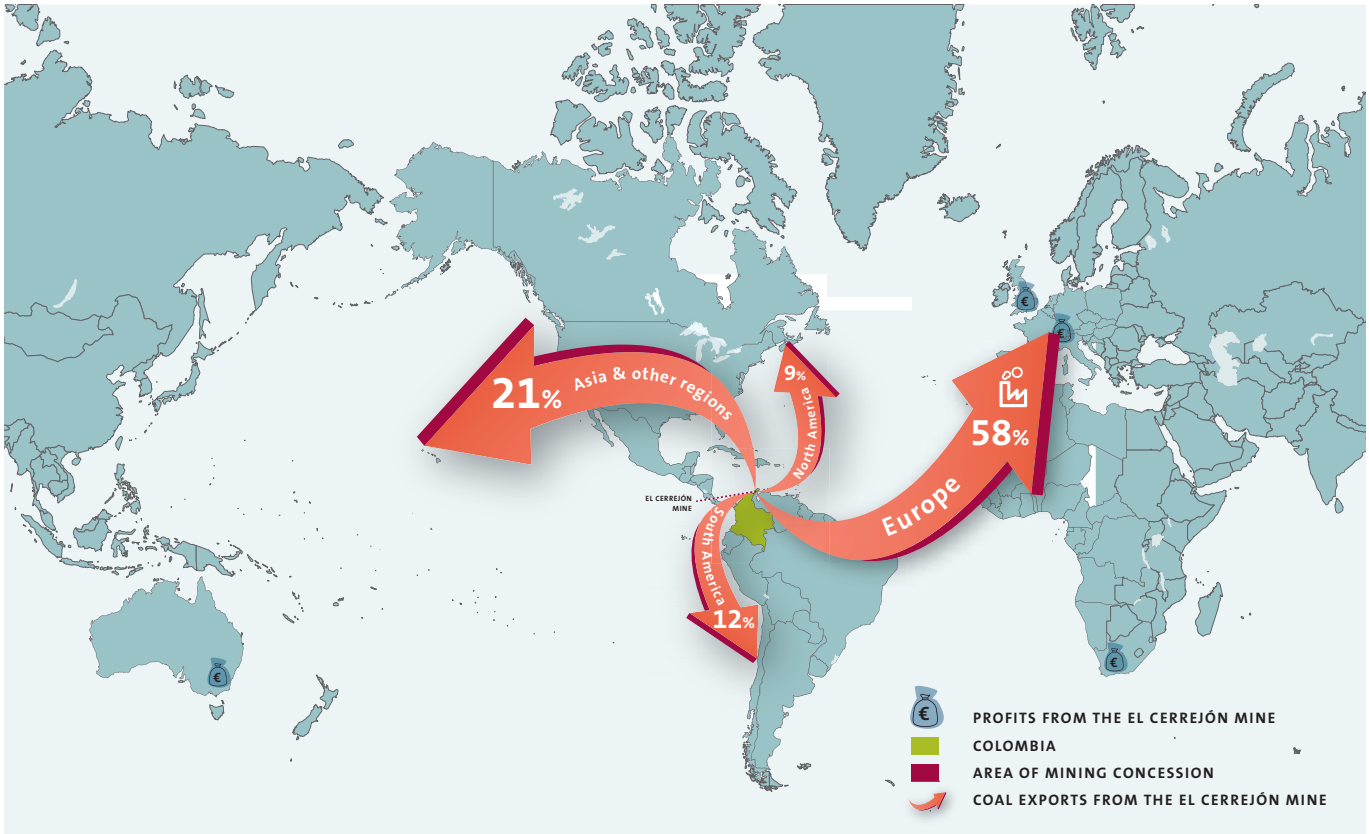
continued

The activities of Anglo American have also had dire cultural conflicts, desecrating local sacred cemeteries – a vital link between current and previous generations – while limiting ethnic communities' access to both these sites and to local plants used in traditional medicines and spiritual rites to maintain harmonious relations across the territories.

Numerous communities located where the mine now operates were forced off their land by the army, many without any form of resettlement. The Tabaco community were ordered off their land in 2003 despite having nowhere to go. They also had nowhere to go. However even those that have been resettled, like communities in Roche or Chancleta, have had their cultural identities destroyed by being moved to areas where they can no longer carry out their traditional way of life.[17]

This is part of a wider trend of the state army protecting the interests and territory of El Cerrejon. This includes abuses, from restricting local peoples' access to resources such as water, to repression. Local peoples see the army's presence as part of a state-led strategy that protects corporate interests instead of guaranteeing the rights of the population.

FIGURE 2 PROFITS AND DESTINATION OF COAL EXPORTS FROM THE EL CERREJON MINE



Source: *'El Cerrejón, Informe de Sostenibilidad 2012'*, p2.

footnotes

17 Las 2 Orillas, *'La comunidad Wayúu que será desalojada por Cerrejón'*, 22 September 2014, see: http://www.las2orillas.co/la-comunidad-wayuu-que-sera-desalojada-por-cerrejon/

BOX 5: Free Trade Agreements and mining in Colombia

The Colombian economy is based on the extraction and export of raw materials like coal – a model driven by economic liberalisation. This has been fuelled in recent years by a series of free trade agreements (FTAs) and investment treaties signed between Colombia and other regions, including the EU, the US, and Canada.

These FTAs oblige the Colombian government to favour foreign investment and expand global trade, particularly exports of raw materials to satisfy the needs of Europe and the United States, thereby further deepening the model that lead to the social and environmental crisis in La Guajira region.

Not only does the global north benefit from the energy produced from El Cerrejón's coal, the profits from its sale remain in the hands of transnational corporations, repatriated to the very countries that have the greatest historical responsibility for greenhouse gas emissions. Colombia is left merely with socio-environmental conflict. Anglo American (South Africa and the UK), Glencore Xstrata (Switzerland) and BHP Billington (Australia and the UK) each own a third of the firm that trades all El Cerrejón mine's coal, CMC-Coal Marketing; a company itself headquartered in Dublin and Atlanta.[18]

In 2011 all coal was exported: 58% to Europe, 12% to South America, 9% to North America and 21% to Asia and other regions.[19,20]

Political actors in resistance

Despite the harsh conditions, the diverse local populations of La Guajira are working together to expose the truth about mining in Colombia. Popular environmental education programmes build locally held knowledge that can counter the years of government and corporate misinformation. Days of action have also brought together numerous organisations and communities from La Guajira, the rest of Colombia and also internationally. Actions include holding **popular tribunals** against mining, visits to sacred sites, and autonomous public hearings held to define the future of the territory.[21] Today, they also work to denounce and to give greater visibility to the situation through the *La Guajira le habla al país* website www.extractivismoencolombia.org.[22]

Holy tree, previously used for its medicinal properties to treat diseases and as a meeting point for the community, its big shade used to protect a lake.

footnotes

18 See: http://www.cerrejon.com/site/operacion-integrada/exportaciones-y-comercializacion.aspx; http://www.cmc-coal.ie/about.html
19 *'El Cerrejón, Informe de Sostenibilidad 2012'*, p2.
20 IPCCC; 'Climate Change 2014: mitigation of climate change', 2014.
21 These days of action were made possible thanks to the work of the Colectivo de Abogados José Alvear Restrepo, in coordination with environmental and community organisations.
22 See: http://www.extractivismoencolombia.or

two Anglo American's web of influence

Anglo American's web of influence

The previous chapter looks at how Anglo American and partners harm local environments and livelihoods through their direct operations in El Cerrejón, as well as hurting the climate through the continued extraction and use of coal. But the damaging impact of the British-South African mining titan goes much further. The minerals multinational has also spun a web of influence around national and international climate policy that ensures its dirty coal business continues unabated.

From privileged access to governments and the UNFCCC climate talks, to furthering its interests through numerous trade associations and lobby groups, Anglo American has not just ensured genuine climate action is weakened, it has successfully promoted business-friendly false solutions to climate change, like carbon markets, carbon capture and storage (CCS) and further sectoral offsets from Reduction Emissions from Deforestation and forests Degradation (REDD) (see box 3: **financialisation of nature** on page 5 and box 6: **false solutions** on current page). Rather than cutting emissions at source by transforming our energy model, these measures actually profit Anglo American for doing the opposite: accelerating and expanding their dirty business model with a new 'green' image and new green finance.

Anglo American has lobbied for the removal of subsidies to renewables, for the ETS to be the EU's key climate policy, and for the "deployment of all conventional and unconventional energy sources" such as shale gas. ***Anglo American received nearly three million free allowances from the ETS between 2010-2011, worth around 43 million euros***

BOX 6: False solutions

These are policies which, rather than cutting emissions at the source, create business opportunities for corporations and the financial sector through offsetting mechanisms and technical fixes. In short, false solutions are not intended to challenge the underlying systemic causes of climate change inherent in our current economic system of production and consumption, but reinforce them.

Reducing Emissions from Deforestation and Forest Degradation (REDD): A plan by which businesses would replace real emission cuts by paying governments or communities for not deforesting so as to 'store' carbon in the trees. This should not be a trade-off to allow more corporate pollution and profits in future financial markets.

Carbon Capture and Storage (CCS): CCS is an experimental geo-engineering technology, not fully tested or implemented, that promises to capture CO_2 emissions from fossil fuel use in power plants and store them deep underground. While the technology remains a distant reality, the fossil fuel industry is building 'CCS ready' coal and gas plants as a way to continue their dirty business model and reassure investors that trillions of dollars of assets won't lose value.[23]

ETS/carbon trading: The Emission's Trading Scheme (ETS) is the EU's regional carbon market and flagship climate policy, as well as the world's largest carbon market. Since its inception, the ETS's permeability to industry lobbyists has ensured it is so full of loopholes that polluters can avoid making any domestic emissions reductions. As well as avoiding making the necessary structural changes towards decarbonisation, the free and excessive numbers of emissions allowances have enabled polluters to make billions of euros of windfall profits, in some case scandalously passing on the costs of the allowances to consumers, as if they had been paid for.[24]

(See box 3: **financialisation of nature** on page 5.)

footnotes

23 ETC Group, 'IPCC and Geo-engineering', 16 April 2014, see: http://www.etcgroup.org/content/ipcc-and-geoengineering-bitter-pill-also-poison-pill
24 The COP19 Guide to Corporate Lobby, CEO, TNI, November 2013, see: http://corporateeurope.org/blog/cop19-guide-corporate-lobbying

Privileged access to governments and the UNFCCC

Anglo American has used its position as one of the world's largest mining companies to gain privileged access at national and international level, particularly around the annual UN climate talks, or COPs.

Leadership role at South Africa's COP17: The 2011 UNFCCC climate talks in Durban, South Africa (COP17) were a key moment in dismantling climate commitments and pushing false solutions. As well as effectively killing the existing climate agreement (the Kyoto Protocol) and delaying emissions reductions until 2020, Durban made carbon capture and storage technology eligible under the Clean Development Mechanism, established that the Green Climate Fund could be directly accessed by multinational corporations (rather than just countries), and paved the way for the spread of carbon trading.[25] Anglo American was proudly at the heart of this corporate coup.[26] But how and why was Anglo American so actively involved?

Its domestic strength in South Africa, which was then COP President, earned Anglo American a "COP17 leadership role",[27] with 17 delegates across different lobbying bodies.[28] The company's intimate relationship was once again on display when it co-hosted a cocktail function with the South African Government[29] during which Anglo American's Chief Executive said an "energy future without coal is not an option".[30]

Anglo American is a member of several business groups, including the World Business Council for Sustainable Development (WBCSD), the International Chamber of Commerce (ICC), and South Africa's National Business Initiative (NBI). At COP17, these business groups hosted "The Fifth Global Business Day," an industry lobby event that focused on "why solutions to climate need to be driven by business".[31] Anglo American executives discussed how their industry was being unfairly labelled a major contributor to the climate crisis.[32]

Through NBI, Anglo American was also involved in organising seminars "for business to interact with the South African negotiators, international counterparts, [and] government",[33] as well as sponsoring another on REDD+ (see box 6: **false solutions** on page 10).

World Coal Association, COP19: Dubbed the Coal COP, COP19 not only had fossil fuel industry sponsorship,[34] but the Polish government as COP President co-hosted the 'International Coal and Climate Summit' with the World Coal Association (WCA). UNFCCC Executive Secretary Christiana Figueres gave the keynote address alongside the Chief Executive of Anglo American Thermal Coal – and Chair of WCA's Energy and Climate Committee – Godfrey Gomwe. Gomwe argued that cheap, reliable energy from coal is necessary for poverty eradication[35] – a public relations strategy that ignores the fact that most people without electricity live too far from conventional grids or aren't seen as profitable customers, with electricity feeding large industry instead.[36] UNFCCC chief Figueres actually reinforced the idea that coal was necessary for poverty eradication in her speech.[37] Arguing for a leading role for coal in tackling climate change, Gomwe highlighted "the deployment of high efficiency low emission technologies" ie coal plants running at 40% efficiency (rather than current average 33%), and called for development banks to finance developing countries' access to this renamed but otherwise unchanged 'clean coal', ready for the future deployment of CCS.

CEO Fireside Chat: Godfrey Gomwe, Executive Director, Anglo American South Africa; Natascha Viljoen, Executive Vice President of the Processing and Sustainability Division, Lonmin; Andre Wilkens, CEO, African Rainbow Mineral; Anthony Hodge, President, International Council on Mining and Metals (ICMM); Yvo de Boer, Special Global Advisor, Climate Change & Sustainability, KPMG.

footnotes

25 Friends of the Earth International Media Advisory, 3 December 2011, 'Disastrous "DURBAN Package" Accelerates Onset Of Climate Catastrophe', see: http://www.foei.org/press/archive-by-year/press-2011/limate-disastrous-durban-package-accelerates-onset-of-climate-catastrophe/

26 Anglo American, The A Magazine, Issue No.10, April 2012, see: http://www.angloamerican.co.za/~/media/Files/A/Anglo-American-South-Africa/Attachments/media/a-magazine-issue-10.pdf

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two Anglo American's web of influence

continued

Anglo American weaving a complex lobby web

Anglo American is a member of the following lobby groups, which also lobby for regressive positions:

EUROMINES: The European Association of Mining Industries, Metal Ores and Industrial Minerals lobbies at the EU level for "affordable" energy and industrial competitiveness,[38] deployment of unconventional energy such as shale gas, and for the EU's carbon market (see box 6: **false solutions** on page 10) to be the key climate policy.[39] EUROMINES also undermined binding energy efficiency targets, and subsidies and targets for renewables.[40,41] Both EUROMINES and Anglo American have lobbied the European Commission on EU plans to develop **biodiversity offsetting** (see box 3: **financialisation of nature** on page 5).[42]

International Council for Mining and Metals (ICMM): ICMM maintains that climate change-related funds should be used to help the mining sector, and to promote CCS (see box 6: **false solutions** on page 10).[43] ICMM also supports biodiversity offset models (see box 3: **financialisation of nature** on page 5), including discussion of "offsets in legally protected areas".[44] ICMM's Director of Environment and Climate Change, Ross Hamilton[45] is participating at COP20.[46]

International Energy Agency Clean Coal Centre (IEACCC): The IEACCC, funded by industry sponsors, claims to provide expertise on "the clean and efficient use of coal... [and] clean coal technologies, in a balanced and objective way". Anglo American is a sponsor, sits on its Executive Committee, and helps set its research agenda.[47] IEACCC concludes that "coal... can play an important role in energy security".[48]

UN Global Compact: The UN Global Compact claims to be the "world's largest voluntary corporate citizenship initiative".[49] But its non-binding nature and the appalling track record of many of its members has fed criticism that it merely gives a cloak of legitimacy to participants. Its global 'Caring for Climate Initiative', endorsed by 390 companies including Anglo American,[50] often hosts greenwashing events at COPs – with big plans for COP20[51] – and is a strong promoter of a global carbon market.

World Business Council for Sustainable Development (WBCSD): WBCSD is a corporate club claiming to work for "a sustainable future for business, society and the environment."[52] A pioneer of re-branding big business as part of the solution, WBCSD consistently opposes legally binding environmental and social standards for corporate activities. It advocates a global carbon market, voluntary sectoral agreements for industry, and CCS.

International Chamber of Commerce (ICC): The ICC enjoys privileged access to national governments and international bodies,[53] and has been a key player in co-opting the UN into putting profit-driven corporations at the heart of climate change policies.[54] The ICC is hosting an official side event at COP20.[55]

FIGURE 3

ANGLO AMERICAN WEAVING A COMPLEX LOBBY WEB TO GET WHAT IT WANTS

Anglo-American lobbies through...

ICMM (International Council for Mining & Metals) to promote carbon capture & storage (CCS).

IEACCC (International Energy Agency Clean Coal Centre) which influences policies in favour of the coal industry.

ICC (International Chamber of Commerce) A lobby for corporations.

UN GLOBAL COMPACT "world's largest voluntary corporate citizenship initiative" which lobbies for a global carbon market.

WBCSD (World Business Council for Sustainable Development) also for a global carbon market.

EUROMINES (The European Association of Mining Industries) for emissions trading system (ETS) and biodiversity offsets.

footnotes

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three Tackling the corporate power of dirty energy companies

Tackling the corporate power of dirty energy companies

As this report shows, dirty energy companies like Anglo American have significant power over the lives of local communities like those living around El Cerrejón in Colombia; they have huge influence over national governments and politicians, especially over the policies that allow them to operate and to pollute; they also have access and influence in international forums like the UNFCCC where they are lobbying hard for weak deals and false solutions to the climate crisis, allowing corporations to expand their dirty business model while profiting from the new markets and technical fixes they present as solutions. Anglo American is just one case among many that show how corporate lobbies and their excessive influence have captured the UN climate process.

To tackle this corporate power we need:

No privileged access for corporations

It is vital that corporations are not given privileged access to politicians and officials at national or international level. Nationally, it is not acceptable for companies to meet governments behind closed doors and to exercise influence over their national climate and energy policies or their international positions towards the UNFCCC. At the international level, UNFCCC officials should pledge not to meet with, nor participate in events organised and run by any corporation, particularly those involved in dirty energy. It is unacceptable for the body responsible for tackling climate change globally to pander to big polluters and those that violate human and environmental rights. The UN's World Health Organisation set a global precedent against corporate lobbyists when taking similar action against the tobacco industry under 'Article 5.3', ensuring it had no role in public health policy-making. UNFCCC chief Christiana Figueres should lead by example in creating a firewall between her and her staff, and dirty energy lobbyists.

BOX 7: Reclaiming the UN: additional measures to protect all UN institutions from corporate capture:[56]

- *The UN and its member states must resist corporate pressure to give business a privileged position in negotiations. They should restate that their overriding prerogative is to serve the public interest and overhaul their decision-making processes to ensure that civil society has a more prominent role and that industry's influence is limited.*
- *Governments must not set up high-level groups that grant businesses a privileged status within official negotiations, and must dissolve existing ones.*
- *The role of the "business and industry" group should be limited. With significantly larger resources than any other sector, there should be a cap on business participation: it should not have more representatives than any of the other major groups in multilateral negotiation processes.*

In more general terms:

- *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 work 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 partnerships.*
- *The UN Global Compact's high profile status within the UN gives corporations privileged access to governments, allowing them to influence decision makers against stricter regulations for corporations. In the interest of public policy making and the climate, the Compact should be ended – in the meantime it should immediately sever all ties with the UNFCCC.*

footnotes

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three Tackling the corporate power of dirty energy companies

continued

Lobby transparency & holding corporations accountable

The influence and access given to corporations at local, national, and international level is not always visible. Without transparency, decision makers cannot be held accountable for whom they are meeting with and how they are influenced. Transparency over benefits received by corporations is also essential – particularly the subsidies and tax breaks that help keep dirty energy in business. We call for full transparency at local, national and international level from our decision makers:

- *For direct interactions, there must be public disclosure of all meetings (and minutes) and public encounters with dirty energy corporations; disclosing their funding of trips, visits or public/private events, including non-financial contributions.*
- *On financial benefits received by the corporation, there must be public disclosure of all subsidies, tax-breaks, research funding, and grants. This should include the UNFCCC and institutions such as the Green Climate Fund.*

Transparency is the first step in exposing corporate power and the democratic deficit; but to tackle it we need mechanisms that hold corporations to account and demand justice for their actions against the environment and local communities.

- *As part of the fightback to end corporate capture at the UN, in mid-2014, social movements succeeded in the push for the development of a treaty on transnational corporations and Human Rights at the United Nations Human Rights Council, to put in place binding rules for corporations and access to justice for states and affected communities. This is a milestone to challenge power imbalances and push more states at the UN to stand for human rights and peoples interests before corporate profits. This process needs to be supported politically and enforced at the UN level.*

No corporate welfare – end public subsidies for dirty energy

Dirty energy corporations receive huge public subsidies at national and international level that permit them to continue to operate and to expand their operations.

- *Public financing should not be going towards dirty energy corporations. Subsidies for the exploration and production of dirty energy should be phased out with immediate effect.*
- *National governments and international institutions should not subsidise the construction and production of dirty energy operations that violate human and environmental rights.*
- *The Green Climate Fund and all other public funds (national or international) should not be spent on dirty energy, but should be spent on clean, renewable energy sources that are appropriate for local communities.*

A cemetery in the Roche Community territory.

How corporations rule

Anglo American's dirty energy lobby and its false climate solutions

Conclusion

Corporations should be kicked out of climate policy making spaces altogether – at both the national level and in the UNFCCC. There is nothing legitimate or acceptable about corporations – particularly the dirty energy industry – being given a place at the table in talks aimed at agreeing an equitable and ambitious global climate deal. Like the corporations and lobby groups featured in previous briefings (Sasol, the International Emissions Trading Association, Shell),[57] it's clear that Anglo American have used their access in national capitals and at the negotiations to weaken the deal and push false solutions for their own benefit, blocking any progress towards real action for climate justice.

At COP20 in Lima the foundations will be laid for the pivotal climate summit in Paris at the end of 2015. With climate change already a reality, the stakes are simply too high to allow corporations like Anglo American to shape the agenda. Around the world, people and movements are already proving that real solutions for social, environmental and climate justice can and do work. It's time that decision makers started paying attention to them instead.

Representatives from national and international organizations visiting sacred places during the popular tribunal against mega mining, 2010.

footnote

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