



Shell and corporate lobbying in the Rio+20 process

Bart Slob, Ethics at Work

Introduction

The UN's metamorphosis began at the Earth Summit in 1992. The UN Centre on Transnational Corporations, which tried to help weak nations to protect themselves from predatory companies, had recommended that businesses should be internationally regulated. The UN refused to circulate its suggestions. Instead the summit adopted the proposals of a very different organisation: the Business Council for Sustainable Development composed of the chief executives of big corporations. Unsurprisingly, the council had recommended that companies should regulate themselves. In 1993, the UNCTC was dissolved.

In June 1997, the president of the UN General Assembly announced that corporations would be given a formal role in UN decision-making. Mr. Kofi Annan, then the UN Secretary-general, suggested that he would like to see more opportunities for companies - rather than governments or the UN - to set global standards.

At the beginning of 1998, the UN Conference on Trade and Development revealed that it was working with the International Chamber of Commerce (ICC) to help developing countries "formulate competition and consumer protection law" and to facilitate trade. The UN, which until a few years before had sought to defend poor countries from big business, would now be helping big business to overcome the resistance of poor countries. The ICC repaid the favour by asking the world's richest nations to give the UN more money.¹

In January 1999, Mr Annan launched a new agency, called the Business Humanitarian Forum. It would be jointly chaired by the UN High Commissioner on Refugees and the president of a company called Unocal. "The business community", Mr. Annan explained to Unocal, Nestle, Rio Tinto and the other members of the new forum, "is fast becoming one of the UN's most important allies [...] That is why the organisation's doors are open to you as never before."²

Two months later, a leaked memo revealed that the United Nations Development Programme (UNDP) had accepted US\$ 50,000 from about fifteen multinational corporations. In return, Nike, Rio Tinto, Shell, BP, Novartis, ABB, Dow Chemical and the other companies would gain privileged access to UNDP offices, acquiring, in the agency's words, "a new and

¹ G. Monbiot, Getting into bed with big business, *The Guardian*, 31 August 2000, www.guardian.co.uk/Columnists/Column/0,5673,361716,00.html (accessed on 1/6/2012).

² Business Humanitarian Forum website, Message from UN Secretary General Kofi Annan to the Founding Meeting of the Business Humanitarian Forum, 27 January 1999, www.bhforum.ch/pdf/Message%20from%20UN%20Secretary%20General%20Kofi%20Annan,%20Geneva,%20January%2027,%201999.pdf (accessed on 1/7/2012).



unique vehicle for market development activities”, as well as “worldwide recognition for their cooperation with the UN”. The UNDP would develop a special UN logo which the companies could put on their products.³

After intense campaigning by civil society organisations, this scheme was suspended. But in July 2000, Mr. Annan launched a far more ambitious partnership initiative: the UN Global Compact. Among its initial participants were about fifty of the largest and most controversial corporations. The companies promised to respect their workers and the environment. This, Annan told them, would “safeguard open markets while at the same time creating a human face for the global economy”.⁴ The firms which signed his compact would be better placed to deal with “pressure from single-issue groups”. Again, they would be allowed to use the UN’s logo. But there would be no binding commitments, and no external assessment of how well they were doing.⁵

The Global Compact is not the only channel that Shell uses to influence the outcome of the Rio+20 process. Shell’s interests at the UN are looked after by a complex web of corporate lobbying groups and business associations. There is no hard and fast division between CSR-related lobbying efforts and Shell’s broader public policy agenda.⁶

In this fact sheet / briefing paper we demonstrate that Shell occupies key positions in the organisations that coordinate the input from big business in the Rio+20 process. These organisations have convened a temporary working group called Business Action for Sustainable Development 2012 (BASD). BASD is the official coordinator the Business and Industry Major Group in the Rio+20 process. Major Groups participate in interactive dialogues, develop coordinated statements and lobby for particular initiatives that they feel should be supported. They also contribute significantly to partnerships for sustainable development and related activities.

³ J. Karliner, Co-opting the UN, *The Ecologist*, vol. 29, num. 5, August / September 1999, <http://exacteditions.theecologist.org/read/ecologist/vol-29-no-5-august-september-1999-5941/34/2/> (accessed on 1/6/2012).

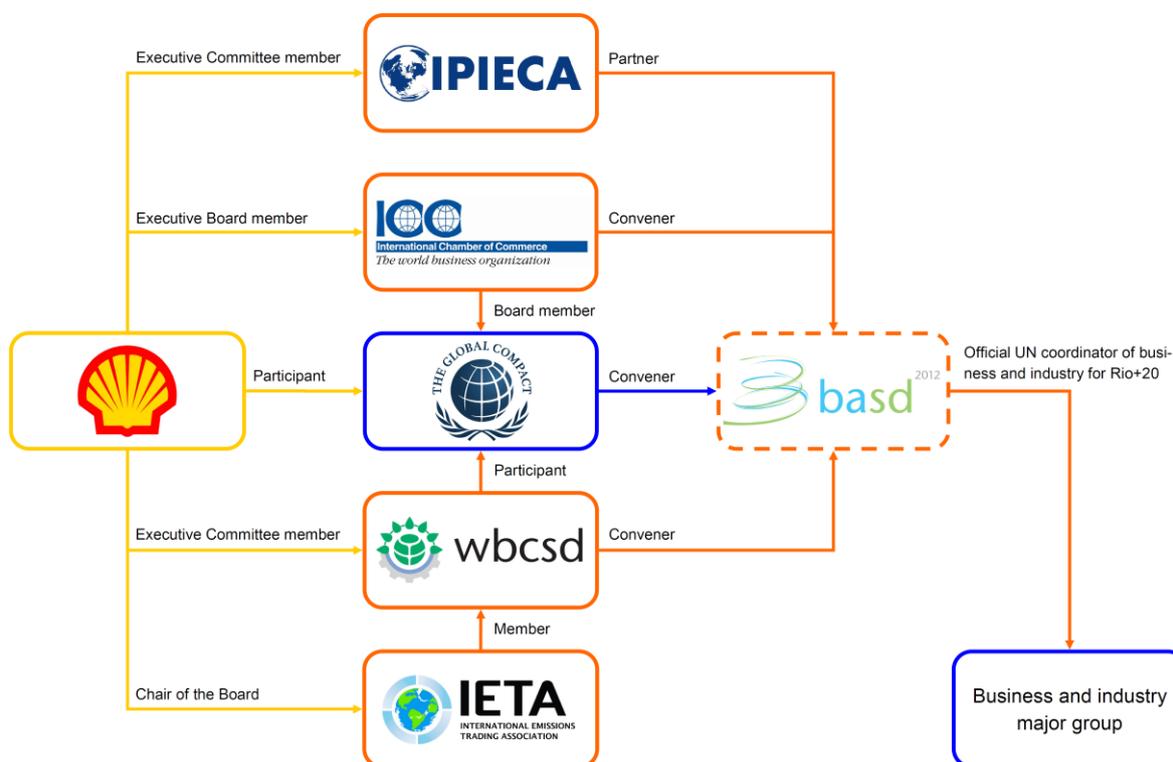
⁴ Corporate Europe Observer, The Global Compact: The UN's New Deal with 'Global Corporate Citizens', *Corporate Europe Observer*, issue number 5, October 1999, <http://archive.corporateeurope.org/observer5/global.html> (accessed on 1/6/2012).

⁵ G. Monbiot, *ibid.*

⁶ L. Sklair and D. Miller, Capitalist globalization, corporate social responsibility and social policy, *Critical Social Policy*, Vol. 30(4): 1-24, 2010.



Figure 1 - Shell and the main corporate lobbying groups at the UN



International Petroleum Industry Environmental Conservation Association (IPIECA)

“The oil and gas industry will remain at the forefront of technological advancement to help deliver the energy that people around the globe need now and in the future, contributing to economic and social development in an environmentally and socially responsible way to enable the development of a green economy.” - Beatriz Espinosa, IPIECA Vice Chair⁷

IPIECA, the global oil and gas industry association for environmental and social issues, was established in 1974 in response to the formation of the United Nations Environment Programme (UNEP). In its own words IPIECA is the “only global association involving both the upstream and downstream oil and gas industry on environmental and social issues.” Its membership covers over half of the world’s oil production. IPIECA describes itself as the industry’s principal channel of communication with the UN.

The work of IPIECA is supported by a number of specialist working groups. These working groups draw on the skills and experience of its international membership and operate with support from a secretariat. IPIECA currently has working groups that address the following areas: biodiversity, climate change, health, oil spill preparedness, operations and fuels, reporting, social responsibility, and water.⁸ Shell is represented on IPIECA’s Executive

⁷ IPIECA, Annual review 2011: applying expertise for a responsible future, London, 2012, www.ipieca.org/sites/default/files/publications/annual_review_2011.pdf (accessed on 5/6/2012).

⁸ IPIECA website, About us, www.ipieca.org/about-us (accessed on 5/6/2012).



Committee by Mr. Allard Gastelein.⁹ He is Shell's Vice President Environment and has been with Shell since 1987.¹⁰

For Rio+20, IPIECA has prepared a series of fact sheets to “demonstrate the oil and gas industry’s present and future contribution to sustainable development”.¹¹ IPIECA will be present in Rio to “demonstrate that oil and gas are part of the solution to sustainable development”.¹² IPIECA is coordinating the oil and gas industry input to Rio+20, working closely with member companies and associations. It is a partner of Business Action for Sustainable Development 2012 (BASD).

International Chamber of Commerce (ICC)

The ICC is the self-proclaimed voice of world business. Present in over 120 countries through its global network, ICC is an organisation that speaks on behalf of enterprises from all sectors in every part of the world. ICC underscores “the private sector’s vital role in efforts to promote sustainable development as recognized in Chapter 30 of Agenda 21.” In particular, it notes that “increasing prosperity, a major goal of the development process, is contributed primarily by the activities of business and industry”.¹³

Shell holds key positions in the ICC. Mr. Jorma Ollila, non-executive chairman at Shell, is an ex-officio member of ICC’s executive board.¹⁴ This means he does not need to be elected. The executive board is responsible for developing and implementing ICC's strategy, policy and programme of action and for overseeing the financial affairs of the world business organisation. In particular, it is responsible for recommending to the ICC World Council the appointment of the ICC Chairmanship and Secretary General as well as approving all policy documents. Shell is also a member of several ICC Commissions, including Business in Society, Competition, Environment and Energy, and Tax.

For the Conference on Sustainable Development, ICC’s input focuses particularly on the two Rio+20 themes (a) green economy in the context of sustainable development and poverty eradication and (b) institutional framework for sustainable development. Through content generated by its Commission on Environment and Energy and its Task Force on Green

⁹ IPIECA website, Governance, www.ipieca.org/governance (accessed on 6/6/2012).

¹⁰ TBLI Conference, <http://tbliconference.com/home/tbli-europe-2010.html?speaker=4810> (accessed on 6/6/2012).

¹¹ IPIECA website, [www.ipieca.org/library?page=1&tid\[0\]=81&lang\[0\]=28&date_filter\[value\]\[year\]=&keys=&x=29&y=19](http://www.ipieca.org/library?page=1&tid[0]=81&lang[0]=28&date_filter[value][year]=&keys=&x=29&y=19) (accessed on 5/6/2012).

¹² IPIECA, Annual review 2011: applying expertise for a responsible future, *ibid*.

¹³ ICC, Rio+20 UN Conference on Sustainable Development: DRAFT ICC Contribution for the Compilation Document, www.uncsd2012.org/rio20/content/documents/427ICC%20DRAFT%20Rio20%20input%20-%201%20Nov%202011-FINAL.pdf (accessed on 5/6/2012).

¹⁴ ICC website, <http://iccwbo.org/execboard/> (accessed on 6/6/2012).



Economy, ICC has outlined 10 conditions for a transition to a green economy, focusing on innovation, the need for economic growth and innovative collaborations.¹⁵

ICC's secretary-general, Mr. Jean-Guy Carrier, is a board member of the UN Global Compact. ICC's chairman, Mr. Gérard Worms, is on the executive committee of WBCSD.¹⁶ ICC, WBCSD and the Global Compact are the three conveners of BASD.

UN Global Compact

Since the foundation of the Compact, Shell has been a prominent and exemplary participant in the initiative. The company has participated by providing case studies, submitting reports on progress and giving input to many CSR-related dialogues and consultations. In 2010, the Global Compact Office invited Shell to become a participant in Global Compact LEAD, a platform for corporate sustainability leadership. The approximately 50 companies that participate in Global Compact LEAD are challenged to implement the Blueprint for Corporate Sustainability Leadership, "which was developed in close consultation with a large number of corporate participants and stakeholders and widely endorsed by business, governments, and civil society." One of the elements of the "corporate action plan" in the Blueprint is "taking action in support of broader UN goals and issues", such as "core business contributions to UN Goals and Issues" and "advocacy and public policy engagement".¹⁷ The Global Compact states that the participants in LEAD have been invited because they have a history of engagement with the UN Global Compact.¹⁸

There are clear tensions between the pragmatic urge to scale up UN partnerships and the maintenance of strict guidelines. In relation to financing the Compact, for example, the Secretary-General informed the General Assembly in 2001 that "to avoid potential conflicts of interest, the Global Compact does not accept financial contributions from the private sector for its own operations".¹⁹ Nevertheless, in April 2006, the Foundation for the Global Compact was created. Chaired by Sir Mark Moody-Stuart, an ex-chairman and former board member of Shell, the foundation is authorized by the Global Compact Office to fundraise on its behalf. All companies participating in the UN Global Compact are asked to make an annual

¹⁵ ICC website, Rio+20 must promote green growth, says ICC Chairman, www.iccwbo.org/policy/environment/index.html?id=47321 (accessed on 5/6/2012).

¹⁶ WBCSD website, <http://www.wbcd.org/about/organisation/governance.aspx> (accessed on 5/6/2012).

¹⁷ UN Global Compact, Blueprint for corporate sustainability leadership, UN Global Compact Office, 2010.

¹⁸ UN Global Compact website, <http://www.unglobalcompact.org/HowToParticipate/Lead/index.html> (accessed on 1/6/2012).

¹⁹ P. Utting and A. Zammit, Running in the dark? The rise of United Nations – business partnerships, Geneva: UNRISD, 2006, www.unisa.ac.za/contents/colleges/col_econ_man_science/ccc/docs/Peter%20Utting%20paper%20b%20-%202014%20Nov%2006.pdf (accessed on 1/6/2012).



voluntary contribution to the Foundation.²⁰ Mr. Moody-Stuart is also the vice-chair of the Global Compact Board, a high-profile board chaired by the Secretary-General of the UN.²¹ He was the chairman of Business Action for Sustainable Development (BASD) in preparation for the World Summit on Sustainable Development in Johannesburg in 2002. At the Conference on Sustainable Development in Rio, he is a member of the BASD 2012 Steering Committee. The Compact is one of the three conveners of BASD.

World Business Council for Sustainable Development (WBCSD)

The World Business Council for Sustainable Development (WBCSD) is a CEO-led, global association of some 200 international companies dealing exclusively with business and sustainable development. Its origins date back to the 1992 Rio Summit, when Stephan Schmidheiny, a Swiss industrialist, was appointed chief adviser for business and industry to the secretary general of the United Nations Conference on Environment and Development (UNCED), better known as the Rio de Janeiro Earth Summit of 1992. He created a forum called Business Council for Sustainable Development. The WBCSD was created in 1995 in a merger of the Business Council for Sustainable Development and the World Industry Council for the Environment and is based in Geneva, Switzerland with offices in Washington, D.C. and Brussels, Belgium. The WBCSD sees itself as a catalyst, both in the sense that it can catalyse business to buy into the concept of sustainable development and to change the way they run their operations. The organisation also sees itself as a catalyst in the process of global policy development, by representing and promoting the role of business in achieving sustainable development.²²

According to the WBCSD, “business has made great progress in internalizing the concept of sustainable development since the 1992 Earth Summit, and is now addressing its role in society at large”.²³ The WBCSD is developing specific deliverables for Rio+20 which are to:

- Demonstrate the WBCSD’s role as the business thought leader on sustainability issues;
- Be recognized for the progress the WBCSD and its members have made since 1992;
- Insert key positions in outcome documents;
- Create vehicles for member companies to tell their stories and engage in the process.

Shell’s role in the WBCSD seems quite substantial. Mr. Jorma Ollila, non-executive chairman at Shell, co-chairs the WBCSD’s work programme on Energy and Climate.²⁴ He is also a member of WBCSD’s executive committee.²⁵

²⁰ Foundation for the Global Compact website, www.globalcompactfoundation.org/about.php (accessed on 1/6/2012).

²¹ UN Global Compact website, www.unglobalcompact.org/AboutTheGC/The_Global_Compact_Board/bios.html (accessed on 1/6/2012).

²² WBCSD website, www.wbcd.org/about/overview.aspx (accessed on 5/6/2012).

²³ WBCSD website, www.wbcd.org/rio-plus-20.aspx (accessed on 5/6/2012).



WBCSD's work on water issues is led by Mr. Joppe Cramwinckel. He joined the WBCSD in September 2010 to lead the expansion of its Water Programme. Before joining the WBCSD, Mr. Cramwinckel was Sustainable Development Lead for Shell International Exploration and Production B.V. He joined Shell in 1985 and served as environmental lead in Brunei and Oman. While at Shell, he was the driving force behind the development of the WBCSD "Business in the World of Water" scenarios. Mr. Cramwinckel is member of a number of advisory boards / advisory councils including the European Water Partnership and the Stockholm World Water Week.²⁶

International Emissions Trading Association (IETA)

The IETA was established in 1999 to create an international framework for trading in greenhouse gas emission reductions. It emerged from the United Nations Conference on Trade and Development (UNCTAD) Policy Forums on greenhouse gas emissions trading. It started as a result of cooperation between UNCTAD and the World Business Council for Sustainable Development (WBCSD).

IETA received legal non-profit status from the government of Switzerland in June 2000, and received United Nations Framework Convention on Climate Change (UNFCCC) non-governmental organisation accreditation in October 2000. IETA is a membership organisation where all members have one vote, used at the Annual General Meeting and any Extraordinary General meetings. Members of IETA include Shell, BP, Citigroup and Dow Chemical.²⁷ The association is chaired by Shell's Senior Climate Change Adviser, Mr. David Hone.²⁸

IETA is a regular attendee at the UN climate talks, where it has been accredited as a non-governmental organisation since October 2000. Business lobby groups are recognised as BINGO's at UN meetings - business-backed NGOs that promote the interests of their members. IETA has invested considerable resources in lobbying at the UN climate change talks. It also frequently has the largest accredited non-governmental delegation:

- At the UN Climate conference in Bali in 2007, IETA had the biggest NGO delegation, causing the World Development Movement to comment: "The fact that the IETA is the biggest NGO in Bali is indicative of the influence it will extend over the outcome of the talks."

²⁴ WBCSD website, www.wbcsd.org/about/member-representation/focus-area.aspx (accessed on 5/6/2012).

²⁵ WBCSD website, www.wbcsd.org/about/organisation/governance.aspx (accessed on 5/6/2012).

²⁶ WBCSD website, www.wbcsd.org/newsroom/bios/joppe-cramwinckel.aspx (accessed on 5/6/2012).

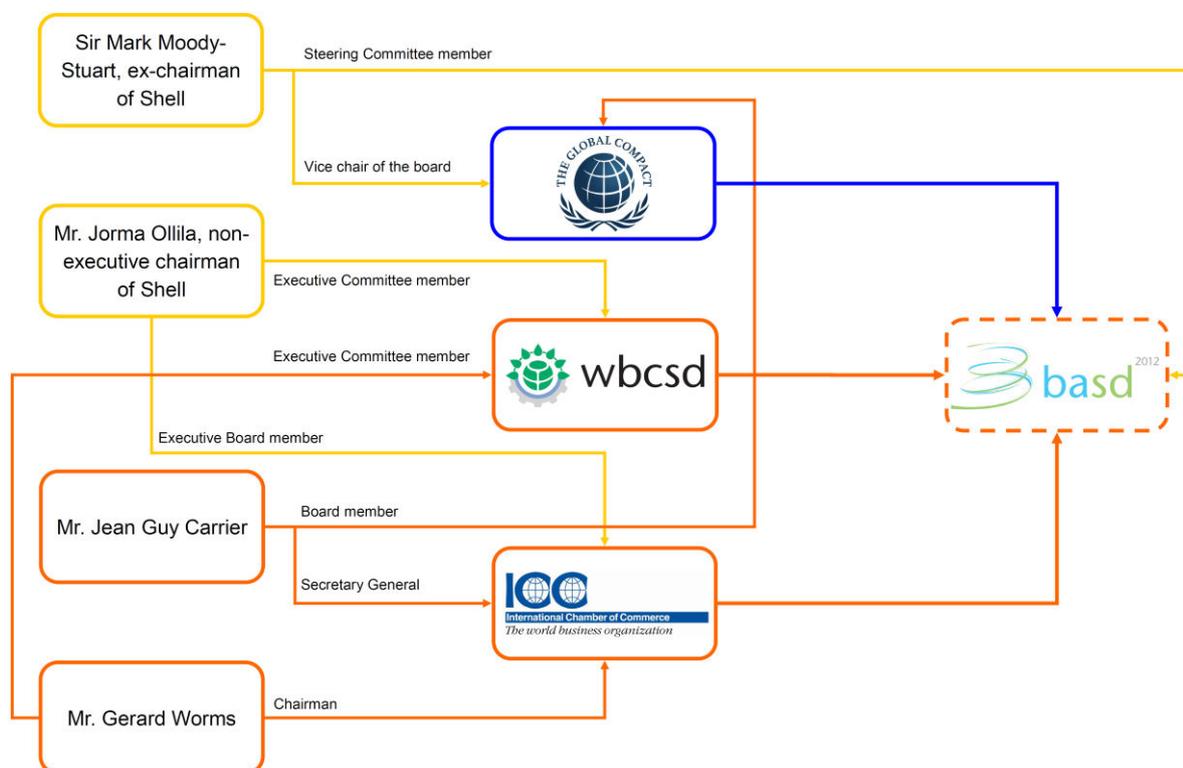
²⁷ IETA website, www.ieta.org/our-members (accessed on 6/6/2012).

²⁸ IETA website, www.ieta.org/governance (accessed on 6/6/2012).



- In Poznan one year later, IETA once again had the biggest NGO presence with over 250 lobbyists. The lobby group hired a whole building, hosting what one delegate described as a “real parallel conference” with up to 12 events a day. Key sponsors included BP and Shell.
- At the UN Climate conference in Copenhagen in 2009, IETA registered 486 lobbyists, larger than any other NGO delegation, including representatives from Russian gas giant Gazprom, global energy company EON, and Shell. IETA held 66 lobbying events during the conference.
- In Cancun one year later, IETA boasted of offering a “spectacular program” of 80 “business-oriented side events,” including sessions on the Clean Development Mechanism, climate financing and REDD (Reducing Emissions from Deforestation and Forest Degradation). Shell was again one of the main sponsors.
- In Durban (COP17) IETA had a programme of around 50 events, providing business with its “very own street corner” where business lobbyists could interact with negotiators and key officials. Key policy areas put forward were the CDM and REDD. It registered 159 lobbyists in Durban, representing financial speculators, banks, carbon consultancies and energy companies.²⁹

Figure 2 - Shell and the corporate lobby: key influencers in the Rio+20 process



²⁹ A. Rowell, How corporations rule, part 2: IETA lobby group ignores carbon market flaws, December 2011, www.foei.org/en/resources/publications/pdfs/2011/how-corporations-rule-ieta-lobby-group-ignores-carbon-market-flaws, Friends of the Earth, Amsterdam (accessed on 6/6/2012).



Summary of findings

Shell participates in the Rio+20 process through multiple channels. Company representatives occupy leading or senior positions in the three corporate lobbying groups that have convened Business Action for Sustainable Development 2012: the International Chamber of Commerce (ICC), the World Business Council for Sustainable Development (WBCSD) and the UN Global Compact. Shell's non-executive chairman is a member of ICC's Executive Board and WBCSD's Executive Committee. One of Shell's ex-chairmen is the vice chair of the UN Global Compact Board and a steering committee member of BASD 2012.

Shell also plays a key role in two other highly influential business associations: the International Petroleum Industry Environmental Conservation Association (IPIECA) and the International Emissions Trading Association (IETA). Shell is represented on IPIECA's Executive Committee by Shell's vice president for the environment. Shell's senior climate change adviser is IETA's chair.

Shell's lobby strategy appears to focus on constituency building by actively supporting many different corporate lobbying groups and business associations. These groups, which often present themselves as non-governmental organisations, are all closely interlinked. This results in a complex and hermetic web of BINGOs and lobbyists. The IETA is a member of the WBCSD, which is a member of the UN Global Compact. The ICC sits on the board of the Compact, and both organisations are conveners of the BASD 2012. ICC's chairman is a member of WBCSD's executive committee.

In the Rio+20 process, the ICC, the WBCSD and the UN Global Compact are likely to be the most influential business associations. It is important to notice the different nature of the Compact, which is seen as an official UN organisation - with the support of the UN General Assembly - rather than a corporate lobbying group or a business association.³⁰ In reality, however, these organisations see each other as members of the same family.

Amsterdam, June 6, 2012 | BS

³⁰ UN Global Compact website, General Assembly Resolutions, www.unglobalcompact.org/AboutTheGC/Government_Support/general_assembly_resolutions.html (accessed on 6/6/2012).