

Primer:

IETA, Big Polluters, and the UNFCCC



Introduction

By the end of this year, governments at the United Nations Framework Convention on Climate Change (UNFCCC) will set the guidelines for implementation of the Paris Agreement, which will chart the course of international climate policy for years to come. This international agreement is our most promising tool to hold Northern countries accountable for their historical responsibility to address climate change—and to ensure the viability of our planet.

But the direct access of Big Polluters and their trade groups in climate policy is risking the future of the Paris Agreement. Now Big Polluters are even more emboldened to obstruct as a result of the Trump administration's pro-Big Polluter dogma. Public proclamations of "We're Still In" allow polluting

Key takeaways

- **DIRTY BUSINESS:** The International Emissions Trading Association (IETA) was founded by Big Polluters to represent their interests in climate policymaking—and does so to this day.
- **MISSION STATUS QUO:** IETA is forcing carbon market trading schemes, which benefit Big Polluters, into the center of Paris Agreement implementation...despite the well-documented failure of these schemes to effectively curb emissions.
- **IETA'S INSIDE JOB:** IETA affiliates serve on country delegations and have been known to negotiate on their behalf.
- **KICK BIG POLLUTERS OUT:** Parties must take seriously the impact such conflicts of interest present for the UNFCCC and take swift action to address them.

corporations to position themselves as climate champions. Despite the well-documented historical obstruction of Big Polluters' trade groups and a growing body of evidence of the real and present risk they pose to policymaking,^{1 2 3 4} Big Polluters and their proxies are influencing climate policymaking at the UNFCCC and beyond with increasing impunity, shunting aside real climate solutions in favor of dangerous distractions that protect their profits.

One of the most dangerous of these distractions is carbon markets, which allow polluting countries and corporations to buy up cheap "pollution allowances" from countries and entities that have contributed to climate change the least, so they can keep polluting. If Northern governments and Big Polluters can enshrine carbon markets into the center of the Paris Agreement guidelines, then they can continue to pollute without consequence and escape their moral and historical responsibility. In so doing, Southern countries will be denied their right to survive, grow, and develop.

Leading the charge for carbon markets in the Paris Agreement guidelines is the International Emissions Trading Association (IETA). IETA was founded and is run by some of the world's biggest polluters and continues to advance their agenda. Yet it is one of the most prominent and influential trade associations at the UNFCCC.

If groups like IETA are successful in embedding policies like carbon markets, the Paris Agreement may well become yet another failed climate accord. Policies like those IETA is advancing maintain the status quo: a trajectory of fossil fuel dependence, spiraling inequality, and warming that far exceeds 2 degrees Celsius.

This primer documents IETA's background and exposes the dangers its agenda poses for the future of the Paris Agreement. It also outlines critical steps that governments at the UNFCCC can take right now to reject the influence of Big Polluters and implement truly just climate policy.

IETA: Big Polluters' seat at the table

History of IETA

IETA describes itself as a “purely business group.”⁵ Indeed, it is a group that exists to advance the Big Polluter agenda in climate policy. It was set up and is run by Big Polluters. And it is funded by more than 170 member corporations, banks, and firms,⁶ including the world’s biggest, most abusive polluters.⁷

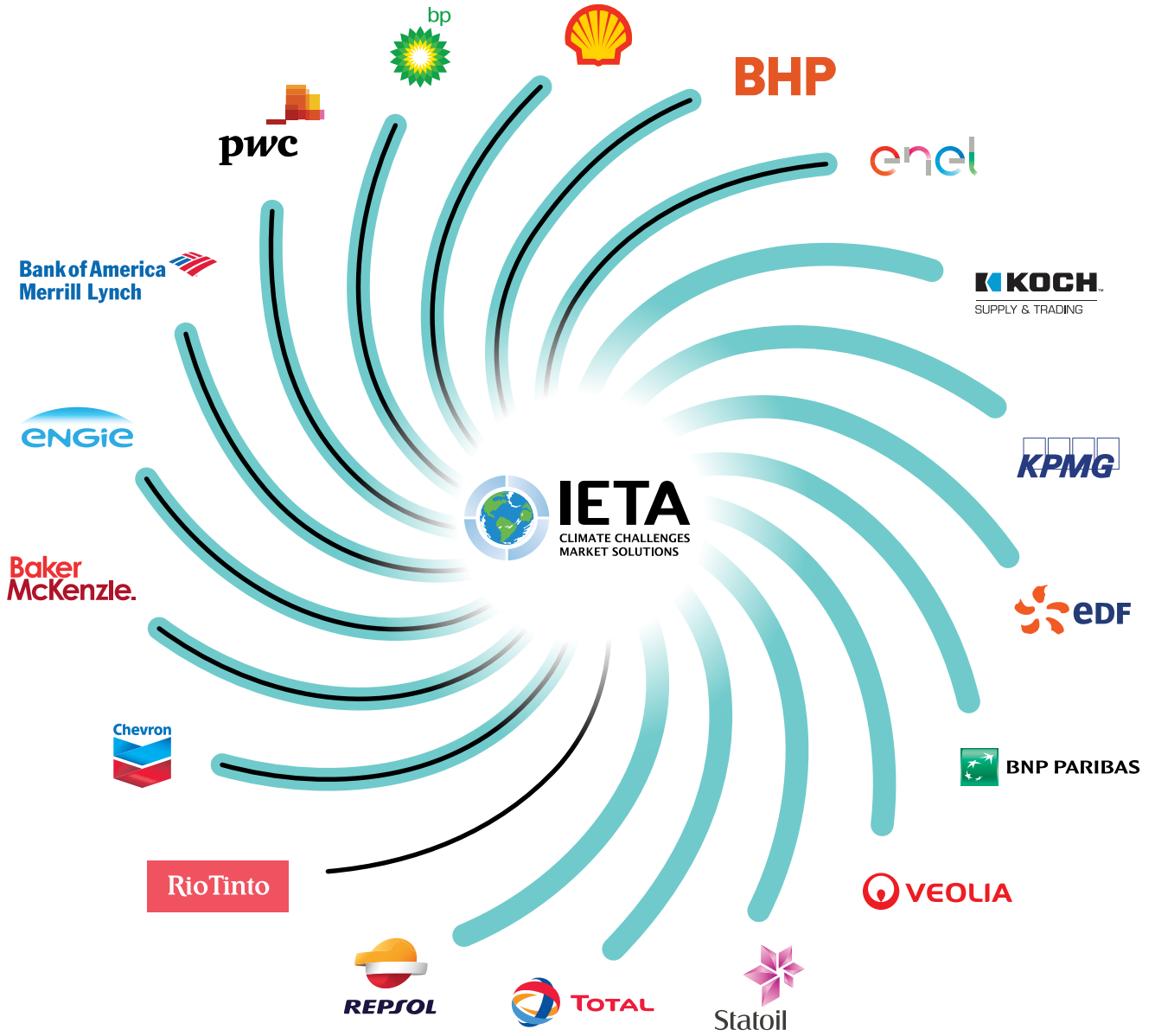
In 1999 oil major BP, the fourth largest historical fossil fuel emitter⁸ and longtime climate policy obstructionist,⁹ helped found IETA.¹⁰ To this day, BP remains integral to IETA’s daily operations, as one of 44 industry, energy, and power corporations that have clear ties to IETA.¹¹ BP Global Head of Emissions Dan Barry sits on its board of directors, alongside executives from Shell, Chevron, ENGIE, and BHP Billiton.¹²

The company you keep...

Many of the corporations IETA calls members come with long histories of abuse, from climate denial to funding junk science to human rights abuses. BP pleaded guilty to 14 counts of criminal charges after the Deepwater Horizon oil spill, including lying to representatives of the U.S. government.¹³ Convincing evidence points to Shell’s complicity in murder, rape, and torture in Nigeria,¹⁴ underlined by a US\$15.5 million settlement Shell paid out when accused of collaborating in the murder of nine Nigerians.¹⁵ And Chevron has a track record of funding junk science,¹⁶ even making hefty contributions to prestigious academic institutions to influence the findings of research that may affect its profits.¹⁷

These connections are particularly troubling considering that IETA and its representatives are deeply embedded in international climate talks. At the UNFCCC, honorary board member and former president of IETA Andrei Marcu¹⁸ actually negotiates on behalf of a country,¹⁹ advancing its Big Polluter objectives under the flag of a world government.

Despite its nonprofit status, IETA is in fact a conglomerate of corporations that continue to drive and profit from climate change and regularly undermine efforts to address it. The group exists to ensure that climate policies don’t negatively impact the profits of Big Polluters.²⁰ Worst of all, IETA holds a prominent place at the center of climate negotiations—despite the hundreds of millions of people whose lives, homes, and safety are risked and lost on a daily basis as a result of the crisis its members have largely fueled.



IETA's board and dues-paying members are a who's who of Big Polluters and climate deniers.

■ BOARD MEMBERS ■ (PAYING) MEMBERS

Carbon markets: IETA's dangerous distraction

IETA is lobbying to embed carbon markets into the center of Paris Agreement implementation, just as it successfully did for EU climate policy.^{21 22}

But here's the thing: Carbon markets don't work. These schemes have been tested—both by the UNFCCC (the Clean Development Mechanism) and internationally (such as the EU Emissions Trading System)—and they have failed.^{23 24 25 26 27} But this hasn't stopped IETA and the Big Polluters it represents from promoting carbon markets as the gold standard for climate action, including within the guidelines for Article 6 of the Paris Agreement.

It is widely acknowledged that carbon market schemes have many failings, including that they:

- Commodify the atmosphere and can allow Northern countries to avoid their historical obligation to decrease emissions by buying the "right to pollute."
- Deny Southern countries the allowances they need to realize their established right to grow and develop.
- Give way to fraud, short-term profit seeking, speculation, and environmental injustice.
- Do nothing to keep fossil fuels in the ground.

Perhaps most urgently, embedding carbon markets in this year's guidelines for implementation of the Paris Agreement displaces the meaningful, real solutions that harbor the greatest potential to justly curb the climate crisis. The promotion of carbon markets and other dangerous distractions by polluting corporations and Northern countries has cost us more than a decade—time that should have been spent developing and deploying real solutions to the climate crisis.

Disaster capitalism or climate justice: the choice before us

IETA is one of dozens of Big Polluter trade associations that use their access to the UNFCCC space to weaken and delay meaningful policy. These groups include the U.S. Chamber of Commerce, BusinessEurope, and the International Chamber of Commerce.^{28 29}

This escalating obstruction occurs as the world is quickly running out of time to coordinate a strong, adequate, and just global response to the climate crisis that puts us on track to achieve as close to a 1.5 degrees Celsius world as possible. Therefore, this May, world governments must rise to the occasion to address the undue and dangerous influence of business and industry groups that represent Big Polluters and seek to undermine climate policy at the UNFCCC. They must join the growing global movement collectively representing nearly 70 percent of the global population calling for action to stop Big Polluters. And they must stand firmly against policies that seed dangerous distractions into the heart of the guidelines on implementation of the Paris Agreement, especially carbon markets.

Looking toward COP24 in December, governments must:

- **Adopt a definition of a “conflict of interest”** that recognizes the fundamental and irreconcilable conflict that occurs when entities representing the commercial and other vested interests of industries that exacerbate the climate crisis are allowed to participate in institutional processes serving a public mandate to advance strong climate policy.
- **Adopt a rigorous conflict-of-interest policy framework** that, drawing from established global precedents, ensures that non-Party stakeholders and observer organizations that profit from—or that represent those profiting from—polluting cannot unduly influence or undermine national and international climate policy.
- **Reject carbon market trading schemes** that allow for historically polluting countries and corporations to continue to escape their responsibility to drastically cut emissions. This includes the rejection of offsets and double counting, and the mandatory protection of human rights, environmental integrity, and sustainable development.
- **Advance non-market approaches to international cooperation** that hold the greatest potential to decrease emissions. These include sustainable, direct finance at the national level that supports Southern countries in energy transformation, technology transfer, forest preservation, and sustainable agricultural development.

The trajectory that IETA, U.S. Chamber, BusinessEurope, and others would set us on is one where Big Polluters continue to extract and burn fossil fuels, free from policies that would require them to decrease emissions.

Now, more than two decades into the UNFCCC, we face a world where warming could exceed the well-below 2 degrees Celsius limit promised in the Paris Agreement. This price is being paid not by the corporations that are culpable, but with the lives of millions of people who have done the least to create this crisis.

We must protect this vital process from continued corporate capture. We must reject attempts to sell off our planet to the highest-bidding polluters. And we must embrace the real, transformative solutions at our fingertips. Our world depends on it.

Endnotes

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