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The Influence of Business and Industry NGOs in the Negotiation of the Kyoto Mechanisms: the Case of Carbon Capture and Storage in the CDM

Irja Vormedal*

Introduction

This article examines the role and influence of business and industry NGOs (BINGOs) in the UN Framework Convention on Climate Change (UNFCCC). The important role played by business in the climate negotiations is increasingly recognized and well documented. However, previous research on corporate engagement in the regime has concluded that business efforts to influence negotiations have been more prevalent and effective at the state level than at the international level. Allegedly, business is “likely to prefer acting at the national level where it enjoys well-charted and predictable channels of influence”,¹ and has enjoyed less success in lobbying delegates from other states, in particular from developing countries. It is also assumed that international institutions are relatively insulated from business pressures.² This paper differs in emphasizing the increasing importance of the international level to the analysis of business activities and business’s efforts to influence regime developments. While some global business groups such as the International Chamber of Commerce have been around for decades, and the growing importance of transnational business coordination has been noted elsewhere,³ the nature and impact of these activities in the context of the climate negotiations has been insufficiently explored. This article gives an account of the landscape in which business and industry NGOs are currently operating in the climate regime, and provides an illustration of how they organize and conduct their lobbying at the international level. In contrast to previous studies, the article demonstrates how BINGOs target and

* I would like to gratefully acknowledge the three anonymous reviewers for their very constructive remarks on the first draft of this article. I would also like to thank Arild Underdal, Benedicte Bull and Steinar Andresen for useful comments and suggestions.

1. Levy and Egan 1998, 1.

2. Levy and Egan 1998, 15.

3. Levy and Egan 1998, 9,16; and Levy 2005, 96–97.

collaborate with a multitude of state delegations and international institutions in the attempt to achieve their objectives. It will be argued that emergent international networks and corporate technological power facilitate transnational business lobbying.⁴

Despite the fact that business and industry NGOs employ comparable if not similar strategies and tactics to those of environmental NGOs, there has been scarce communication between NGO and business scholars.⁵ This paper seeks to help bridge this divide by applying a methodology developed for analyzing NGO influence in international environmental negotiations⁶ to a study of business influence in the climate negotiations. Various aspects of this methodology are further developed and advanced, to enable its application to studies of business influence in international negotiations.

The paper begins by giving an account of the main characteristics of the BINGOs active in the regime, including their views on climate change mitigation, strategies and lobbying tactics. For comparison, the various business groups are placed along a continuum from “gray” to “green”, measuring the degree of environmental profile and mandate. The framework for assessing and analyzing BINGO influence is subsequently developed, discussed and applied to a case study tracing BINGO efforts to influence the negotiation of carbon capture and storage (CCS) technologies as a mitigation option under the Kyoto Protocol and the Clean Development Mechanism (CDM). The case highlights the various access channels and resources BINGOs may invoke during the negotiation processes, and illustrates how their lobbying and advocacy activities are played out. Furthermore, the paper seeks to establish the relative success of BINGO efforts to influence the process and outcome of negotiations, and the factors that enable them to play an influential role within the international climate regime.

Business and Industry NGOs in the Climate Regime

Together with scientists and environmental NGOs (ENGOS), business and industry NGOs (BINGOs) are considered to be among the most long-standing and active observer constituencies participating in the climate regime.⁷ From the early 1990s—when negotiations for an international convention were launched—to the signing and ratification of the Kyoto Protocol at the end of the decade, business engagement and participation was dominated by the fossil-fuel lobby, organized mainly through the Global Climate Coalition, an anti-mitigation and regulation group representing US and some European oil, coal, automobile and chemical companies. However, by the turn of the century, the

4. Falkner 2005, 106.

5. One notable exception is Depledge’s examination of access channels for observer organizations into the UNFCCC process. Depledge 2005.

6. Betsill and Corell 2001.

7. Depledge 2005, 214.

BINGO constituency had grown and diversified, including a much wider range of organizations with highly diverging interests, mandates and strategies in the regime.⁸ The International Chamber of Commerce (ICC), which represents companies of all sizes and sectors in over 130 countries worldwide, serves as the chair of the constituency, in charge of coordinating business's activities and input to the negotiation processes. While BINGOs are by definition non-profit organizations, their members are for-profit companies. Many of the active companies are members of several BINGOs, each catering to different needs and objectives. While nearly all companies attain their accreditation through a BINGO, some participate as integral parts of state delegations.

The emergence and growth of BINGOs in the climate negotiations may be seen as a result of the UNFCCC Secretariat's demand that all nonstate actor participants be nonprofit organizations, and its desire to organize the participation of observer organizations into different NGO constituencies. However, the expansion of the BINGO as a particular form of business organization also reflects the attempt by corporations to increase their legitimacy as political actors in the international arena.⁹ Through the collective action of BINGOs, companies can communicate more effectively with policy-makers and advocate their views with greater legitimacy and authority. BINGOs also open doors to political arenas that are closed to companies operating individually. In this way, BINGOs serve the function of establishing and maintaining access channels to forums and negotiations to which individual companies would not otherwise have been invited, providing them directly or indirectly a "voice at the table."¹⁰ For the companies, collective organization also brings with it the advantages of cost sharing and knowledge pooling, as well as the support of a qualified secretariat responsible for monitoring and providing continuous input to political negotiation processes.¹¹

While nationally-based BINGOs also seek to protect their members' domestic interests, most of the BINGOs active in the regime are transnational organizations targeting political processes at the regional and international levels. It is common for BINGO secretariats to liaise and cooperate with a range of national governments around the world. Such networks enable them to lobby a multitude of delegations from both developed and developing countries on particular issues under negotiation in the climate regime. BINGOs also maintain good working relations with key staff from the UNFCCC Secretariat and its subsidiary working bodies, to enable input to negotiation processes.¹²

8. For example, at the COP/MOP 2 the total number of registered BINGOs was 23, and the total number of individual businesses, 400.

9. Interview with Luke Warren, IPIECA, London, 31 October 2006; interview with Lorenz Koch, WBCSD, Geneva, 17 January 2007; interview with Edwin Alders, IETA, Geneva, 18 January 2007; and interview with Robert Stastny, ICC, Paris, 22 January 2007.

10. Interview with Koch 2007.

11. Interview with Koch 2007; and interview with Alders 2007. See also Hillman and Hitt 1999, 830–831.

12. Interview with Alders 2007; interview with Koch 2007; interview with Stastny 2007; and interview with Warren 2006.

While most BINGOs are transnational organizations, participation and membership is unevenly distributed geographically. Businesses from developed countries and regions such as North America, Western Europe, Australia, Japan and Korea dominate most BINGOs and the constituency at large, while businesses from developing and least developed countries (LDCs) are almost completely absent from the scene. According to a Kenyan member of the ICC, many developing-country businesses still lack the enabling networks required to facilitate participation as well as established channels for providing input into global conferences and negotiations. Most also lack sufficient funds to support participation, and the few that participate are not sufficiently confident to take an active role in the ongoing discussions and formation of lobbying positions within the BINGO constituency.¹³

The BINGOs constitute a rather diverse group of organizations representing members with different interests, mandates and strategies. Indeed, their views on climate change mitigation policies and mandatory GHG regulation range from strong opposition to support and pro-regulation lobbying. The following section gives an account of the characteristics of the different types of BINGOs active in the negotiations, placing them along a continuum from gray (low or no environmental profile and mandate) to green (high environmental profile and mandate). (See Table 1.)

Gray BINGOs (the first category) are typically characterized by their explicit opposition to climate change mitigation and mandatory GHG regulation. The main mandate and strategy of these organizations has been to prevent the adoption of binding targets and timetables by states, and thus to preserve fossil-fuel-intensive industries' right to emit unlimited amounts of greenhouse gases (GHGs). Gray BINGOs are known for utilizing financial inducements to complement their lobbying tactics, such as financial contributions to government decision-makers, or paying expenses and/or leisure trips for members of delegations.¹⁴ While financial inducements may be more common at the national level, it is notable that BINGOs generally do not perceive such tactics to be legitimate or appropriate in the context of UN negotiations.¹⁵

The best-known example of a gray BINGO is the Global Climate Coalition (GCC). The efforts of the GCC to obstruct and delay the negotiations for the Framework Convention and subsequently the Kyoto Protocol are widely recognized and have been well documented elsewhere.¹⁶ However, with the signing and ratification of Kyoto, the GCC suffered declining support from industry, and in the late 1990s several of its core members such as BP, Shell and General Motors left the organization because they felt they could no longer be associ-

13. Interview with Suresh Patel, Agrochemicals Manufacture Saroc Limited and ICC, Nairobi, 13 November 2006.

14. See Levy and Egan 1998; and personal communication with two Australian delegates [anonymity requested], Nairobi, 12 November, 14 November, and 17 November 2006.

15. Interview with Stastny 2007; interview with Koch 2007; and interview with Alders 2007.

16. See Levy and Egan 1998; 2003; Newell and Paterson 1998; Leggett 2001; Newell 2000; Levy and Newell 2002; and Levy and Newell 2005.

ated with its aggressive anti-climate stance.¹⁷ After thirteen years in operation, the GCC was officially disbanded in 2002.¹⁸ More recent examples of gray BINGOs include the Australian Industry Greenhouse Network (AIGH) and the Australia Aluminum Council (AAC). These organizations, also referred to as the “Greenhouse Mafia”, successfully sought to undermine Australia’s ratification of the Kyoto Protocol under John Howard’s Liberal government from 1996 to 2007,¹⁹ and maintained a close relationship with lead negotiators to ensure continued opposition to any Kyoto-like framework.²⁰ Yet, the 2007 change of government and the subsequent ratification of Kyoto by Prime Minister Rudd marked the ultimate failure of these business groups to block Australia’s adoption of binding targets.

Indeed, by the turn of the century, gray and reactionary BINGOs had almost disappeared from the scene, which reflects a more general shift in corporate strategies in Europe and North America from opposition to accommodation and cooperation.²¹ Many of the formerly reactionary industries now organize through BINGOs that can be placed at the gray middle (the second category). These organizations no longer oppose regulations per se, but seek to influence regulatory design and the adoption of favorable mitigation technologies and methodologies by Kyoto Parties. Middle-gray BINGOs include both sector-specific and cross-sectoral interest associations such as the World Nuclear Association (WNA), the World Coal Institute (WCI), the International Petroleum Industry Energy Conservation Association (IPIECA) and the International Chamber of Commerce (ICC). The mandates and strategies of sector-specific BINGOs are usually to promote solutions that enable these sectors to survive, or to maintain or capture new markets in a carbon-constrained economy. Some increasingly aspire to a greener profile, by placing more emphasis on developing low-emission technologies such as carbon capture and storage (CCS) and clean coal technologies or, as in the case of the WNA, marketing nuclear power as a sustainable and clean energy option. The ICC, despite being a large, cross-sectoral business organization, has in reality been dominated by the US oil giant ExxonMobil, a company infamous for its aggressive anti-climate stance. This has prohibited the ICC Council on Environment and Energy from moving further towards a pro-regulation stance.²²

BINGOs situated at the green middle of the continuum (the third category) have an explicitly greener or pro-regulation profile. One of the most prominent BINGOs in this category is the International Emissions Trading As-

17. Skjærseth and Skodvin 2004, 167.

18. Sourcewatch 2006.

19. Interview with Dr. Guy Pearce, speechwriter for the Australian Environment Minister 1997–2000, shown in the documentary “The Greenhouse Mafia” by Four Corners 2006. Transcript available at <http://www.abc.net.au/4corners/content/2006/s1568867.htm>

20. Personal conversations with two Australian delegates [anonymity requested], Nairobi, 12 November, 14 November, and 17 November 2006.

21. Levy 2005.

22. Personal communication with sources at the ICC [anonymity requested].

Table 1
Gray-Green Continuum of BINGOs in the Climate Regime

	"Gray"				↔	"Green"			
	1	2	3	4		3	4		
BINGO									
Continuum									
Views on climate change mitigation	Reactionary, anti-emissions control	Accept frameworks for climate mitigation and GHG regulation	Acknowledge/ endorse need for climate mitigation and GHG regulation	View climate change as a business opportunity					
Mandates and strategies	Obstruct efforts to negotiate binding regulations	Promote the interests of member companies in the regime, in particular with respect to regulatory/policy instruments and mitigation options	Promote business-friendly regulations, including market mechanisms and specific mitigation technologies; Promote level playing fields	Promote stringent, mandatory GHG regulation and financing of clean-tech development					
Tactics	Financial inducement and lobbying	Information-based lobbying	Information-based lobbying & discursive tactics	Information-based lobbying					
Examples	GCC, AIGH, ACC	WCI, IPIECA, WNA, ← ICC	IETA, WBCSD→	BCSE					

sociation (IETA). From its establishment in 1999, the organization has grown to become by far the largest and most active BINGO in the regime.²³ The main objectives of IETA are to advocate the use of market mechanisms as climate policy instruments, to promote effective and functional systems for trading in GHG emissions, and to help ensure the effective functioning of the Kyoto flexibility mechanisms.²⁴ IETA consists of a diverse group of corporations, including emitters, traders and verifiers. What unites these different sectors is a common interest in promoting well-functioning market mechanisms and regulatory designs. Another prominent BINGO with a greener profile is the World Business Council for Sustainable Development (WBCSD). The WBCSD explicitly endorses the need for GHG regulation and international frameworks, and presents itself as a constructive partner in the effort to find solutions that can help mitigate climate change. In general, the WBCSD focuses on long-term policy advocacy by disseminating papers and through direct collaboration with decision-makers and the UNFCCC secretariat.²⁵ While WBCSD members come from a range of sectors with different interests and carbon liabilities, what unites these diverse industries behind a pro-mitigation agenda is the view that a failure to take action—that is, to prepare for a future regulatory environment in which GHGs carry a high price—imposes a great risk to their long-term competitiveness and market survival.²⁶ As the WBCSD secretariat puts it,

If you are a smart CEO these days you will realize that climate change issues will have a big impact on your future business. So you might as well get involved right from the beginning. A lot of companies that are around today will not be around in 50 years, because they didn't manage to respond to a different economic environment which will be shaped by sustainable development issues.²⁷

However, because many of the WBCSD members still have a high carbon liability and operate in highly competitive global sectors, the organization's lobbying and advocacy has focused more on creating level playing fields, i.e. including all major emitters in a global framework, than on supporting a more stringent Kyoto-like framework post-2012. It has also tended to lend vague regulatory support rather than promoting stringent, quantified targets for a future deal, and focused on promoting fossil-fuel-friendly mitigation technologies and nuclear power.²⁸

Finally, green BINGOs (the fourth category) may be characterized by an unambiguous pro-mitigation and regulation agenda. These are typically organi-

23. At the COP/MOP 2, IETA registered over 130 participants, amounting to nearly one-third of the BINGO constituency.

24. IETA 2006; and interview with Alders 2007.

25. Interview with Koch 2007; see also Timberlake 2006.

26. Interview with Koch 2007; interview with M. Xerri, Areva and WBCSD, Paris, 1 February 2007; interview with Mette Vågenes-Eriksen, Statskraft and WBCSD, Oslo, 26 March 2007; interview with Jacque Toraille, Michelin and WBCSD, Paris, 5 February 2007; and interview with Elin Myrnel-Johansen, Storebrand and WBCSD, Oslo, 13 March 2007.

27. Interview with Koch 2007.

28. Statement by Björn Stigson at the Bali Business Day, 10 December 2007.

zations representing businesses that would benefit commercially from climate policies and more stringent regulation of GHGs, and which therefore lobby parties to take on more rigorous, binding commitments to reduce their emissions. Renewable energy industries, for example, have experienced significant growth with the proliferation of GHG regulations in recent years, including national and regional policies and subsidies for clean energy,²⁹ and thus promote GHG regulation that will further incentivize and accelerate investment into energy efficiency and renewable energy technologies and companies.³⁰ The most prominent organization representing such industries has been the Business Council for Sustainable Energy (BCSE). More recently, however, actors from the financial services sector have joined the renewable energy lobby. As the volume of carbon trading has increased with the coming into force of GHG regulations, this sector has seized opportunities to develop new financial and insurance instruments, products and advisory services that facilitate trade and investment in emissions reduction projects. As such, many in the financial industries would benefit from more stringent regulations, which would increase trading and boost demand for their services. Similarly, with the growth of clean-tech ventures, an increasing number of investors could also profit from tighter caps on GHGs.³¹

BINGOs situated at the middle gray to the green end of the continuum usually employ tactics that correspond to Alpin and Hegarty's notion of information-based political strategies,³² defined here as information-based lobbying. Information-based lobbying may involve providing governments with expert advice, technical reports and position papers, and assisting decision-makers directly with policy formulation and the writing of legal texts.³³ The aim of information-based lobbying is to make industry preferences known to decision-makers, or to estimate and elucidate the costs and benefits for the market in relation to specific issue outcomes or regulatory designs.³⁴ Using networks established with key decision-makers in governments and international institutions to disseminate policy-relevant information and recommendations is considered to be the most effective means by which to provide input to the political process.³⁵ Some BINGOs however, in particular the WBCSD, also utilize what may be termed discursive tactics. This implies the strategic use of information, ideas and political discourse to construct broad policy arguments, frame debates and get issues on the agenda. Such strategies are thus comparable to those often employed by environmental NGOs.³⁶

Clearly, not all BINGOs can be placed in any one category. The intention

29. Boyle 2004.

30. BCSE 2006; and interview with Lisa Jacobsen, US Business Council for Sustainable Energy, Bali, 12 December 2007.

31. Labatt and White 2007, iv, 21 and 54; and interview with Daniel Rossetto, JP Morgan and IETA, Bali, 11 December 2007.

32. Alpin and Hegarty 1980.

33. Hillman and Hitt 1999, 834.

34. Alpin and Hegarty 1980.

35. Interview with Alders 2007; interview with Koch 2007; and interview with Stastny 2007.

36. See e.g., Keck and Sikkink 1998; Khagran et al. 2002; and Princen and Finger 1994.

of drawing up a continuum from gray to green is not to place each organization at a fixed point, but rather to provide the reader with a brief overview of the main business approaches to GHG regulation and the relationship among the different interests, mandates and strategies employed.

A Framework for Analyzing BINGO Influence in the Climate Negotiations

The framework for assessing BINGO influence draws on a methodology developed by Michele Betsill and Elisabeth Corell for analyzing NGO influence in international environmental negotiations.³⁷ Building on this framework facilitates a comparison of the impact of ENGO and BINGO activities and strategies in negotiations.

Following Knoke,³⁸ Betsill and Corell define influence as the process of one actor (A) intentionally transmitting information to another actor (B), which alters what B would do lacking such information.³⁹ However, while rightly defining a causal relationship between the behavior of actors A and B, this conceptualization fails to define the type of behavior being caused. The definition appears to imply that any response by B to the activities of A can be read as an indication of influence. A more precise definition should recognize that influence is also contingent upon the response of actor B reflecting the intentions of actor A. Therefore, influence is defined here as the activities of actor A bringing about intended effects in the behavior of actor B.

This definition can be interpreted as being related to a behavioral and relational notion of power: A having the power to get B to do something that B would not otherwise do.⁴⁰ While power and influence are intimately linked concepts, it is possible to distinguish between them. For example, influence can be defined as a relationship resulting in a modification of one actor's behavior by that of another, whereas power refers to capability, that is, the spectrum of resources available to actors.⁴¹ In both instances however, this approach conceives of power and influence as inherently behavioral and relational concepts—as things traceable to the actors' behavior—which is contingent upon the maintenance of access and communication channels among them.⁴²

Influence can be understood as a two-dimensional concept: While it is instigated by (i) the transmission of information (advocacy and lobbying) by one actor, it is also contingent upon causing intended effects in (ii) the behavior of other actors.⁴³ To gather evidence on the first dimension, one might look for in-

37. Betsill and Corell 2001. See also Corell and Betsill 2001.

38. Knoke 1990, 3.

39. Betsill and Corell 2001. See also Corell and Betsill 2001.

40. See Dahl 1957.

41. Cox and Jacobson 1973, 3.

42. Knoke 1990, 3.

43. Betsill and Corell 2001, 72.

formation regarding *how* actors attempt to exercise influence in negotiations. The following indicators are used to collect data for the first dimension:

1. *Access*: opportunities to participate and intervene in formal negotiating arenas, and access to national delegations (ratifying parties);
2. *Resources*: material resources (financial assets) or non-material resources (information and knowledge); and
3. *Activities*: interventions in negotiating sessions, working directly with negotiators on issues, various forms of lobbying, providing expert advice, disseminating knowledge, campaigning, and protests.

However, while access, activities and resources may be preconditions to influence, they do not automatically translate into influence. Rather, influence is dependent on the behavior of other actors (the second dimension) and whether the business groups' activities are successful in terms of fulfilling the goal(s) set for them. Following Keck and Sikkink,⁴⁴ this study seeks to identify "goal attainment" at different levels, that is, to assess whether political outcomes reflect the objectives of BINGOs. One might look for goal attainment both in relation to the *process* of negotiations—for example, by investigating whether negotiators discussed issues proposed by BINGOs—and in relation to the final *outcome*—by investigating whether final agreements reflect BINGO goals and principles, or contain text drafted by BINGOs. Thus it is possible to distinguish between *procedural influence* and *influence over negotiation outcomes*. However, while the concept of goal attainment may be used to indicate influence, it is potentially limited in terms of mapping patterns of causality. Indeed, one easily runs the risk of confusing correlation with causation. For example, some states may choose to adopt positions and policies that correspond to those of business lobbies, but for other reasons. Thus, after having established goal attainment, it is necessary to look for further evidence concerning what factors may have influenced states' positions and policies.

Process tracing is a technique often used to demonstrate causation. Zürn defines it as endeavoring to "assess causality by recording each element of the causal chain".⁴⁵ In this context, process tracing thus requires building a logical sequence of evidence linking BINGO lobbying and advocacy to process development, the behavior of delegations and decision outcomes. In other words, the observable activities of the "influencer"⁴⁶ must be spelled out, and the extent to which these activities affected the reasoning and behavior of "influencees" must be assessed.⁴⁷

44. Keck and Sikkink 1998, 25.

45. Zürn 1998, 640.

46. Following Knoke 1990, the analysis utilizes the terms "influencer" and "influencees", the former referring to those actors (x) attempting to exert influence, and the latter referring to those actors (y) that the other actors (x) are trying to influence.

47. See Zürn, 1998, 640; and Corell and Betsill 2001, 71.

This article also distinguishes between two levels of goal attainment. BINGO activities (advocacy and lobbying) can cause intended effects in both

1. The general position of a delegation on a given issue, and/or
2. The fine print and details of negotiation processes and decisions/regulations, e.g., the specific formulation of legal text and design of regulatory mechanisms.

Assessing and analyzing the second dimension of influence also warrants a clarification of the characteristics of potential “influencees” (states). One might discern three major groups of “influencees”. The first group consists of those delegations whose interests and positions on the issue in question correlate with the relevant business group(s). The correspondence between the interests of the “influencer” and the “influencees” makes it rather meaningless to talk about goal attainment or influence in relation to the first level identified above, the general position on a given issue. However, there is still a potential for business groups to influence delegations’ work on the fine print or details of decisions (second level). The second category of “influencees” consists of national delegations whose interests and positions on the issue in question clearly conflict with those of BINGO(s). Influencing the positions of these delegations (first level) is, due to their fundamentally differing views, likely to prove particularly difficult, if not impossible. Finally, the third group of “influencees” consists of national delegations whose interests and views in relation to the issue in question are uncertain, unstable or undecided. Often, delegates have insufficient knowledge and expertise related to an issue under negotiation and may in those cases look to other parties or nonstate actors, including business, for information and arguments necessary to develop their positions. These delegations are likely to be more susceptible to pressure, which renders them an important target for BINGOs in their attempt to influence both the issue position (the first level) and input on the details (the second level) of a decision. Thus, the three groups of “influencees” each represents a different strategic challenge, both in terms of how prone they are to BINGO advocacy and lobbying, and in terms of the level at which influence may be exercised.

The adoption of a framework grounded in relational and behavioral conceptions of power for assessing influence suffers several shortcomings. While the scope and impact of concrete lobbying and advocacy efforts by business groups can be assessed and analyzed within a relational approach, it may fail to capture more indirect, tacit and structural forms of influence and power. Indeed, the influences of business lobbies are often subtle rather than transparently visible. Governments may anticipate industry opposition to legislation that would harm their activities, which may result in the legislation’s being deemed undesirable.⁴⁸ Business is often implicitly influential by virtue of its positional power,

48. Newell and Paterson 1998, 687.

owing to its mere size, economic power and ubiquity.⁴⁹ Furthermore, the intimate link between state interests and capital accumulation in modern capitalist societies, with the state depending on economic growth to maintain legitimacy, implies that “those who organize the process (capital) gain great structural power with regard to state decision making.”⁵⁰ Given the centrality of fossil-fuel-based energy in twentieth-century economic growth, the regulation of GHG emissions fundamentally challenges the premises of modern industrial development. Thus the reluctance of many states to commit to binding regulations cannot be explained without reference to the structural power of the companies involved in the production of fossil-fuel energy, and to the state-industrial nexus.⁵¹ These types of indirect, tacit and structural forms of power cannot be captured by relational and behavioral approaches to studying business influence.

A relational approach also ignores the important relationship between power and knowledge. Indeed, power is more than something that is possessed and exercised by certain actors; it also is manifest in knowledge structures such as specific methods or techniques that shape, direct, constrain and modify social interaction and behavior.⁵² In these terms, influence may be derived from the power to develop and control various forms of knowledge and techniques. Falkner’s notion of corporate technological power highlights “the critical role that corporate actors play in shaping the knowledge framework of international environmental policymaking” by having the power to innovate, develop, diffuse and implement new technologies that help regime implementation.⁵³

Notwithstanding the good reasons that a study of business influence in the climate negotiations should be guided by a structural analysis, this paper adopts a relational approach to gathering data on business influence. While the structural argument has been developed elsewhere, the major aim of this article is to trace, illustrate and analyze a concrete process of business lobbying and advocacy at the international level. Certainly, this endeavor can hardly highlight all the ways in which business actors are powerful and exert influence in global environmental regimes. It can, however, add one piece to our understanding of the various ways that business exercises political influence, by illustrating how business organizes itself in the climate regime and by tracing the process in which it attempts to influence the ongoing negotiations.

While a relational approach can shed light on how business groups (endeavor to) exert influence, the focus on behavioral mechanisms does less to *explain* it. Rather than approaching an explanation from a structural perspective, this paper applies Falkner’s concept of corporate technological power in analyz-

49. Bachrach 1967, 80.

50. Newell and Paterson 1998, 691.

51. Newell and Paterson 1998. See also Levy and Egan 1998.

52. Lukes 1974; Foucault 1984; and Haugaard 2002.

53. Falkner 2005, 106–107.

ing the sources of business influence in the negotiations. This approach proceeds from the assumption that BINGOs contribute to the development of the regulatory discourse by virtue of their capacity to innovate, develop and implement climate mitigation technologies.

Understanding how domestic factors influence the politics and behavior of national delegations is crucial to the analysis of international politics. The dependence of governments on particular economic activities and industries, combined with the multitude of well-established access channels to politicians and decision-makers, provides business lobbies with a particular leverage to influence government policy at the domestic level.⁵⁴ Governments often formulate their positions and policies prior to the commencement of a COP/MOP.⁵⁵ Indeed, some BINGOs view efforts of the international BINGOs to influence delegations during negotiations as redundant, emphasizing instead the sway of national interest associations.⁵⁶ A complete analysis of business influence in the climate negotiations should therefore warrant a systematic assessment of the influence of industry groups at the national level. However, it is unfortunately beyond the scope of this study to explore both international- and domestic-level variables. Therefore, a choice was made to focus on the former because the aim of this paper is to illustrate *one* specific dimension of business influence, namely the international or transnational dimension. Indeed, most of the leading BINGOs such as the ICC, WBCSD, IPIECA and IETA emphasize the importance of this dimension to their work.⁵⁷ While studies of business power in international climate politics commonly focus on how business efforts at the national level have fed into the international process, studies of the transnational organization of business activities at the international level are less common. This study thus attempts to broaden our understanding of the nature and impact at the *international level* of business activities, which have been increasing since the adoption of the Kyoto Protocol,⁵⁸ notwithstanding arguments that the analysis ideally should be controlled for domestic-level variables.

The strategy for gathering data on the role and influence of BINGOs utilizes the so-called method of triangulation, i.e., the use of multiple data types and sources.⁵⁹ First, documentary analysis was conducted of relevant primary and secondary sources such as draft negotiation texts, country statements, lobbying material, final agreement texts, the *Earth Negotiations Bulletin*, the NGO newsletter *ECO*, press releases and media reports. Second, interviews and per-

54. See, for example, Levy and Egan 1998.

55. Interview with Harald Dovland and Per Stiansen, Norwegian Environment Ministry and Head of Norwegian delegation, Oslo, 19 October 2006.

56. Personal conversation with Jonathan Cobb, WNA, Nairobi, 6 November 2006; and personal conversation with Magnus Mori, WNA, Nairobi, 9 November 2006.

57. Interview with Koch 2007; interview with Alders 2007; interview with Stastny 2007; and interview with Warren 2006.

58. Interview with Frede Cappelen, Statoil and IPIECA/IETA. Oslo, 31 October 2006; and interview with Dovland and Stiansen 2006.

59. Miles and Huberman 1994.

sonal conversations⁶⁰ were conducted with BINGO staff and BINGO member corporations prior to, during and after negotiations. Some ENGOs and national delegates were also interviewed and consulted. Finally, much of the data gathering was enabled by direct observation by the researcher. Receiving formal accreditation by the International Chamber of Commerce enabled me to attend a wide range of closed BINGO meetings and to follow their activities intimately. This facilitated a large number of conversations with BINGO members, which proved essential to the process.

Indicating BINGO Influence: Access, Resources and Activities

Access: BINGOs enjoy considerable access to negotiating forums. All accredited nonstate actors are admitted to plenary sessions and contact groups.⁶¹ However, informal consultations, which are usually set up for the final stages of bargaining, are closed to observer organizations. BINGOs frequently “intervene” during negotiating sessions, that is, deliver formal position statements to delegates on particular agenda items. They also have both formal and informal access to the UNFCCC Secretariat. Closed consultative meetings between the BINGO constituency, the COP President, the Workshop Chairs and the Executive Secretary are arranged by the Secretariat throughout negotiations. These formal intervention opportunities and access channels are established for all the nonstate actor constituencies participating in the regime. The Secretariat appears to consider business access and input crucial to its work. According to the Executive Secretary and the COP President, the Secretariat has always “considered the views of business to be very important to the political processes”,⁶² and asserts that business “engagement in the process and with policy-makers makes a positive contribution.”⁶³ BINGOs also have formal and informal access to a multitude of national delegations. Informal network and social ties are invoked both during and outside of negotiations to make heard business preferences on particular policy and regulatory options.

Resources: Intellectual capital, in the form of technical knowledge and expertise, technological proficiency and innovation capacity, no doubt represents one of the most important and empowering resources of the BINGOs. Indeed, de facto ownership of specific mitigation technologies and methodologies and the

60. The distinction between interview and personal conversation is that all interviews were formally recorded, while personal conversations were not. During negotiations, participants often do not have the time to sit down for a formal interview. Some participants also request anonymity and thus the personal conversation format was used instead of the interview format.

61. However, observer organizations may be asked to leave a contact group if one-third of the parties object to their presence.

62. Quote from a statement by the Executive Secretary, Yvo de Boer, at a closed meeting between the President and the BINGO constituency, Nairobi, 8 November 2006.

63. Quote from a statement by the COP President at a closed meeting with the BINGO constituency, Nairobi, 10 November 2006.

ability of BINGOs and their members to calculate costs and benefits for the market in relation to particular regulatory options and implementation outcomes provide them with significant leverage in the negotiations.⁶⁴ Furthermore, financial assets represent an important resource. While BINGOs tend not to provide direct financial contributions to delegates, financial assets enable BINGOs to arrange fully catered side events, cocktail receptions, dinners and other social events during negotiations. These events are important networking arenas. BINGOs also benefit from considerable administrative resources, which help the companies navigate within the chaotic environment of the negotiations.

Activities: Numerous activities are usually undertaken at a COP/MOP. While some are coordinated and agreed upon by the constituency as a whole, others are performed by individual organizations alone or in coalition with other BINGOs. BINGOs hold daily meetings for the constituency members, intervene in the formal negotiating sessions,⁶⁵ arrange seminars and side events, and set up stands. Side events, such as seminars, presentations and panel discussions, are seen as an important way to raise critical debate and to explore issues that are not considered in the formal negotiations.⁶⁶ Stands provide interested parties with material such as reports and policy statements. BINGOs also host cocktail receptions and dinners for participants, which serve as informal meeting points for BINGO staff, companies, NGOs, national delegates and the secretariat.⁶⁷ Furthermore, BINGOs arrange private meetings with the secretariat staff and national delegations, distribute lobby documents and position papers, and assist delegates in the formulation and writing of legal texts in the final stages of negotiations. Indeed, BINGOs tend to approach any national delegation if they consider it helpful to promoting a particular goal.⁶⁸ For example, IETA has established a far-reaching network of working relationships with delegations worldwide. Communication and cooperation between business and state delegates during negotiations are dependent on who is involved in a particular negotiation, rather than contingent upon national ties. Moreover, BINGOs are also approached by delegates asking for input. According to IETA, the organization is generally involved in the drafting of legal texts in at least one or two contact groups at each COP. This implies that IETA staff and some of their members who are experts on the issue at stake sit down with the designated delegates to

64. Interview with Warren 2006; interview with Alders 2007; interview with Koch 2007; and interview with Stastny 2007.

65. At the COP/MOP 2, BINGOs made seven interventions in negotiating sessions.

66. At the COP/MOP 2, BINGOs hosted or co-hosted 24 side events. IETA arranged sixteen of these, some of them in collaboration with the World Bank.

67. At the COP/MOP 2, IETA hosted a dinner for the European Commission and the CDM Executive Board, and co-hosted a lunch with the World Bank for the heads of delegations and the Secretariat. The WBCSD President, moreover, was the keynote speaker at a dinner and a lunch for the newly arrived ministers during the high-level segment of negotiations.

68. Interview with Alders 2007.

work out viable text options for a particular decision. As the IETA Secretariat put it, "We sometimes get very clear questions: what is it that *you* want and how can we achieve that?"⁶⁹

Tracing a Process of BINGO Influence: The Case of Carbon Capture and Storage in the Clean Development Mechanism

This section illustrates how BINGOs seek to influence negotiations at the international level, by looking specifically at the issue of including (geological) Carbon Capture and Storage (CCS) technologies as a mitigation option in the regime, through an approval of CCS as project activity under the Clean Development Mechanism (CDM).⁷⁰ CCS is "a process consisting of the separation of CO₂ from industrial and energy-related sources, transport to a storage location and long-term isolation from the atmosphere."⁷¹ Stable geological formations such as hydrocarbon fields and aquifers are currently considered the most viable locations for storage.⁷² According to the International Energy Agency, CCS could provide for up to 55 percent of the emissions reductions necessary to stabilize global warming by 2050; if the right action is taken to increase investment and development of the technology, CCS could become an essential technology in the transition to a sustainable energy system during the next 50 to 100 years.⁷³ Several issues related to safety and environmental risk may need further research and assessment, particularly regarding leakage of CO₂ from storage sites. Nevertheless, with appropriate site selection, monitoring programs, regulatory systems and methods to stop or control CO₂ leakage, it is very likely that 99 percent of stored CO₂ can be retained in geological reservoirs over a period of 1000 years.⁷⁴

Although the concept of CCS has only recently been introduced in the UNFCCC, it is increasingly recognized as one of the main future GHG mitigation options available. However, while the Kyoto Protocol indirectly recognizes CCS under article 2.1 (a) (iv) by its reference to carbon sequestration technologies, there is no explicit mention of CCS in the Convention or the Protocol.

The fact that CCS offers the opportunity to continue using fossil fuels without significant CO₂ emissions makes it an attractive solution for the oil, gas and coal sectors. Indeed, several fossil-fuel-producing industries and governments have already devoted considerable resources to the development and deployment of CCS.⁷⁵ CCS technologies originate from the oil and gas industry, including companies such as ChevronTexaco, Shell and ExxonMobil, which first

69. Interview with Alders 2007.

70. For information about the CDM, see <http://cdm.unfccc.int/index.html>.

71. IPCC 2005, 3.

72. Torvanger et al. 2005, 694.

73. International Energy Agency 2004, 3.

74. IPCC 2005, 12–14.

75. IPIECA side event on CCS at the COP/MOP 2, Nairobi, 6 November 2006.

developed CCS for the purpose of enhanced oil recovery (EOR). Statoil's "Sleipner Project" in the North Sea, which captures and stores CO₂ in underground geological formations, was the first CCS project initiated for the purpose of reducing GHGs, an innovation put in practice in response to the introduction of the Norwegian CO₂ tax in the early 1990s.⁷⁶ Statoil, in partnership with the Norwegian government, has also commenced building the world's largest gas-powered electricity generation facility (Mongstad) with CCS, scheduled to be completely operational by 2014. The coal industry, for their part, also view CCS as one of the major technological solutions that will enable coal to meet its environmental challenges, and are currently making considerable investment in research and development of CCS for coal-fired power generation facilities.⁷⁷ It is clear that the survival of fossil fuels as a major energy source in a carbon-constrained world is contingent upon CCS technologies' being successfully developed and approved. Thus, companies and BINGOs representing the fossil-fuel sectors have a vested interest in seeing CCS recognized as a mitigation option within the climate regime.

According to business, the widespread deployment of CCS is currently uneconomical, and policy and regulatory frameworks are required in the near term to provide financial incentives to stimulate investment if CCS is to contribute to global GHG emissions reductions. Because of its current uncertain status in the international regime, there have been few incentives for companies to invest in the research and development of geological CCS.⁷⁸ Therefore, business views the inclusion of CCS in the CDM as an important way to provide incentives for investments in further development and commercialization of the technology.⁷⁹ Business groups also believe there to be few negative impacts of deploying CCS on a full scale, and that with appropriate site selection and the development and utilization of appropriate monitoring systems, CCS can be conducted safely and with environmental integrity.⁸⁰ The ENGOs and the Climate Action Network (CAN), on the other hand, argue that accepting CCS within the Kyoto framework is problematic because it may divert and delay a long-wanted shift from the use of fossil fuels to renewables.⁸¹ CAN also considers CCS an unviable option under the CDM because no regulatory framework is currently in place to address the monitoring and verification of emissions reductions, and to ensure that CO₂ will be safely stored. If CCS were to be included in the CDM, it could

76. Interview with Cappelen 2006; interview with Warren 2006; and IPIECA side event on CCS, Nairobi, 7 November 2006.

77. Interview with Christine Copley, World Coal Institute, London, 30 October 2006.

78. Torvanger et al. 2005, 700.

79. Letter to the European Presidency, Pirkko Heikinheimo, Environmental Protection Department, Ministry of the Environment, Finland, from IETA President Andrei Marcu, 4 October 2006.

80. Letter to Ms. Christine Zumkeller from IETA, signed by Andrei Marcu, Geneva, 7 February 2006; and IPIECA submission to the UNFCCC Secretariat, February 2006.

81. Interview with Gabriela von Goerne, Greenpeace/Climate Action Network, COP/MOP 2, Nairobi, 14 November 2006.

divert investments from renewables, energy efficiency and small-scale projects that have direct benefits for local communities.⁸² There is also disagreement between major groups of national governments on whether CCS represents a viable climate-change mitigation option. Some parties, most notably major oil and gas producing countries such as Norway and the OPEC countries, but also Japan and the European Union (EU), have expressed support for including CCS as a CDM project activity. Others parties, including Brazil and several other Latin American countries, do not recognize this option. The opposition argues that CCS technologies are being pushed too fast in view of the many uncertainties, their limited geographical application and the risk that an increase in CCS project activities would divert investments from renewables.⁸³

The fact that CCS as a mitigation option might provide significant emissions reductions by 2050, if recognized in the regime and implemented on a full-scale basis, makes it an interesting case for study. The currently unresolved status of this technology and the disagreement between business, environmental NGOs and national governments also provide fertile ground for analyzing influence and power. The following section gives an account of key events as well as major BINGO and ENGO activities that led up to the adoption of decision FCCC/KP/CMP/2006/L.8 at the COP 12/MOP 2 in Nairobi (2006) and decision FCCC/SBSTA/2007/L.19 at COP 13/CMP 3 in Bali (2007) regarding CCS in CDM.⁸⁴ The aim of this section is to demonstrate *how* the efforts to influence the negotiation process transpired.

Prior to the Nairobi conference, IETA and IPIECA wrote to the EU Presidency and UNFCCC Secretariat,⁸⁵ urging them to promote the approval of CCS as a CDM project activity at the COP 12/MOP 2.⁸⁶ IPIECA and IETA also held two side events on CCS as a mitigation option at the beginning of the Nairobi meeting, which were widely attended by government delegates. When delegates formally discussed the issue, first during a plenary session and later during a contact group, the IETA President made two interventions arguing for the inclusion of CCS in the CDM. A group of experts on CCS from the BINGO constituency also wrote a position paper entitled “Ad-Hoc Expert Group Statement on Carbon Capture and Geological Storage (CCS) in the Clean Development Mechanism (CDM)”, which was widely distributed at the conference. The statement recommended that “a working group be set up under the UNFCCC process . . . to enhance capacity building on CCS . . . and to enable CCS within the CDM by COP/MOP 3 [2007]”, argued that that the COP/MOP 2 decision must not impede the development of CCS, and recommended that Parties support

82. See the ENGO newsletter *ECO*, Nairobi, 9 November 2006.

83. Plenary debate on CDM, Nairobi, 9 November 2006; and contact groups, Nairobi, 10 November and 16 November 2006.

84. UNFCCC 2006b; and UNFCCC 2007.

85. Letter to Ms. Christine Zumkeller from IETA, signed by Andrei Marcu, Geneva, 7 February 2006; and IPIECA submission to the UNFCCC Secretariat, February 2006.

86. Letter from IETA President Andrei Marcu to the European Presidency Pirkko Heikinheimo, Environmental Protection Department, Ministry of the Environment, Finland, 4 October 2006.

capacity building and deployment of the technology to avoid increases in emissions. Twelve industry representatives signed the statement, including IPIECA, IETA, and the ICC. Throughout the two weeks of negotiations, IETA and IPIECA also lobbied several delegations directly, including the EU, Norway, the Latin American delegations and some African delegations.⁸⁷ The EU and Norway assured them that they would promote CCS as CDM methodology in the informal consultations, and encouraged the BINGOs to approach other delegates to demonstrate—based on industry experience—that carbon can be safely stored and monitored in the long term, and that a rejection of CCS would affect technological development negatively.⁸⁸ BINGO efforts to persuade the Latin Americans, however, were unsuccessful. Apparently, these delegations had brokered a deal with Brazil to oppose CCS in the CDM prior to the negotiations. Brazil's firm opposition was known to the BINGOs from previous unsuccessful attempts to lobby for a change in their position.⁸⁹ However, lobbying the African delegations proved relatively successful. When the issue was first raised in the plenary, several African delegations spoke out against CCS in the CDM, and expressed concern over the inequitable geographical distribution and high costs of CDM projects. In the contact groups, however, the African countries refrained from opposing approval of CCS, which indicated a shift in their position.⁹⁰ Indeed, between the plenary session and the contact groups, IETA and IPIECA met with these delegations to try to convince them of the positive effects of approving CCS for Africa, which could receive increased private-sector investments in project activities through the CDM. The appearance of a leading Batswana delegate⁹¹ in the panel of an IETA side-event on CCS at the end of the Nairobi meeting—supporting CCS in the CDM and arguing that the approval of the technology would benefit industrial development and climate mitigation in Africa—also indicates a change in position.

Meanwhile, the ENGOS did their share of lobbying against CCS in the CDM in Nairobi. The Climate Action Network (CAN) on behalf of the ENGOS intervened in the plenary meeting and the contact group, and met with a number of delegations, including the EU, Norway, AOSIS and some developing countries. While AOSIS and some of the Latin American delegations supported the ENGOS, their efforts to challenge the EU position were unsuccessful.⁹² CAN also challenged the Norwegians on several occasions. This resulted in a retort from the head of delegation: "We cannot defend anyone who attempts, simply

87. Research observation and conversation with BINGO members in Nairobi, November 2006; and interview with Alders 2007.

88. Conversation with IPIECA representative, Nairobi, 8 November 2006; statement by IETA and IPIECA members at BINGO meeting, Nairobi, 9 November 2006; and statement by head of Norwegian delegation, Harald Dovland, Nairobi, 14 November 2006.

89. Conversations with IPIECA and IETA members, Nairobi, 10 November and 14 November 2006.

90. Statements made during Contact Group negotiations on the CDM; and conversations with IETA and IPIECA representatives, Nairobi, 14 November 2006.

91. Mr. David Lesolle.

92. Interview with Goerne 2006.

by principle, to exclude one of the most promising technologies for emissions reductions from a mechanism like the CDM [. . .] Norway is a frontrunner in this technology and the current government intends to continue to push for recognition of it. Including it in the CDM represents a way to create incentives for CCS.”⁹³ CAN’s “fossil of the day” prize, which is granted to the main “laggards” during negotiations, was on several occasions given to delegations supporting CCS in the CDM. The ENGO newsletter *ECO*, which is widely read by all participants in the negotiations, also took several swipes at CCS supporters in their advocacy articles.⁹⁴

The Nairobi decision on CCS in the CDM⁹⁵ did not make a final ruling. While it requested the CDM Executive Board to continue to *consider* CCS projects, it did not yet allow the Board to *approve* them. Instead, intergovernmental organizations, NGOs and parties were asked to submit more information addressing technical issues to the UNFCCC Secretariat, to provide a basis for the Subsidiary Body for Scientific and Technological Advice (SBSTA) to make an assessment and recommendation to the Kyoto Parties. The decision scheduled a reconsideration of the issue at the Bali meeting in 2007, with a view to reaching a final agreement at the Poznan conference in 2008. While it did not prohibit CCS, the decision to request that the CDM Executive Board continue to consider CCS projects meant that final approval of CCS methodologies can only occur after *further guidance* from the Kyoto Parties. The decision, furthermore, invited intergovernmental organizations, NGOs and parties to submit more information addressing technical issues to the UNFCCC Secretariat, and requested SBSTA to compile this information and prepare recommendations on CCS as CDM project activities for consideration at the Bali meeting in 2007, with a view to taking a decision at the at Poznan conference in 2008.

Between the Nairobi and the Bali meeting, two workshops called “CCS and CDM: A Capacity Building Effort in Africa” were held in Senegal⁹⁶ in September 2007. Shell and Statoil established the workshops upon the suggestion of the Energy Research Centre of the Netherlands (ECN), which was responsible for implementing the workshops. While Shell and Statoil were the main founders and sponsors; the Norwegian Ministry of Foreign Affairs and the UK Department of Business, Enterprise and Regulatory Reform supported the project; and the UNFCCC, UNEP, the IPCC, the IEA and the European Commission also acted as formal collaboration partners. According to the ECN, the main objective of the workshops was to provide African delegates, companies and NGOs with reliable information about CCS technologies, in order for them to make an informed decision about CCS in the CDM. However, the underlying expectation

93. Statement by Harald Dovland (translated by author) on a meeting between the Norwegian delegation and Norwegian observer organizations, Nairobi, 14 November 2006.

94. Of particular notice was the 9 November issue (prior to the first negotiating session), which devoted nearly a page to advocating against CCS in the CDM.

95. UNFCCC 2006a.

96. See <http://www.ccs-africa.org/home/>.

Table 2
Process Timeline for Main Activities and Events in the Negotiation of CCS in the CDM 2006–2007

1. [February–October 2006]: BINGO letters to UNFCCC Secretariat and the EU	2. [7 November 2006]: BINGO side events on CCS	3. [9 November 2006]: ENGO anti-CCS statement in ECO	4. [9 November 2006]: Plenary session on CCS in the CDM; BINGO and ENGO intervention	5. [10 November 2006]: Contact Group on CCS in the CDM; BINGO and ENGO intervention	6. [11 November 2006]: Fossil of the Day Prize awarded to pro-CCS delegations	7. [11 November 2006]: Informal consultation starts
8. [11–14 November 2006]: BINGO lobbying: The EU, Norway, African and Latin American delegations	9. [11–14 November 2006]: ENGO lobbying: The EU, Norway, AOSIS, African and Latin American delegations	10. [12–15 November 2006]: Distribution of BINGO position/lobby paper on CCS	11. [14 November 2006]: BINGO side event on CCS; African delegate gave pro-CCS speech	12. [16 November 2006]: Decision FCCC/KP/CMP/2206/L.8	13. [6–11 September 2007]: CCS-Africa Workshops: Capacity-building for CCS in the CDM in Africa	14. [10 December 2007]: Decision FCCC/SBSTA/2007/L.19

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was that the workshop would influence African delegates to support the approval of CCS in the CDM.⁹⁷

Because decision FCCC/KP/CMP/2006/L.8 established the COP 14/CMP 4 in 2008 as the designated forum for reaching a final decision on the issue, BINGO and ENGO lobbying and advocacy in Bali was insignificant. However, in a SBSTA contact group on CCS in the CDM at the Bali meeting, Nigeria—representing the Group of African Countries—spoke out in support of CCS. This intervention represented a major shift in position, from initial opposition at the first plenary session in Nairobi to pro-CCS advocacy in Bali. As expected, however, the decision adopted at the Bali conference⁹⁸ did not make a final ruling on the issue, but allowed for further submissions and one more meeting under SBSTA before the COP 14/CMP 4 in 2008.

Assessing BINGO Efforts: Goal Attainment and Influence

Having demonstrated how business groups have tried to influence the negotiations on CCS in the CDM, this section seeks to evaluate the success of these efforts. First, this involves assessing goal attainment: whether the decisions and/or the position of delegations reflect the objectives of business. As regards the decisions, while the BINGOs did not achieve their ultimate goal of CCS approval—since the decisions did not prohibit submission of projects using CCS—their efforts may be read as relatively successful compared to the ENGOs who wanted CCS ruled out. As IETA argued, “business achieved what it could achieve, which means that CCS is still on the agenda . . . [due to the opposition from ENGOs and some prominent Parties] it was certainly expected that there was a serious risk that there would be a very negative response . . . that CCS would be ruled totally out.”⁹⁹ Furthermore, the Ad-Hoc Expert Group’s recommendation to establish a working group to enhance capacity building and discuss unresolved technical and legal issues is partly reflected in decision FCCC/KP/CMP/2006/L.8, which requests additional workshops, submissions from parties and stakeholders, and further analysis of the technical issues at stake before a final decision is taken. Nevertheless, because final approval of CCS in the CDM was not successfully negotiated, it makes more sense to investigate BINGO goal attainment in relation to procedural developments than to the final outcome.

However, while the establishment of procedural goal attainment demonstrates correlation, it does not necessarily prove causality and thus influence. To establish procedural influence it is necessary to further investigate the causes of goal attainment at each of the two levels outlined in the methodology: first, in relation to state positions, and second, the fine print/details of regulations. As previously noted, influence is contingent upon how and whether the activities

97. E-mail correspondence with Heleen C. Coninck, Energy Research Centre of the Netherlands, 21 February 2008.

98. UNFCCC 2007.

99. Interview with Alders 2007.

of the “influencer” (BINGOs) brought about the intended effects in the behavior of the “influencees” (delegations). The research framework distinguishes between three major groups of “influencees”: i) delegations with corresponding/similar interests and positions; ii) delegations with opposing interests and positions, and iii) delegations with undetermined interests and positions.

The first group of influencees consists mainly of oil-, gas- and coal-producing countries, including Japan, the United States, Australia, Canada, Norway, Qatar, Saudi Arabia, Iran, and Kuwait, as well as the EU. These states’ economic dependency on the extraction of fossil fuels makes them structurally dependent on the continued survival of the fossil-fuel industry. Because the recognition of CCS as a mitigation option would enable these countries to continue to extract fossil fuels *and* reduce their emissions, it is certainly in their interest to approve CCS as a CDM project methodology. Many of these countries have already invested heavily in research and development of CCS technologies and projects.¹⁰⁰ For example, several medium- and large-scale CCS projects are under consideration in Australia.¹⁰¹ Norway publicly aspires to become a leading country on CCS, and intends to export this technology to developing countries such as China and Indonesia.¹⁰² In partnership with major companies such as Statoil, Shell and Aker Kværner, several of the world’s largest and most ambitious CCS projects are currently under development and construction in Norway.¹⁰³ The EU also supports the inclusion of CCS in the CDM, as long as outstanding methodological and technical issues are satisfactorily resolved. With a current research portfolio on CCS worth over 170 million and several CCS initiatives currently running in EU countries,¹⁰⁴ it is clear that it is in the interest of the Commission and many of the member states to have CCS approved. From a structural perspective, the positions of these countries on CCS may be seen as essentially determined by the interests vested in the state-industrial nexus of the fossil-fuel sector. Therefore, business interests may be interpreted as preconditioning the positions of these delegations. From a relational approach, however, assessing BINGO influence on their positions (the first level) is irrelevant, as their interests correlate to begin with. Yet, BINGOs may still exercise considerable influence on formulation of the details and fine print (the second level). The wording of the EU position, which notes the need to resolve several technical issues before CCS could qualify as a CDM methodology,¹⁰⁵ indicates that there is considerable room for exercising influence on the details, which would ultimately also feed into the formulation of their position (the first level).

100. Parties’ submissions to and statements made during the SBSTA workshop on CCS prior to the Nairobi meeting demonstrate the link between their positions and national economic interests; see FCCC/SBSTA/2006/7 and UNFCCC 2006a.

101. FCCC/SBSTA/2006/7.

102. Statement by Gro Harlem Brundtland, speech to the UN Commission on Sustainable Development, Fifteenth Session, 10 May 2007.

103. For example, the gas-powered generation facility at Mongstad and Kårstø.

104. FCCC/SBSTA/2006/7.

105. FCCC/SBSTA/2006/7; and UNFCCC 2006a.

IETA, and in particular IPIECA, representing the oil and gas sector from which the development of CCS originates, possess much of the capacity for technological innovation to further develop CCS as a mitigation option. They also have the necessary (technical) knowledge and expertise to develop satisfactory project methodologies and to resolve matters such as project boundary and safety issues, possible accounting methods for long-term leakage, permanence, site selection, monitoring methodologies, long-term liability, and the operation of reservoirs. Industry's capacity and expertise as such clearly provide them with a particular leverage vis-à-vis the ENGOs in the attempt to influence the decision-making process, and in terms of being able to act as consultants to delegations in the policy and regulatory formulation regarding the inclusion of CCS in the regime. The EU's lead negotiator on CCS in the CDM confirmed the use of industry expertise during negotiations, noting, "While we always attempt to consider the views of *all* the major observer groups, in the case of CCS it was industry that had practical experience and expertise to share."¹⁰⁶ Business actors' central role in the process of negotiating the details of a CCS decision is also evident by their active role during the SBSTA workshop, where members of IPIECA were asked to make five presentations on technical and regulatory issues, while the ENGOs made only one. These factors indicate that the technological innovation capacity and knowledge of IPIECA, IETA and their member companies enabled them to successfully exercise some influence on the details of the decision on CCS in the CDM and, more broadly, on the development of a common approach to CCS as a mitigation option, including possibilities for managing and regulating CCS project activities under the CDM.

The second group of "influencees", the delegations opposing CCS in the CDM, includes Brazil and some other Latin American countries. Brazil has received a high share of investment through the CDM in renewable energy projects, such as biomass and solar energy. It therefore appears to be in Brazil's economic interests to exclude CCS from the CDM to minimize the risk that investments will be diverted elsewhere. The other Latin American delegations, for reasons unknown, appear to have brokered a deal with Brazil to support their position. As expected, BINGO advocacy and lobbying towards these delegations were unsuccessful, despite the apparently good working relationship between IETA and the Latin American countries.¹⁰⁷ There is thus no evidence of successful goal attainment on either level as regards this group of delegations.

The final group of "influencees" consists of delegations whose positions on CCS in the CDM were more or less undecided at the commencement of the Nairobi meeting. These include the African delegations, some South Asian and Southeast Asian countries, and the Alliance of Small Island States (AOSIS). Because of the lack of clear similarity between these groups' positions and the

106. E-mail correspondence with Matt Allen, Department for Environment, Food and Rural Affairs, UK, and EU lead negotiator on CCS in the CDM, Nairobi, 22 January 2007.

107. Interview with Alders 2007.

BINGO position, a further assessment of first-level goal attainment is warranted. In the case of AOSIS and the Asian countries, BINGOs made few visible efforts to lobby these groups, and there is no correlation in position. AOSIS has remained true to its long-standing alliance with the ENGOs¹⁰⁸ and opposed CCS in the CDM. While China has not announced its position on the issue, India came out against CCS in the CDM in the Bali contact group.¹⁰⁹ As regards the African delegations, however, the data indicate both correlation and causation. Indeed, the positions of the African delegations changed from initial opposition in Nairobi to explicit support in Bali. The apparent change in their position during the Nairobi conference corresponds with BINGOs' efforts to convince African delegates of the benefits of CCS in the CDM, while the explicit shift in position that became evident in the Bali contact group matches the intention of the CCS-Africa workshops held prior to the meeting. According to Shell, one of the main founders and organizers of CCS-Africa, the workshops made a significant contribution to the shift in position from Nairobi to Bali.¹¹⁰

While it is clearly possible to establish first-level BINGO goal attainment towards the African delegations, establishing causation, and thus influence, is problematic. Unfortunately, no African delegate was willing to comment on the degree to which business actors influenced the change in position. Indeed, while the BINGOs and the CCS-Africa workshop organizers viewed their efforts as successful,¹¹¹ perceptions of influence can be exaggerated. Therefore, while there is clear evidence of correlation, one can only make a cautious assumption as regards causation between business activities and the positions of the African delegations.

Explaining BINGO Efforts: How and Why Are BINGOs Influential?

The case demonstrates the various ways in which BINGOs seek to influence climate negotiations at the international level. Formal and informal access and communication channels between BINGO staff/members, national delegations and the secretariat facilitate the transmission and exchange of views and information, which may take on various forms ranging from formal letters and policy statements to ad-hoc advocacy papers, workshops and formal or informal meetings. BINGOs lobby a wide range of delegations and secretariat staff during negotiations, including delegations from developing countries, LDC and staff from the UNFCCC subsidiary working bodies. They also cooperate with international institutions to establish arenas for knowledge dissemination and thus

108. See Leggett 2001.

109. Both countries have the potential to receive investments in CCS through the CDM—China particularly due to its large number of coal-fired plants. However, support for CCS may create political tension within the G-7 considering the number of developing countries that are currently opposed to the technology.

110. E-mail correspondence with Wolfgang Heidung, Shell and IPIECA/IETA, 21 February 2008.

111. Research observation and conversations with BINGO members.

information-based advocacy, as was evident with the CCS-Africa workshop. As such, business influence at the international level is enabled by their capacity to draw on established networks of relationships with decision-makers. The case, therefore, does not support the conventional assumption—as posed by Hirst and Thompson¹¹²—that corporations are less inclined to be transnational agents than are NGOs. These findings also differ from previous research on channels of corporate influence in the climate negotiations, which found that business influence at the international level has been limited due to the absence of social ties between industry groups and country delegates and the apparent insulation of international institutions from business pressures.¹¹³ The case illustrates the relatively recent change in business organization within the climate regime, which may be noted since the adoption of the Kyoto Protocol and its associated flexibility mechanisms.

The CCS case illustrates how BINGO influence within the climate negotiations may be conceptualized as a form of “technological power.”¹¹⁴ Business’s control and ownership of energy technologies, and its ability to draw on technological expertise and know-how in the context of negotiations, constitute an important source of power. In the climate regime, innovation processes that originate and stem from industry research and practice drive much of the development of new mitigation technologies and regulatory instruments. Indeed, this was the case with geological CCS, which is increasingly recognized as a mitigation option with great potential to reduce emissions on a global basis. Corporate power can therefore be conceptualized partly in structural terms, as derived from business’s innovation capacity and control and ownership of mitigation technologies. But technological power also provides a source of influence in a more relational sense. Business’s expertise and possession of technological information enables it to influence the views and positions of other actors, and the development of policy and regulatory text. In this case, it is clear that IPIECA’s and IETA’s expertise in the field of CCS technologies provided them with a privileged position vis-à-vis the ENGOs in terms of providing input to delegates on the issue, particularly as regards the details of regulatory design. The CCS-Africa workshops, too, illustrate how business’ capacity as technological innovators attributes to them legitimacy as sources of policy-relevant knowledge and as political players. In this case, such legitimacy enabled them to arrange workshops in collaboration with highly acclaimed research institutions and international organizations such as the IEA, IPCC and UNEP, through which business can disseminate information and engage in information-based lobbying and advocacy. As such, the case exemplifies how technological power allows BINGOs “to play a decisive role in shaping regulatory discourses, particularly with regard to the design and phasing of environmental regulations.”¹¹⁵

112. Hirst and Thompson 1996.

113. Levy and Egan 1998, 106–107.

114. Falkner 2005, 106.

115. Falkner 2005, 107.

Conclusion

This article has assessed the nature, scope and effect of the activities and strategies of Business and Industry NGOs (BINGOs) within the international negotiations of the Kyoto Mechanisms under the UNFCCC. The BINGO constituency constitutes an increasingly diverse group of organizations with differing views on climate change mitigation and GHG regulation. Placing BINGOs that are active in the regime along a continuum from “gray” to “green”, it is evident that business activities and mandates have moved towards the green(er) end of the spectrum, reflecting a more general shift in corporate strategies from opposition towards more accommodative and constructive approaches to climate change mitigation.

The paper developed a methodology for measuring and analyzing the influence of BINGOs in the regime. The methodology combines an examination of *how* BINGOs attempt to exercise influence (by looking at access, resources and activities) with an assessment of goal attainment and its determinants in relation to both the negotiation process and the final outcome. This framework was applied to a case study of the negotiation of Carbon Capture and Storage (CCS) technologies as a mitigation option under the CDM. The review of BINGO activities showed that BINGOs appear to have exercised considerable influence on the *process* of negotiating a regulatory design for including CCS as a CDM project activity. The case also established BINGO goal attainment vis-à-vis the African delegations, which changed their position from opposition to support for CCS in the CDM from the Nairobi to the Bali meeting. While the case also indicates causation between BINGO lobbying and advocacy efforts and the position of group of African delegations, the evidence only warrants a cautious inference of the influence of BINGOs in this particular case.

In contrast to previous research on business influence in the climate negotiations, this paper has demonstrated how BINGOs strategically utilize networks, informal relationships and social ties with a multitude of delegations, international organizations and UNFCCC secretariat staff to disseminate information about business preferences and put pressure on decision-makers. Consequently, transnational networks appear to facilitate business efforts to influence the negotiation process at the international level, which corresponds to a growing emphasis on the regulatory effects of networks in the literature.¹¹⁶ It is also evident that the technological ownership, innovation capacities and know-how of BINGOs and their members provide them with particular capabilities and leverage vis-à-vis other nonstate actors. Technological power enables business to influence delegations and to play a central role in the shaping of regulatory frameworks for climate change mitigation.

116. Haas 1992; Keck and Sikkink 1998; Reinecke and Deng 2000; Thompson 2003; Slaughter 2004; and Djelic and Sahlin-Andersson 2006.

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