Pictures from the Carbon “Offset” Market

INDIA

In the flat farmland outside Raipur, the capital of India’s Chhatisgarh state, factory after factory producing sponge iron for export to China pumps out smoke that dims the sun and blackens trees, soil and workers’ faces alike. . . .

Here, as in hundreds of other locations around the world, polluting private companies are setting up new ‘profit centres’ to capture green finance. . . .

In return for documents claiming that they are “cleaning up” part of their operations, industries such as Chhatisgarh’s crude iron works hope to sell carbon credits to Europeans, Japanese or North Americans bent on compensating for some of the CO_2 emissions of their factories and cars. . . .

But to many Indian activists, the Chhatisgarh iron magnates’ plans look like little more than opportunism on the part of a dirty and exploitative industry.

With or without efficiency improvements, Chhatisgarh's largely coal-fired iron works will continue to spoil farmland and crops, displace villagers, and damage the health of local residents. . . .

. . . deplete and contaminate water reserves (here water is being abstracted from a nearby river for the plants) . . . .

- Closure orders were slapped on several of these plants for pollution violations in December 2006.

- Similar plants in Karnataka have already-registered CDM projects that are described by even an ex-member of the CDM Methodological Panel as blatantly business as usual.

Out of fear for their livelihoods, residents of one affected local village, Charenga, have even resorted to vigilante action to block company access to a recently-built factory nearby. Today the plant lies idle. . . .

One Charenga villager was arrested in her fields one morning on trumped-up charges of murdering another villager who had supported the plant, and jailed for 4 months, during which time her husband died. Villagers say the murdered villager was actually killed by the sponge iron factory owners themselves in order to frame the villagers for illegal acts. Such gambits are standard operating procedure for corporations operating in rural India.

BRAZIL

Plantar's carbon project, Minas Gerais

- Part of the World Bank Prototype Carbon Fund (PCF)
- Carbon credits will finance expansion of already vast eucalyptus plantations by another 23,100ha
- After approx. 7 years trees will be cut to make charcoal – produce pig iron – make steel – manufacture cars – allow more CO_2 in the atmosphere

FASE/ES – 10/02

16 Eucalipto com cerca de 04 anos, sem sub bosque
FAZENDA PÉ DO MORRO – Bocaiúva

FASE/ES – 10/02

14 Lagoa secando – APP ausente – Área de preservação permanente – No fundo, eucalipto da PLANTAR com 02 anos
CÓRREGO BURITI – Felixlândia

Laguna secándose - Área de Preservación Permanente ausente. Al fondo eucaliptos de Plantar de dos años Riachuelo Buriti - Felixlândia
A lagoon drying up - absent Permanent Preservation Area. At the back, two years-old eucalyptus trees belonging to Plantar. Buriti Stream - Felixlândia

Charcoal

“The eucalyptus planted over here is meant for charcoal. It is a disaster for us. They say it provides jobs, but the maximum is 600 work places in a plantation of 35,000 hectares. And, when everything has been planted, one has to wait for six years. So, what work does it generate?”

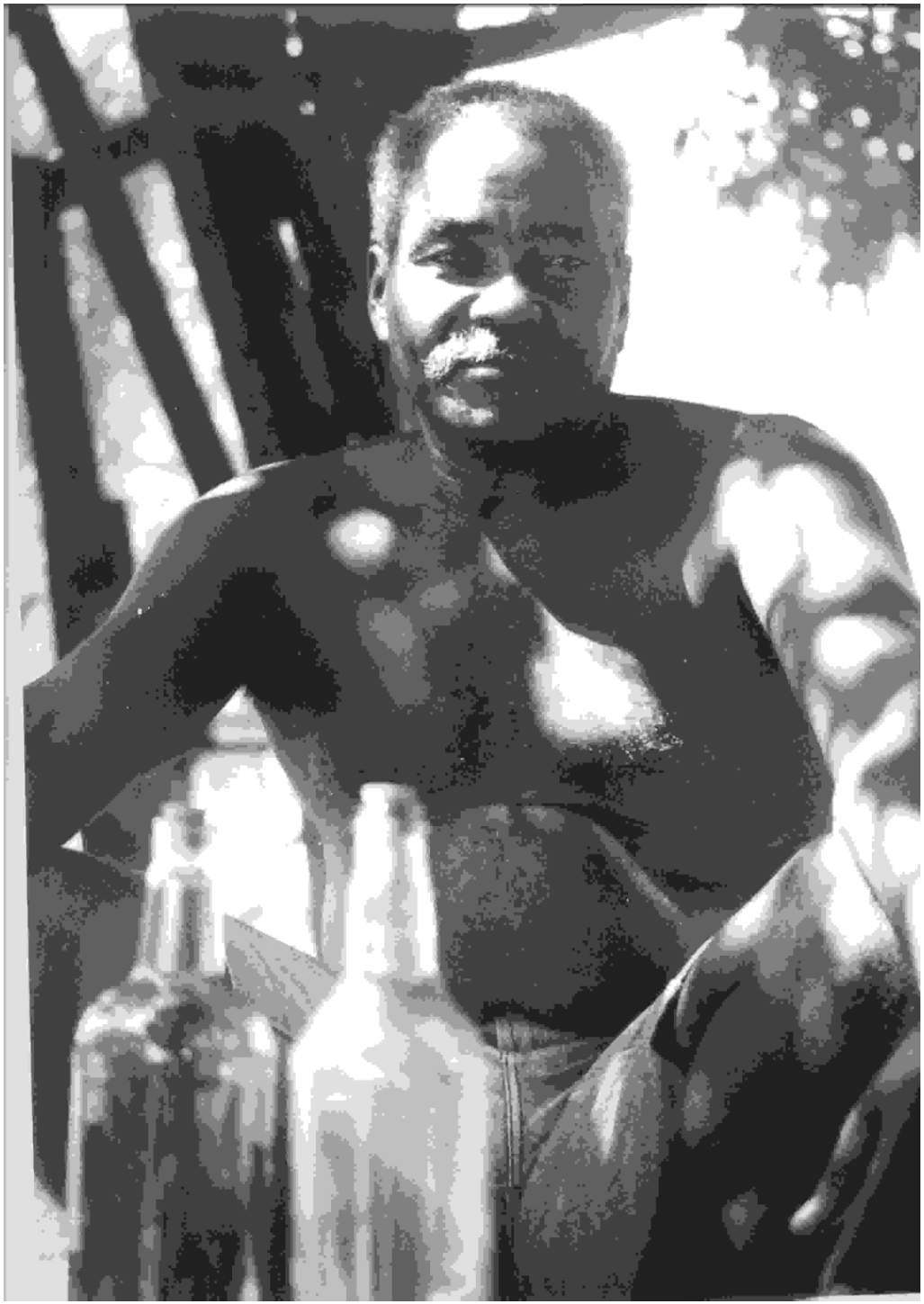

DIGA NÃO AO DESERTO VERDE

“The argument that producing pig iron from charcoal is less bad than producing it from coal is a sinister strategy . . . What about the emissions that still happen in the pig iron industry? What we really need are investments in clean energies that contribute to the cultural, social and economic well-being of local populations.”

Letter from 50 trade unions, local groups and academics, Minas Gerais, Brazil

Demonstration against *deserto verde*, Espirito Santo, Brazil, 2005.

“We used to produce coffee and pasta and cotton. Several different little factories in their suitable regions. Nowadays, there is only the eucalyptus. It has destroyed everything else. . . . Why do they come to plant in the land suited for agriculture instead of most suitable areas? Because it takes ten to 20 years and over here only seven. All the best pieces of land went to the eucalyptus plantations, pushing the small producers away and destroying the municipalities.”



Jorge, former Plantar worker: “When I started working at Plantar I was OK. One day I fainted after lunch. I was already applying the insecticides, fungicides. Then there were headaches, weakness. My superior told me, ‘I am firing you because you do not know if you are sick or not.’ Six or seven people died. Plantar said it was heart failure. Now I don’t dare eat the fish from the streams here.”

How nearby indigenous people feel about commercial eucalyptus plantations in their territories.

What people in the Uganda forest department said

"We just have to admit that we know nothing about the trade in CO_2, neither how it will function nor how much the foreign investor will profit from it."

“The carbon market doesn't care about sustainable development. All it cares about is the carbon price.”

Jack Cogen, Natsource

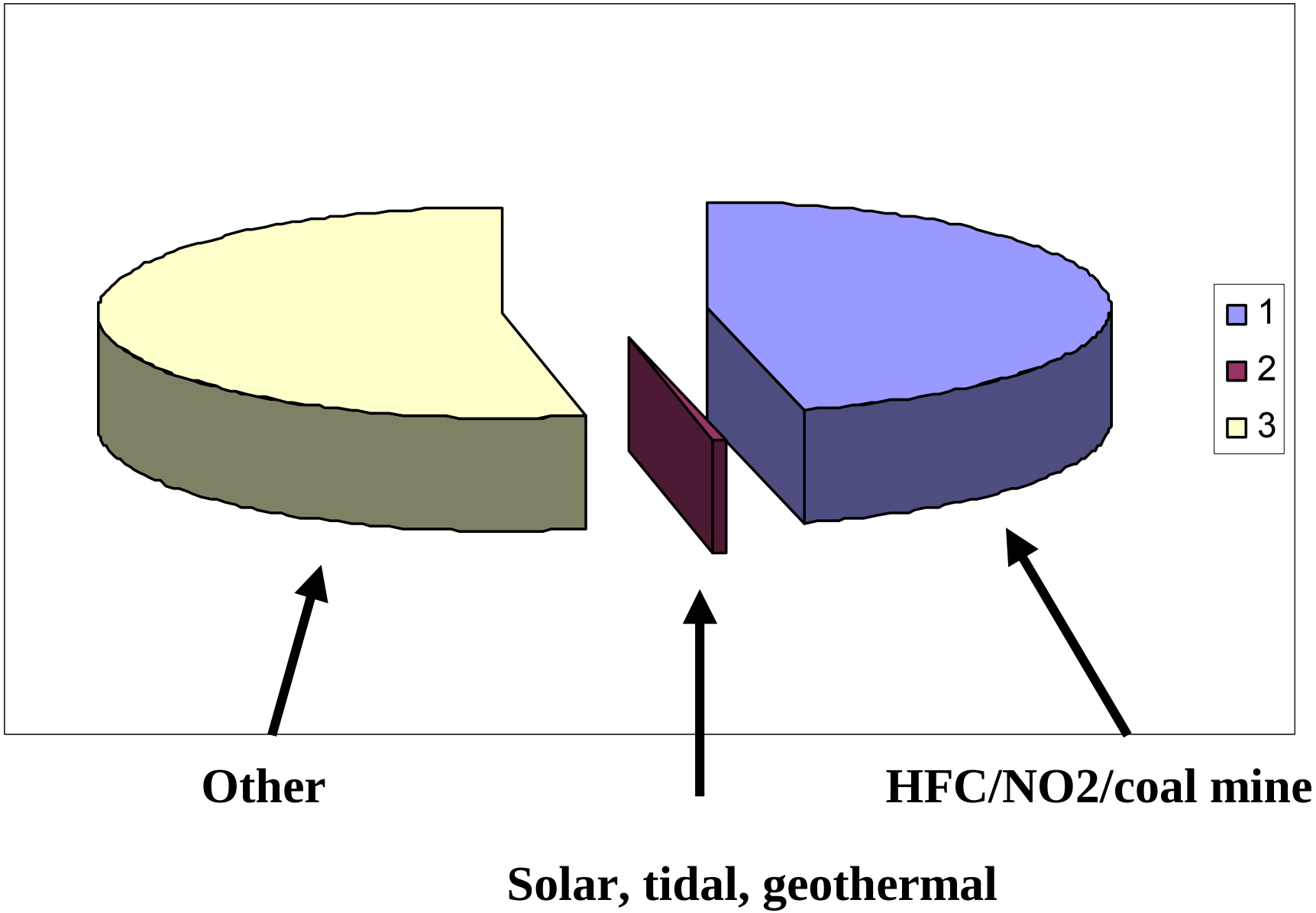
“In India, people see their land taken away and destroyed both for big and ‘sustainable’ developments, for large dams and small hydros (Uttaranchal), new carbon sinks (ITC, Andhra Pradesh), environment-friendly wind mills (Maharashra, Satara), and liquid and gaseous filth from the ‘clean and green’ companies poison their soils, rivers and air. Beyond boundaries of their everyday lives and knowledge, climate games go on with baselines, BAUs, additionality and CER vintages. The Himalayan glaciers meanwhile continue to melt, cloudbursts and flash floods wipe away whole villages, prolonged droughts and extremes of temperature create havoc with agriculture, and cyclones devastate fisherfolk villages. The real and perceptible danger of climate change is offset by the illusion of the most absurd and impossible market human civilization has ever seen.”

Soumitra Ghosh,
National Forum of Forest Peoples
and Forest Workers

HFC and NO_2 projects	40
Coal bed/mine methane	6
Fossil fuel switch	6
Landfill gas	9
Biogas	2
Biomass energy	7
Hydroelectric dams	7
Solar	0.05
Tidal	0.05
Wind	6
Geothermal	0.6
Other	16
TOTAL	*100*

CDM credits in the pipeline to 2012

(per cent)


1
2
3
Other
HFC/NO2/coal mine
Solar, tidal, geothermal

Who benefits?

Buyers	*Sellers*
Shell	Tata Chemicals
BHP-Billiton	ITC
EDF	Plantar
RWE	Votorantim
Endesa	Petrobras
Rhodia Energy	Shri Bajrang
Mitsubishi	Birla
Cargill	Oil & Gas Nat. Corp.
Nippon Steel	Sasol
ABN Amro	Mondi
Chevron	Hu-Chems Fine Chemical
Chugoku Electric Power	Chhatisgarh Electricity Co.

The CDM is “not working.”

CDM Gold Standard staff member

It “is not encouraging companies to devote funds to renewable energy sources . . . to the extent . . .hoped”

Wall Street Journal, 11 August 2005

“It is widely recognized that . . . [the end-of-pipe developments that so far constitute the bulk of CDM projects] have no direct development benefits.”

Holm Olsen, UNEP

While “there were high hopes that the CDM would usher in climate-friendly FDI . . . this remains largely to be seen.”

R. A. Alburo Guarin,

Development Bank of the Philippines

The Clean Development Mechanism works against constructive climate action

→ “tipping points” come closer in South as well as North.

Why?

- CDM selects against immediate investment in long-term structural change in the North.
- Most CDM projects have zero or negative effects on the transition from fossil energy in the South.
- CDM is not structured to recognize most constructive action on climate change.
- CDM has high opportunity costs; heavy, complex and unaccountable bureaucracy and centralization.
- The climatic effects (and value of credits) of CDM projects are impossible to measure, injecting unverifiable currency into a system already awash with a surplus of pollution permits and characterized by incentives for both buyers and sellers to cheat.
- CDM is rife with other enforcement obstacles.

In addition, the CDM

- Tends to transfer property to high-polluting corporations in the South, increasing their power and the inertia of a fossil-intensive system. Well-capitalized, highly-polluting firms are best able to hire consultants, get official approval, generate large blocks of cheap credits, etc. Local-friendly renewable projects tend to be fiddly, small, expensive per credit generated, and unable to capture green finance. Existing initiatives are "outside the loop" of knowledge, informed consent, benefits, property creation.
- Disproportionately provides new finance for corporate or governmental "bad citizens" in local areas → destroying wealth, lives and livelihoods.
- Is structured in a way that annexes land, air and community futures in the South.

CARBON TRADING UNDERMINES:

- Subsidy shifting
- Public investment in structural change
- Support for existing efforts to defend or promote low-carbon ways of life
- Legal action
- Taxation
- Attention to historical processes rather than numerical targets
- Recognition that there are no political short cuts; economy through social choice, regulation, standards rather than quantification-heavy focus on individuals
- Promotion of public discussion in plain language rather than the jargon inevitable with carbon trading