

WRM and Carbon Trading

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From its beginnings in 1986, the World Rainforest Movement has been concerned about how forests, land and rural peoples' lives are affected by industrial production of a whole range of commodities – soya, paper pulp, petroleum, timber, palm oil, maize, bananas, coffee and many more.

So it was only fitting that, in the mid-1990s, WRM began sounding alarms about another, brand-new export market that could also come to have severe effects on forests and the people who depend on them: the trade in biological carbon-cycling capacity.

How did this particular “environmental service” become a new Third World export product?

Much of the responsibility rests with the 1997 Kyoto Protocol. On the surface, the main point of this UN climate treaty was to require over 30 Northern countries to reduce their industrial emissions of carbon dioxide and other greenhouse gases – now generally acknowledged to be the major cause of global warming – by about five per cent by 2012.

But in fact the agreement encourages Northern countries to avoid some of these reductions by planting trees – either on their own territory or on that of other countries – or engaging in other “compensatory” projects.

By taking carbon dioxide out of the air and depositing carbon in tree trunks, the argument goes, plantations produce a climatically-valuable commodity that can be sold to the world's heaviest fossil fuel users.

Economists and businesses had been laying plans for this trade for years. Beginning as early as 1989, far-sighted consultants had been fanning out across the globe to promote experimental carbon dioxide-absorbing forestry projects in countries like Guatemala, Malaysia and Bolivia.

After 1997, when attempts to create the new commodity market shifted into high gear worldwide, WRM began to take more serious action. Producing a series of publications and WRM bulletin articles pointing to the probable deleterious environmental and social effects of a new global carbon plantation economy, WRM and its network helped form an alliance of many non-governmental organizations, large and small, opposing international plans to press Southern land into service as cheap “carbon sinks” for the industrialized North.

As with many other such campaigns, success was only partial. In 2001, in the face of considerable European scepticism, the parties to the Kyoto Protocol officially approved the use of plantations in the South as carbon sinks for the North.

But they held off from allowing carbon-sequestration rights in existing Southern forests to be sold to the North. The EU decided, moreover, not to allow credits from forestry projects to be swapped for emissions in its EU Emissions Trading System.

In addition, as WRM had predicted as early as 1999, investors in specific carbon forestry projects began to suffer from bigger and bigger headaches when faced with grassroots and NGO resistance, as well as the scientific impossibility of proving how much carbon biomass projects actually “save” over their brief and uncertain lifetimes.

At a recent corporate conference on carbon trading, for example, one European private banker expressed regrets that his firm had ever got involved in a World Bank-backed proposal of the Plantar company, Brazil, to generate carbon credits from plantations and from not switching its industrial fuel for producing pig iron from plantation charcoal to coal (see WRM Bulletins XXX and YYY). “We ran into a big storm,” the banker lamented. “We had a lot of . . . rocks thrown at us. It was like stepping into a stream full of piranhas.”

For many, however, the idea of carbon forestry remains seductive. Many industrial plantation companies are still hoping to sell carbon credits to top up their finance. The World Bank continues to support biotic schemes through its carbon funds. Corporations and big, Washington-based conservation NGOs are pushing projects that would encourage local communities or national governments to sell rights to their native forests’ carbon to polluting corporations.

All this poses many strategic challenges for WRM and its allies.

For example, what advice might be shared with communities, particularly in Latin America, who are tempted by what looks like easy money for continuing to take care of their own forests? What are the best ways of encouraging discussion among communities and governments about the resulting:

- Invasions of lawyers, consultants, accountants and complicated contracts that communities will have to deal with?
- New rules that will give companies private property rights to the carbon in community forests and may restrict forest use?
- Low prices communities will get for their carbon?
- Political conflicts that may be provoked with other communities who are battling the fossil fuel extraction or pollution that the sale of forestry carbon credits encourages?
- Expanded local exchange economies?

Another question is what role WRM and like-minded networks should play in broader movements concerned with climate change and other social and environmental problems.

WRM’s pioneering role in challenging the carbon trade – played mainly by the Sinks Watch initiative associated with its Northern office – was based largely on its concrete criticisms of carbon forestry and the institutions promoting it, ranging from the World Bank to plantation companies to intellectually corrupt technical consultancies, as well as the experience of specific local rural communities.

But over time, as is so often the case, this work has become inseparable from that of movements with broader or more diverse concerns.

For example, closer contacts have become inevitable with groups concerned with the carbon market as a whole, which includes the trade in emissions and in credits from non-forestry projects. These include organizations such as Carbon Trade Watch and Clean Development Mechanism Watch.

Ties have also been reinforced with groups concerned about fossil fuel exploitation and violations of indigenous land rights (such as Oilwatch and Indigenous Environmental Network); about market approaches to other environmental problems; about industrial pollution; and about neoliberalism and antidemocratic trends more generally. Since 2003, WRM affiliates have participated in international network-building gatherings on carbon trading in the UK, South Africa, Argentina, Brazil and Montreal, in all of which “forest” issues have played only one part. Further meetings are planned for India and elsewhere in 2006.

As alliances have broadened, so has common analysis of environmental markets and new trends in international investment. Increasingly clearly, WRM’s work on carbon trading, while remaining rooted in local struggles, has become – like its other work – part of a wider search for social and political alternatives that ranges far beyond forest and land issues.

And at the same time that WRM builds new alliances with social justice movements and groups not specifically concerned with forests, it is being forced to evolve new strategies for tackling NGOs concerned with forests who do not always share its social outlook. These include not only backers of corporate or colonialist carbon “offset” projects such as Conservation International and The Nature Conservancy, but also carbon-trading enthusiasts such as WWF and Greenpeace.