

# Carbon Con

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**How the US forced carbon trading onto the global climate agenda, and why popular movements worldwide have vowed to end this 'false solution' to climate change.**

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## **How did you and Carbon Trade Watch identify the issue of carbon trading?**

Tamra Gilbertson - The idea of formulating a project on carbon trading started with the failure of climate talks in 2000 at Den Haag. In a similar way that we have seen with current events in Copenhagen, talks broke down due to pressure from the US, Canada and Australia around market mechanisms and forestry issues. As a result in 2001, activists got together to look at how flexible mechanism would work in practice, which led to the formation of Carbon Trade Watch, which started in 2001 and became a project of TNI in 2002.

## **How did carbon trading become a central solution to solving the climate crisis?**

It was Al Gore, Vice President of the US at the time and other US delegates, together with Australia and Canada, that pushed for market mechanisms to be in the Kyoto Protocol.

At the time, both the EU and non governmental organisations were against carbon trading, fearful that flexible mechanisms would set us on a path to a massive distraction from making effective changes. So the EU was not always its ardent supporter. But in order to keep the US on board meant carbon trading was included in the Kyoto Protocol. By then, however, lots of companies and governments saw that carbon trading could be very profitable and create opportunities for brokers and bankers.

## **But it seems like Carbon Trade Watch was a lone voice in critiquing carbon trading until recently?**

There were always voices from the grassroots opposing carbon trading but they were largely silenced by the big NGOs who once were critical but then took the line of 'it is the best we have and we should make it work.' That line of argument is causing real harm and helping avoid debate on the real changes that need to happen.

## **Did you expect the growing acknowledgement of problems of carbon trading?**

Some scientists were critical early on, with many from the IPCC demanding 60-80% cuts. More recently, we have seen some economists admitting it is not working, even some bankers who can see how it is playing out in practice. But the change in views is ultimately a result of hard political campaigning. Social movements have fought very hard over the last 20 years to get climate change and climate justice to the foreground, especially movements in the South where people know what is happening.

## **Why is the world so fixated on this false solution?**

That is a good question, but to answer it you have to ask another question – Why are we so addicted to fossil fuel, addicted to continuing destructive plantations, continuing to clear forests and dispossess Indigenous Peoples, failing to act when we have so many solutions? And I don't mean relying on techno-fixes or development aid but listening to peoples' voices and what they need.

Ultimately, this is a question of power and who has that power. It is about democracy and transparency. We have to look at who is benefiting from carbon trading and the Clean Development Mechanism [the UN carbon offsets programme]. You can see the same groups of people involved in the fossil fuel and extractive industries – people who are now making lots of money out of offsets. The small fossil fuel elite is behind a lot of these policies.

## **Is there a particular example that you have seen of the failures of carbon trading that sticks with you?**

All stories stay with me. But let me give you one example, which was a biomass power station in Thailand. The Clean Development Mechanism is often promoted as an instrument for transferring technology and to promote renewable energy. The reality is that only a small percentage of CDM projects are based on renewable energy.

While in Thailand, we first visited a community that succeeded in keeping a biomass power station off their land. The power station burned rice husk and dumped its burnt waste straight into the river and literally at the front doors of peoples' houses. People living near the factory complain of itching, breathing difficulties, and say they are forced to keep doors and windows closed. They get no electricity even though they live across the road from it.

Another community we visited that succeeded in stopping the project did so by fighting for six years with help from many organisations including NGOs and women playing a key role. The Human Rights Commission of Thailand also pronounced that the power station would be a violation of human rights. When developers came to threaten and bribe members of the community, they resisted and maintained unity and eventually won.

We saw similar cases in India with wind projects, where companies would come to bribe and threaten local communities, criminalising people who resisted. Because they were promoting "green" technologies, it gave them extra authority to continue community coercion and exploitation.

## **So how does the Reducing Emissions from Deforestation and Forest Degradation (REDD) fit into the whole story of carbon trading?**

At the moment, REDD is still in pilot project stages. The idea of the scheme is that countries that have tropical forests would be paid by Northern governments to preserve the forests. The idea is that letting forests stand would capture carbon in the atmosphere.

In theory it sounds good, but there are several major problems with it. Firstly, Indigenous Peoples' rights are not acknowledged, including the rights to free, prior and informed consent. Secondly, the funding can end up in the hands of logging industries which can apply for the REDD funds, expel people from lands including those who lived in harmony with forests, cut down forests and build tree plantations which, in turn, could still be considered forests in the current REDD documents.

We visited communities on the Kampar peninsula on the Indonesian island of Sumatra, where a logging industry has applied for credits for its plans to cut down forests and cover it with acacia plantations, which they'll label as forests. They claim this will reduce emissions by 40 million tonnes

and it will earn them 17 million US dollars. But cutting original forests will only release carbon into the atmosphere and there are people dependent on food and resources from the region. Also, historically Indigenous Peoples have been denied the right to reject government and private sector projects on their territories.

In Copenhagen, the carbon market - and particularly offset projects - is likely to be expanded enormously. A key to this expansion is the integration of REDD into carbon trading. New controversial biodiesel schemes were already included in CDM methodology in September 2009 and they include palm oil in Indonesia and soy plantations, already enormously affecting local communities. This expansion of offset credits will then be tradable on an international market. It is not accident that Australia just passed its Cap and Trade bill with 100% offsets allowed and the US is currently doing the same as it runs its Cap and Trade bill through congress.

**Given that those commercial pressures are already there, what needs to happen to really secure their preservation?**

Firstly, Indigenous Peoples and forest-dwelling peoples should be given rights to land and recognised as important protectors of these lands. Secondly, we need to stop the activities of large pulp, charcoal, pig iron, steel, plantations that are dependent on forest exploitation. Thirdly, we need to recognise that plantations are not forests. This may sound simple but to put this in practice it will require strong social justice movements.

**Who makes up the Climate Justice movement?**

Climate justice movements have been in existence for a long time. For decades, people have been fighting to defend their lands against oil refineries, monoculture tree plantations and fossil fuel industries. All of these struggles are part of the wider movement for climate justice, even if they don't necessarily identify as such.

The Durban Group for Climate Justice of which Carbon Trade Watch and the Transnational Institute (TNI) are a part first met in Durban, South Africa in 2004. We decided to come together to look at the carbon market of the Kyoto Protocol, especially the Clean Development Mechanism as it was getting under way. At that time, there were few critical voices holding a line against carbon trading so it was important to come together to look at what was happening around the world. It was clear very quickly that these projects were having a negative impact. We then issued a declaration against all forms of carbon trading and co-modification or privatisation of the atmosphere, because it was proving to be both destructive to communities and was providing a new revenue stream for exactly the same industries doing the polluting.

In the run-up to COP15, we continue with the same position, but with a lot more information and examples, rejecting the idea of a free market approach to climate change.

**Given that your solution is fundamentally about a rethink of power and democracy which is a long process, and climate change demands urgent action, can a just solution to the crisis really happen in time?**

There are hundreds of solutions that exist already, that are not market-based but bottom-up solutions. It cannot just be about policies and many solutions may not be large scale: small scale programmes could be the most effective. We need to learn there is no one-size-fits-all solution or single policy shift that will enable us to confront climate change. It has to come from many different levels, and we have to listen to voices from the South because they are not being heard.

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Team member of Carbon Trade Watch

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\* From the TNI:

<http://www.tni.org/interview/carbon-con>

\* Tamra Gilbertson is one of the founders of Carbon Trade Watch, a project of the Transnational Institute (TNI), and co-author of Carbon Trading: How it works and why it fails. She has been active in the project since 2001 and was a founding member of the Durban Group for Climate Justice. She is trained in photography and film-making and was a co-director of The Carbon Connection. She has been published in the New Internationalist, Opciones and Diagonal. She received a Teamsters Union Scholarship from 1995 to 1998 and the Samuel Rubin Young Fellowship Award in 2004.