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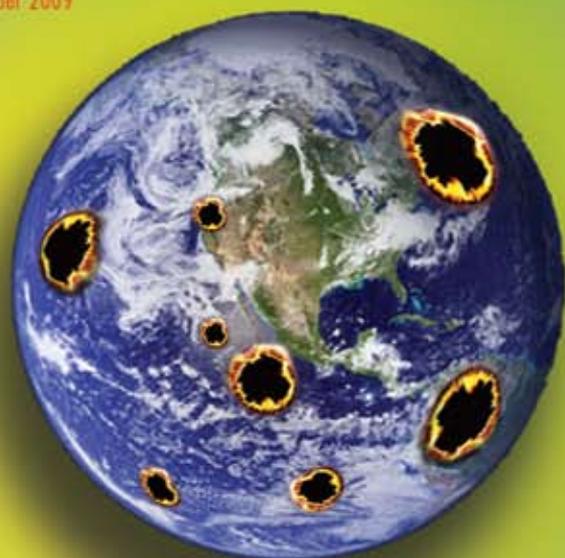
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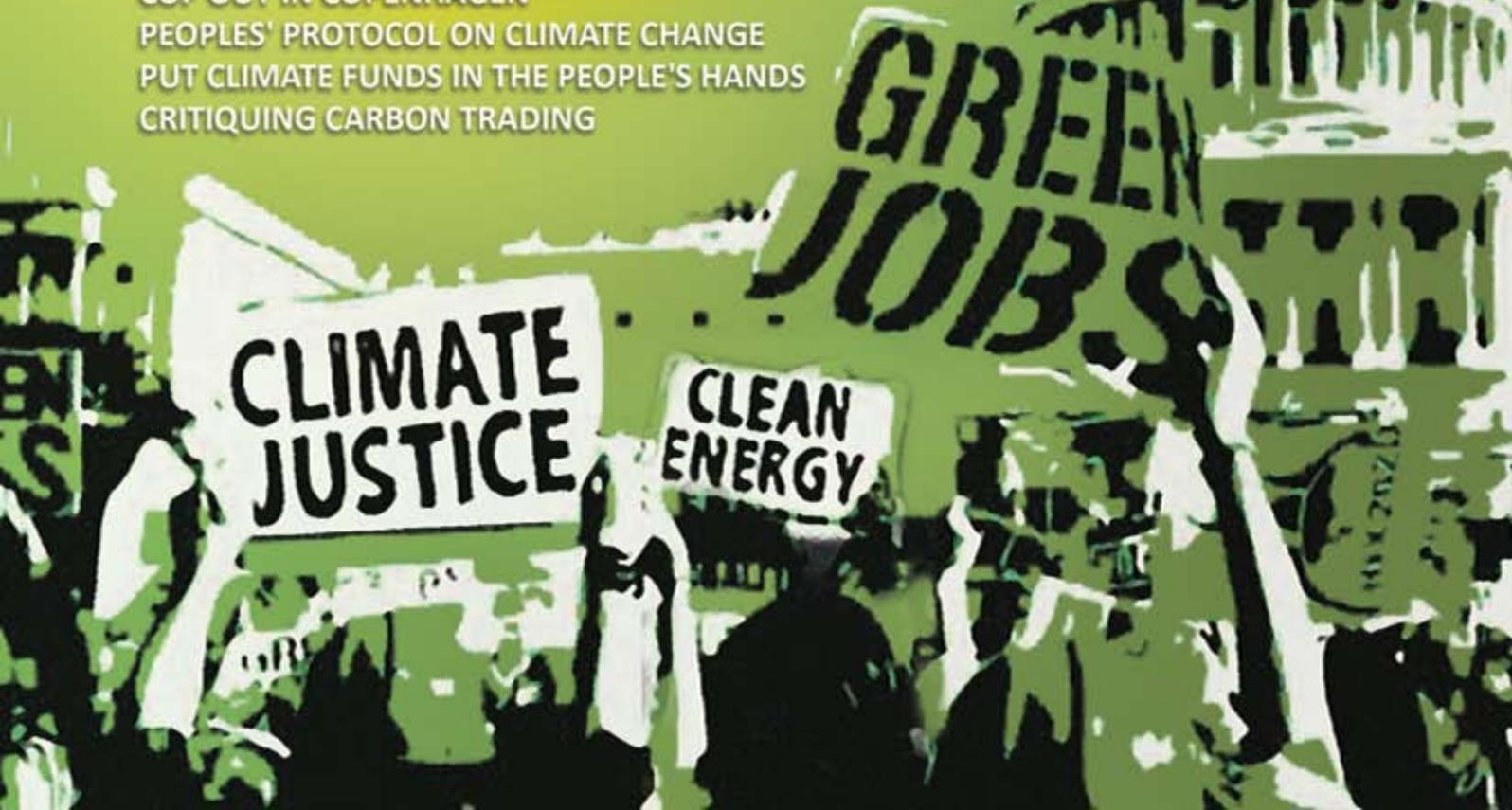
Vol. 8, No. 6

November - December 2009

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THE PEOPLES'
MOVEMENT
ON CLIMATE
CHANGE**



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PEOPLES' PROTOCOL ON CLIMATE CHANGE
PUT CLIMATE FUNDS IN THE PEOPLE'S HANDS
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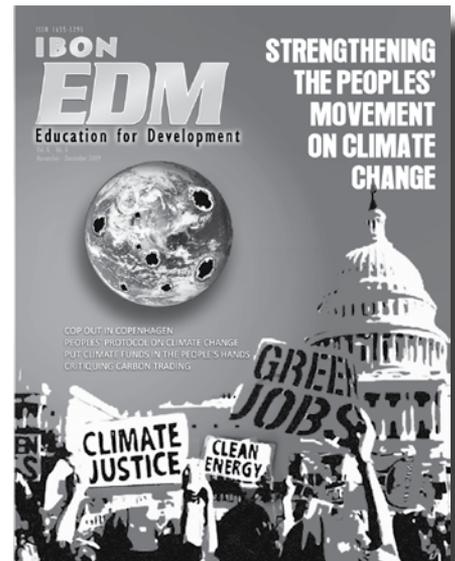
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COP out in Copenhagen

By John Paul Corpus

Their economic privilege in mind, rich countries and corporations are thwarting hopes for a fair and progressive deal in Copenhagen. But outside the negotiation halls, people have moved far ahead with their solutions for the climate and visions for a just planet.

In December 2009, leaders from 192 countries will meet in Copenhagen, Denmark to determine the fate of the climate, the planet, and its six billion inhabitants. The summit is the 15th Conference of Parties (COP 15) of the United Nations Framework Convention on Climate Change (UNFCCC).

Thorny road to Copenhagen

COP 15 is the culmination of a two-year negotiation process that started in 2007 at the UN Climate Change Conference in Bali, Indonesia, when developed and developing countries, agreeing to step up efforts to combat

climate change, adopted the “Bali Roadmap”. The Roadmap set countries out on two parallel negotiation tracks. First is a negotiation limited to rich countries under the Kyoto Protocol for post-2012 emissions reductions commitments – a process that started in 2005. Second is the “Bali Action Plan”, a new negotiation process that encompasses all members of the UNFCCC. It seeks to hammer out a deal for long-term cooperative action between developed and developing countries aimed at an enhanced and fuller implementation of the Convention “now, up to, and beyond 2012”. Both tracks will conclude at the Copenhagen climate summit in December 2009.

The Copenhagen summit is expected to yield two basic outcomes. First is an ambitious long-term global goal for emissions reductions, towards which industrialized countries are to carry out binding emissions cuts far deeper than they have committed under Kyoto's first commitment period. Second are commitments from developed countries for the enhanced provision of financial resources to developing countries to support them in carrying out 1) adaptation action and 2) non-binding nationally-appropriate mitigation actions that contribute to the long-term global emissions goal.

Negotiations between developed and developing countries have been thorny around both these two key issues. On the issue of emissions, rich and poor countries are divided on how much emissions cuts should be carried out, by whom, and at what pace. It is estimated that commitments developed countries including the US have so far announced amount to a mere 11%-17% reduction against 1990 levels by 2020. The G8 club of industrialized economies are also only willing to pledge a 50% cut on emissions by 2050. Developing countries insist that these are not enough, and demand that Northern emissions decline steeply and rapidly: 40% below 1990 levels by 2020, and 95% by 2050.¹

Northern governments have dragged their feet in pledging more ambitious cuts in the absence of comparable commitments from the South, especially from major developing economies like China and India. Particularly alarming is the attempt among developed



countries at merging the Kyoto and UNFCCC negotiation tracks, and pressing for a new treaty that would abandon internationally legally-binding emissions targets, and impose on developing countries new emissions obligations that were never previously agreed to.² Developing countries object to these moves as a distortion of the mandate set at Bali, and an abandonment of the balance of obligations among countries enshrined in the principle of “common but differentiated

responsibilities”. They insist on keeping the distinction between the two tracks and their outcomes, and that their mitigation actions, as agreed in Rio and Bali, are non-binding and will only go so far as these are enabled by financial transfers from the North.

But present and future funding from developed countries have not been forthcoming – another sticking point in the climate talks. Currently, only \$21-\$28 billion³ in climate funds for developing countries have either been pledged or made available. The UNFCCC estimates that the developing world needs \$262-\$615 billion annually to fund mitigation and adaptation actions.⁴ Rich countries have stalled on putting comparable figures on the table, insisting advanced developing countries should assume a share of the bill.

The United States has not indicated any amount at all, while the European Union, after much haggling, came out with a number only in September: a measly €22-€50 billion annually (\$32-\$75 billion) in international public financing for the South, of which they promise to foot €2-15 billion (\$3-\$22 billion) – on the condition that countries like China, India, and

Brazil chip in.⁵ Developing countries oppose these moves, and demand that the North face up to their mandate of providing adequate funding for Southern climate action as part of their historical responsibility for climate change.

Also at issue with regard to financing is the manner by which funds are to be delivered to the South. Developed countries wish to maintain existing institutional arrangements for climate finance, where funds are entrusted to bi- and multi-lateral Northern development agencies such as the World Bank, and delivered in the same manner as official development assistance (ODA), or voluntary aid. This permits Northern governments to count climate funds as ODA, whose current levels fall short of longstanding developed country ODA commitments (0.7% of Gross National Income). Unaccountable and donor-controlled development institutions are also feared to use climate funds as levers for pro-North and pro-corporate policies in the South. Developing countries demand that climate funds come as mandatory payments channeled through a new and more representative financing mechanism⁶ directly accountable to the COP, where they compose the majority.

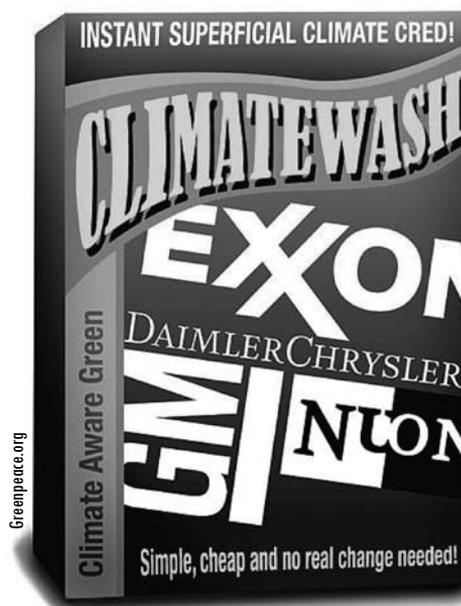
Business as usual

But whether by sheer majority developing countries would be able to secure a socially just and progressive outcome is uncertain. Corporate influence runs deep in the climate negotiations and cuts across North-South battle lines. A recent investigation by the Center for Public Integrity, a US non-profit

research group, reveals that governments of *both* developed and developing countries, especially major economies, are under heavy pressure from businesses back home trying to tug the outcome of the negotiations in directions that work in their favor.⁷ The Center's research finds that the climate negotiations are as much a venue for tackling climate change as they are for high-stakes haggling between governments and the corporations they are wedded with to secure an outcome that would guarantee them sustained growth and economic power.

The corporate capture of the UNFCCC process goes as far back as the Rio Earth Summit. Coming into the event, it was clear that profit-hungry corporations and their free reign had been responsible for much of the planet's environmental woes, and that a fundamental shift in how they and the global economy operate was in order. But corporations walked away from Rio as part of the solution. Speaking before an audience of corporate executives, Maurice Strong, the Summit's secretary-general, flatly asserted: "*The environment is not going to be saved by environmentalists. Environmentalists do not hold the levers of economic power*".⁸ So

came the idea that corporations – having control of capital and technologies – can, out of self-interest, lead the way to ecological sustainability, and should be entrusted the task of solving the climate and environmental crises. Profit, economic growth, and corporate power need not be disrupted to achieve ecological balance; they could very well pave the road to it.



Corporations have since claimed the leadership of global climate action. Despite evidence that these exacerbate global warming and pose other social and environmental threats, market-based and technological solutions promoted by corporations – which include emissions trading and carbon offsetting, carbon capture and storage, agrofuels, nuclear and hydropower energy – dominate the range of options governments and policy elites would conceivably pursue. And the UNFCCC process appears to have embraced corporate leadership. UN climate sessions now resemble business gatherings and trade fairs, with well-connected industry lobbyists and representatives vastly outnumbering civil society groups and government delegates themselves.⁹ Meanwhile, workers, indigenous peoples, and the poor who bear the worst impacts of climate change are not allowed meaningful representation on the table.

Outside negotiating halls where vested interests are deadlocked and the people's voices are excluded, climate activists and people's organizations representing disadvantaged sectors across the globe are coming together to build a platform for their solutions. Only a people's movement on climate change will bring the message of social change to Copenhagen.

Endnotes

- 1 Martin Khor, "Conflict deepens before Copenhagen", *Third World Network Barcelona News Update*, no. 13, 9 November 2009, accessed through <http://www.twinside.org.sg/title2/climate/barcelona.news.021109.htm>
- 2 "The attempt included getting developing countries to adhere to new and broad reporting and verification procedures similar to developed countries, to get some "advanced developing countries" to adhere to emission reduction targets, and to get developing countries in general to have emissions subject to "deviation from business as usual by 15 to 30 percent". These were not agreed to in Bali nor are they in the UNFCCC provisions. What is "business as usual" is also not determined.' *Ibid.*
- 3 United Nations Department of Economic and Social Affairs, *World Economic and Social Survey 2009: Promoting Development, Saving the Planet* (New York: United Nations, 2009), 157; South Centre, "Developed country financing initiatives weaken the UNFCCC," January 2009; available from http://www.southcentre.org/index.php?option=com_content&task=view&id=909&Itemid=1; Internet; accessed 13 September 2009.
- 4 South Centre, p.3, "Developed country financing initiatives weaken the UNFCCC", January 2009 (calculated from the UNFCCC technical paper "Investment and financial flows to address climate change: an update" 26 November 2008)
- 5 "Climate Change: EU Commission sets out global finance blueprint for ambitious action by developing nations", 10 September 2009; available from http://www.europa-eu-un.org/articles/en/article_8974_en.htm; Internet; accessed 18 November 2009.
- 6 Marwaan Macan-Markar, "New Financial Scheme Turns Heat on Rich Nations," 11 October 2009; available from <http://ipsnews.net/news.asp?idnews=48802>; Internet; accessed 19 November 2009.
- 7 Marianne Lavelle, "Toward a Stalemate in Copenhagen: How Industry Pressures and National Agendas Dim Prospects for a Climate Treaty," 4 November 2009; available from http://www.publicintegrity.org/investigations/global_climate_change_lobby/overview/; Internet; accessed 19 November 2009. In the North, carbon-intensive industries are lobbying their governments to hold out on committing emissions cuts, sowing fears of economic decline as consequences of losing out to Southern competitors, which bear no burden to cap emissions. In the South, the same polluting industries are backing governments in resisting Northern demands that they take on binding emissions cuts under the cover of the right of poor countries to develop. Meanwhile, emerging high-tech and renewable energy industries align with financial institutions in supporting tighter emissions caps as they anticipate to profit off of the market for carbon offsets.
- 8 Kenny Bruno and Joshua Karliner, *earthsummit.biz: The Corporate Takeover of Sustainable Development* (Canada: Food First Books, 2002), 22.
- 9 Larry Lohman, "Carbon Trading: a critical conversation in privatization and power," *Development Dialogue*, no. 48, (2006): 59; *Rising Tide North America*, "Call to Action: Protest Chevron"; available from <http://www.risingtidenorthamerica.org/wordpress/2009/07/25/call-to-actionprotest-chevron>; Internet; accessed 21 November 2009.

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People's Action and Voices on the Global Climate Crisis

By Reileen Dulay

Climate change is a global issue which needs to be seriously addressed appositely through the recognition and inclusion of the basic sectors and marginalized groups in society being the most affected by the negative impacts brought on by the incessant exploitation of the environment and injustices inherent in the existing economic system.

In order to significantly forward the issues and concerns of the most affected peoples and to rightfully address the issue of the climate crisis, there is a need to develop and push for a peoples' agenda in the different arenas of advocacy.

The Peoples' Movement on Climate Change (PMCC) was formed as the collective network expression of a global campaign which involves individuals and organizations from the different global regions. It has a Facilitation Group that leads the discussions and coordinates

the work in the network, and is composed of IBON Foundation, Asia Pacific Research Network (APRN), Peoples' Coalition on Food Sovereignty (PCFS), Institute for National and Democratic Studies (INDIES), International NGO Forum on Indonesian Development (INFID), Asia Pacific Forum on Women, Law and Development (APWLD), Arab NGO Network on Development (ANND), IBON Europe, Global Justice Ecology Project, Kenya Debt Relief Network (KENDREN), Green Movement of Sri Lanka (GMSL) and AidWatch.

The PMCC has taken the lead in research-education and awareness-raising among grassroots and peoples organizations in various countries around the world. Also, the PMCC has developed linkages with other climate justice formations such as the People's Climate Action, KlimaForum, Climate Justice Action, Climate Justice Now!, Peoples' Action on Climate Change and others where PMCC and its members have made significant contributions.

In the last two years, the PMCC has promoted the Peoples' Protocol on Climate Change (PPCC) which is a framework declaration that captures the people's stand on this most urgent problem confronting humanity. It articulates the values and principles that should guide international action and people's struggles against climate change and its associated ecological and socioeconomic destruction. This declaration has been further developed in consultations and workshops held by the PMCC across the globe.

Campaigning for climate justice

Workshops and consultations were organized in the last two years by the PMCC in Asia, Africa, the Middle East and key European countries with the hopes of developing a strong global movement for climate justice.

Asia Regional Workshop - Bangkok, Thailand (March 23-24, 2009)

A two-day regional assembly cum planning workshop in Asia signaled the start of a process of consultations with different grassroots organizations, movements and other stakeholders. Some 67 participants came together in Bangkok, Thailand from March 23-24 to work together and develop the discussions and positions in the climate change campaign as expressed in the Peoples' Protocol. In addition, the activity became a venue for the different stakeholders to forge cooperation on the climate change campaign and to plan activities to be taken up by PMCC leading up to, during and even beyond the upcoming 15th Conference of Parties (COP 15) to the United Nations Framework Convention on Climate Change (UNFCCC) in Copenhagen this December.

The activity started with a presentation on the outcomes of the COP 14 negotiations, the political dynamics in the current negotiations and the implications of these for COP 15. Also discussed were the different civil society initiatives on climate change.

This was followed by a series of presentations and workshops on key issues surrounding climate change such as EU trade policies, biofuels, Reduction of Emissions from Deforestation and Degradation (REDD), Indigenous Peoples' (IP) Rights, carbon trading, and food security, among others.

Middle East Regional Workshop - Beirut, Lebanon (August 17-19, 2009)

At a regional workshop organized by the Arab NGO Network on Development, PMCC shared the southern perspective on climate change and information on on-going international initiatives leading up to COP 15. The PMCC

shared the panel with other civil society representatives from Egypt, Lebanon, and Bahrain in which the key messages from the Asia Regional workshop were also presented.

The Arab Climate Alliance was formed during the activity and a draft position paper was discussed. Here, the Arab CSOs will stress on leading up to COP 15 strategy. The document will include specific issues of the Arab Region with regard to the global climate crisis, one of which is water and also the problem on war as a specific concern of the region.

Africa Regional Workshop - Nairobi, Kenya (August 27-28, 2009)

The PMCC together with KENDREN and IBON Africa organised a two-day regional consultation in Africa. This event brought together representatives of 37 peoples organizations, grassroots organizations and other stakeholders and individuals from seven African countries.

According to the country positions presented during the workshop, the climate crisis being experienced in Djibouti, Uganda, Ethiopia, Malawi, Nigeria, Zimbabwe, South Africa and Kenya is brought on by the exploitative economic framework created by the Northern countries in Africa and the unjust policies of the government as dictated by the developed countries, transnational corporations (TNCs) and global bureaucracies.

It was recognized in the consultation workshop that the groups most vulnerable to the negative impacts of climate change are



peasants, fisherfolk, indigenous people and low-income consumers. The negative effects of climate change are sharply felt in agriculture with adverse implications for people's food sovereignty.

The meeting further affirmed that the irresponsible and unaccountable consumption concentrated in the industrialized North and some countries of the South continues to cost Africa by creating ecological crises. This makes Africa play the role of unwilling creditor of ecological debt to the North.

The leaders of various peoples' movements, community based groups, academia, non-governmental organizations (NGOs) and civil society organizations in Africa unite to demand that human rights and values be placed at the center of all global, national and regional solutions to the problem of climate change. Furthermore, they urge the African governments to engage civil society groups and to collaborate with them to build a common national and international response to the problems of climate change. The workshop also paved the way for the formation of the Africa Peoples' Movement on Climate Change.

Other key events and actions

Peoples' Assembly on Climate Change

A Peoples' Assembly is scheduled on December 9, 2009 in Copenhagen and simultaneously in other countries. This is the activity that will 'ratify' the Peoples' Protocol on Climate Change and also as a preparatory event for the Global Day of Action on December 12 as well as other coordinated actions from different civil society groups and social movements, including the December 13 Countdown to Copenhagen and the December 16 mobilization led by the Climate Justice Action.

The Peoples' Assembly will be held in the KlimaForum space, and will set up webcasts of national assemblies to be staged in Bangladesh, Indonesia, Philippines, Hong Kong, Sri Lanka, Lebanon, Morocco, Egypt, Sudan, Kenya, Nigeria, Ethiopia, Zimbabwe, Uganda, and Canada.

It is a high time for the People to be heard and recognised

It is urgent and necessary for the people to create their own spaces to raise their concerns and aspirations. It is time for the people to raise

their level of engagement with governments and other institutions, and proclaim that what is needed are genuine solutions to the climate crisis, and not the market-based false solutions peddled by the corporations and their apologists.

The PMCC has created a breakthrough to consolidate representation of the people around the globe and the Peoples' Protocol on Climate Change is the message that people wish to deliver in Copenhagen and elsewhere. It is founded on the principle of people's sovereignty and rallies the people behind the values and principles of social justice, democracy, equality and equity, gender fairness, respect for human rights and dignity, self-determination, stewardship, social solidarity and participation.

This is the people's challenge to the UNFCCC and to governments negotiating a post-2012 climate framework. This is the people's rejection of market mechanisms that impose the cash nexus on ecological priorities. This is the people saying the needs of the planet and its people must take precedence over the push for growth and profits.

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For a Peoples' Protocol and a Peoples' Movement on Climate Change

Injustice lies at the root of the climate crisis.

A tiny minority of the world's population based in the advanced capitalist countries is primarily responsible for causing climate change that is inflicting more suffering to millions of the world's poor and disadvantaged. In their relentless pursuit of profits, Northern corporations have burned vast and increasing amounts of fossil fuels and to feed energy and inputs into production, dumping greenhouse gases in the atmosphere at levels that is now warming the planet and disrupting the climate. The global economic system involves the appropriation and lopsided use by a powerful global elite of the planet's shared resources, and the disempowerment and dispossession of the majority of the world's people. This basic social process is behind two centuries of profit-oriented capitalist growth. It bequeathed prosperity to the Global North and corporations, and forced poverty, colonialism, and underdevelopment upon millions of people, who now suffer the hardest impacts of climate change despite having no responsibility

for it. In the last 30 years, under the banner of free market globalization, and with the help of the IMF, World Bank, and WTO, Northern-based transnational corporations have expanded their power over Southern economies and resources, and intensified their pollution of the atmosphere and destruction of the environment.

Current mainstream efforts for climate action have hitherto failed to stem the causes of climate change and bring justice to the poor and peoples of the South.

Northern governments and corporations have not only refused to fully honor their historical obligation to reduce emissions and support climate actions in the South, but have exploited the climate crisis to enforce false solutions that create new profit opportunities, expand their control over natural resources, and exacerbate global warming. Powerful Northern and corporate interests have undermined the United Nations Framework Convention on Climate Change, as evidenced by its Kyoto Protocol.

The same powers are sabotaging current negotiations for a just post-2012 climate regime, as they stall on committing emissions cuts scientific evidence requires, as well as sufficient funding to cover the costs of adaptation and mitigation in developing countries. They are also aggressively pushing for an agreement that would require developing countries to take on binding emissions cuts, or worse, abandon multilaterally-determined binding emissions commitments altogether.

We need a platform that raises real solutions, registers our voices, and articulates our demand for social justice.

Real solutions go beyond “business-as-usual” technology- and market fixes along which powerful interests have set and confined the climate agenda. Real solutions require the reallocation of the world’s resources between and within nations for equity and social justice; the reversal of neoliberal globalization; the restoration of people’s sovereignty over resources, economies, and institutions; and the compensation by corporations and the Global North of the poor and peoples of the South for the losses they are forced to bear as victims both of climate change and the social system that is behind it. Socially just solutions also make for

scientifically and ecologically sound ones. Using natural resources equitably and democratically, and supplanting the drive for private profit with the fulfillment of social needs as the principal economic goal will reset human society’s relationship with the environment on a far more sustainable path.

We need a people’s movement to advance our solutions. Solving the climate crisis requires far-reaching social transformation.

Unequal patterns of power behind such injustices as poverty, hunger, exploitation, and colonialism are the same ones that have caused ecological destruction and climate change. And as with other injustices, the climate crisis and its roots can only be dealt with through political struggles by the people. We need a grassroots-based people’s movement on climate change to promote the people’s agenda on climate action and social transformation, fight for solutions that secure justice and democratic rights for the people, and challenge efforts from powerful elite and corporate interests that seek to divert and undermine our movement .

This is a summary of the Peoples’ Protocol on Climate Change drafted by the Peoples’ Movement on Climate Change.

HOW THE PEOPLES’ PROTOCOL CAME ABOUT

The Peoples’ Protocol on Climate Change is a product of a two-year process of awareness-raising and movement-building among civil society and social movement organizations.

The idea for such a document was proposed to the Asia-Pacific Research Network during its Conference on People’s Sovereignty on Natural Resources held in Bangkok, Thailand in October 2007. The resolutions arrived at during the APRN conference provided the basis for the initial draft of the Protocol.

Workshops were held to gather feedback and incorporate inputs into the Protocol.

The Protocol will be submitted to the Conference of Parties in the Copenhagen summit in December 2009.

The document can be accessed and signed online at www.peoplesclimatemovement.net.

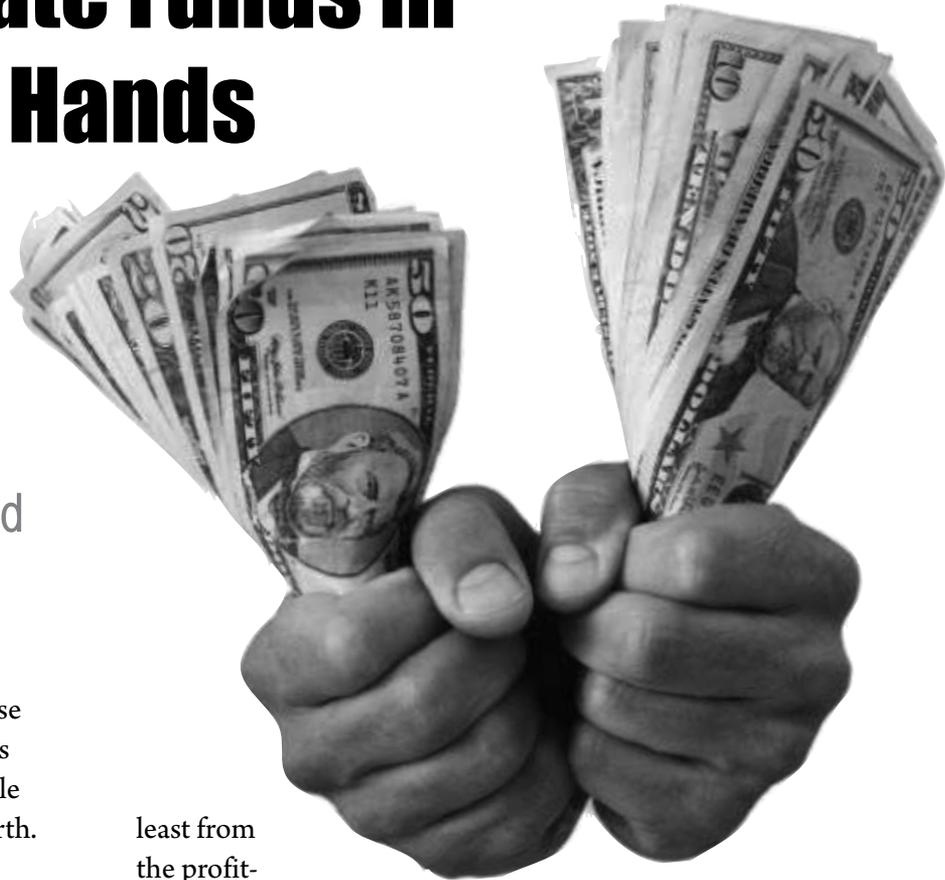
Put the Climate Funds in the People's Hands

By John Paul Corpus

Climate change finance is about social justice and people's sovereignty.

The facts are beyond dispute: the dangerous build-up of greenhouse gases in the Earth's atmosphere is the effect of two centuries of unsustainable industrial production centered in the North. It is a process organized around profit-maximization and excessive consumption, fuelled by the unaccountable and imbalanced overuse of non-renewable energy and natural resources. Responsibility for emissions and the depletion of carbon sinks lies principally with developed countries, corporations, and their flawed industrial model. Constituting a minority of the global population, they grew their economies and profits generating two-thirds of all historic emissions, consuming more than their fair share of the common atmospheric space.

Meanwhile, developing countries and the poor – constituting the majority of the global population – stand to bear the worst effects of climate change despite having little or no responsibility for causing it. Their lives and livelihoods are most vulnerable to climate change impacts. But having benefited the



least from the profit-centered, high-growth, and high-consumption economic model, they are also least capable to respond and adjust to the effects of climate change. More so, they find their development paths and poverty alleviation prospects seriously challenged by a changed climate and a carbon-constrained world.

As most culpable for polluting the atmosphere, and as most capable in responding to climate change – a capability leveraged with a destabilized climate – developed countries, especially their elites, face a clear obligation to finance the costs of climate change response in developing countries. To redress inequities, financing must be compensatory and democratic in nature. Those who have inordinately benefited in the process that caused climate change should compensate its victims.

The compensatory financial transfers are to fund adaptation and mitigation in the developing world. First, funds must compensate developing countries and the poor for the losses and damages they incur from the adverse effects of climate change. It must also enable them to avoid future losses by adopting mechanisms and building capacity to adjust and respond to climate change.

Second, funds must compensate developing countries and the poor for having been denied the atmospheric space and the climate they need to overcome poverty and achieve human development. Because the low-cost, fossil-fuelled development path industrialized economies took without restraint is now an unsustainable option, financing must cover the costs incurred by developing countries in shifting towards a sustainable, low-carbon development trajectory. This would enable them to partake in the global effort to reduce emissions while addressing immediate poverty and development concerns

Existing climate change funds violate social justice and people's sovereignty

Funds are not compensatory. Although developed countries have accepted their financial obligation as signatories to the United Nations Framework Convention on Climate Change (UNFCCC), their provision of funding is not based on the principle of compensation. Rather, they channel climate funding for developing countries as voluntary contributions.¹ Channeled through new and existing bilateral and multilateral institutions, climate funds take the form of grants and loans. This means funds are owed to donors by developing countries, turning the obligatory

relationship around. Worse, funds put poor countries further in debt.

Financial inadequacy and unpredictability are concrete results of the discretionary nature of funding. The cost of climate change action in developing countries is in the order of hundreds of billions of dollars per year. However, despite the proliferation of donor-controlled funding initiatives, the current level of actual or pledged funds do not approach even the most conservative estimate of the required funding level. Counted as part of donor Official Development Assistance (ODA), funds also do not represent new and additional funding in relation to developed countries' long-unfulfilled 0.7 per cent aid targets to eradicate poverty and support human development in the developing world. This insufficiency and unreliability in climate funding is delaying urgent adaptation and mitigation actions in the poor countries, and hampers their compensation by the North.

Donors control the funds. The inequitable and unaccountable control of resources by the North and corporations is one root of the current climate crisis. This unfair arrangement is preserved in the governance structures and processes of existing climate funds.

The design of climate funds has been donor-driven. Poor and developing countries have been largely excluded from defining and setting policies and funding goals.

Donor country ministries control bilateral climate funds, with planning and disbursement to recipients occurring within existing, donor-influenced policy and partnership channels. Developed countries also wield effective control over almost all donor-funded multilateral facilities, despite affording representation to recipient countries in their decision-making bodies. In fact, any recipient representation

in governing bodies may well be unimportant, as funding decisions would be made around measures built along donor-defined priorities, or programs with predetermined designs. The assessment of project feasibility and quality is donor-driven, and project flows are essentially restricted to autonomous staff and donor-selected implementing agencies (e.g. bilateral and multilateral development banks).



Funds influence domestic policy in favor of commercial and corporate-friendly solutions to climate change. Donors set criteria for recipient eligibility and selection, and make access to climate funds conditional to meeting these. Some such requirements include an active Multilateral Development Bank (MDB) program in the recipient country, and keenness to pursue policy dialogue on climate change with the donor. This means developing countries' access to funds is contingent upon their agreement with donor policies and their commitment to align domestic policies with donor agendas on climate change.

The projects existing climate facilities are out to support spell out the climate agenda donors are pursuing in developing countries. Couched in the language of harmonizing environmental actions and economic growth, donors support technological fixes that allow for continued fossil fuel production and carbon emissions, all while creating new opportunities for corporate profit. Enshrined in the Kyoto Protocol, carbon trade succeeds in this twofold task.

Through capacity building and pilot demonstrations, donors disburse their funds to projects promoting developing country participation in carbon trading – specifically in the form of the Clean Development Mechanism and REDD (reducing emissions from deforestation and forest degradation) – and its integration into national policy and development strategies (see Box 1). By passing on the burden and impacts of mitigation to developing countries, these profitable mechanisms pose new risks to the poor, including the invasion of forests and displacement of indigenous and local communities. Likewise, it allows the North and corporations to sustain their inherently unsustainable high-growth, high-consumption industrial system.

The future climate change architecture is still being negotiated. But carbon trading and similar profit-centered mechanisms that absolve the North from their emissions obligations will have gotten enough traction in developing countries to leverage donor agendas in time for Copenhagen.

Put climate funds in the people's hands

The current donor-controlled financial arrangement preserves the injustices that inhere in the overuse and the lopsided use of the planet's common resources. It represents not only the North's continued command over global resources, but also their power to define Southern agendas and direct Southern economies according to their needs.

In the place of corporate profits and infinite growth, social justice and people's sovereignty must be at the center of the global climate change financial regime. Financing must redress the historical and social origins of the current climate crisis, and address the needs of those most affected.

Funding should be compensatory. The provision of funds by developed countries and corporate elites should be over and above the longstanding official aid commitment of 0.7 per cent of GNI. These funds should come in the form of outright fund transfers, not grants, loans, or any funding instruments that create debt. Financial flows should be sufficient, reliable, and mandatory.

Southern governments and peoples should have sovereign control over funds. Access to funding should not be tied with fulfilling policy conditions. The locus of funding decisions must be devolved to local levels, where funding priorities and strategies can be formulated with the democratic participation of communities. This should ensure that local needs are identified and prioritized, and existing local knowledge and initiatives are recognized and incorporated. This also requires transparency in funding processes, and efforts at mass information to enable marginalized groups to participate and make informed decisions.

To realize these changes will require people taking the lead in a sustained global as well as national response and action. To effect the democratic

reorientation of climate funds, and to secure an equitable solution to the climate crisis in general, a people's climate movement is needed. The People's Movement for Climate Change (PMCC) is a movement that upholds the people's rights for sustainable and equitable development now being threatened by climate change and the spurious solutions being put forward by the Northern establishment, including spurious climate funding mechanisms. With respect to climate finance, this movement asserts:

- The end to all bilateral and multilateral donor-initiated and -controlled climate funds.
- The end to the participation of International Financial Institutions such as the World Bank Group and regional development banks in climate financing.
- The rejection of debt-creating climate funds.
- The end to all policy conditionalities tied to climate funds.
- The rejection of all funds and projects that promote the unsustainable neoclassical economic paradigm centered on corporate profit, infinite growth, and overproduction that has depleted the planet's natural resources, exceeded its carrying capacity, and increased social inequities.
- The rejection of all funds and funding mechanisms that allow developed countries and corporations to sidestep their obligations to make large emissions reductions and reform their environmentally unsustainable economic models.
- The rejection of all funds and funding mechanisms that privatize the common environmental space and threaten to displace local communities, including the trade in emissions and forest carbon offsets.

Endnote

- 1 *Apart from funds in the Kyoto Protocol's Adaptation Fund.*

Using ODA to promote CDM

By John Paul Corpus



Andre Cowagis

Since the Philippines ratified the Kyoto Protocol in 2003, donors have conducted numerous capacity building (CB) initiatives to promote the Clean Development Mechanism (CDM) in the country.

These CB projects worked to remove “barriers” to implementing CDM projects in the host country. These include the lack of technical knowledge and skill by the host government and the private sector on CDM project processes, and the absence of institutional and policy frameworks for proper CDM enforcement. Donor-sponsored seminars, training workshops, and recommendations facilitated the closing of these capacity and institutional gaps by:

- Raising awareness on CDM, including appreciation of its monetary potential and supposed environmental and development co-benefits
- Training government officials, businesses, and financial institutions on CDM methods and project development procedures (e.g. design, approval, and financing)
- Supporting linkages between future participants (government and private sector) and developing the administrative, institutional and policy framework for CDM operation

More than the provision of technical and administrative skill, these initiatives represent the descent of Kyoto and Northern agendas deeper into public policy and private investment strategies in the country (see Table 2). The Renewable Energy Act of 2008 perhaps best demonstrates the mainstreaming of CDM in Philippine energy policy. The law declares as state policy the increased utilization of renewable energy (RE) sources to reduce emissions. To this end, it lavishes a score of fiscal and non-fiscal incentives on RE investments, including a seven-year income tax holiday and ten years of duty-free importation of RE materials and equipment. The law also encourages CDM investments by tax-exempting all proceeds from the sale of carbon emissions credits.

CB projects form part of what is shaping up to be, or what already is, an aid approach by donors to harmonize ODA with their climate change policies, particularly with respect to mitigation and mitigation finance in the developing world. For instance, Japan – the Philippines' top bilateral ODA and CDM CB donor – is using ODA to promote CDM in recipient countries, with an eye to acquiring carbon credits (see Box 1). JICA, Japan's official aid agency, has introduced CDM applicability as a criterion in evaluating ODA projects in sectors such as renewable energy, energy efficiency, and waste management – sectors where carbon credit-yielding emissions reductions projects can be funded. In other words, aid is being channeled to sectors that have the potential of yielding offset credits. This makes more sense, considering that climate-related ODA projects in the Philippines have largely focused on emissions mitigation, particularly the promotion of renewable energy, energy efficiency, and sustainable waste disposal.

What are the problems with the use of ODA in promoting CDM in RE and related sectors in the developing world?

- By exploring CDM opportunities that can be future sources of carbon credits, it helps the North to continue to offload their responsibility to reduce emissions at home to developing countries.
- It deepens the legitimacy and institutional traction of CDM among developing countries. With CDM better institutionalized in the South, it is likely to still be part of a future climate regime, blowing a hole to any new emissions commitments developed countries will be making. It plays well with the Northern agenda of getting developing countries on board to take on more than voluntary emissions reductions, which would better place the North to commit to lower emissions targets.
- It creates a demand for and dependence on commercial, Northern- and corporate-controlled clean technologies, which are promoted by trade and investment incentives such as those in the Philippine Energy Act. Intellectual property rights over RE and clean technologies allow large transnational corporations to reap monopoly profits from the sale of these equipment. ODA spent in these technologies becomes, in effect, a disguised subsidy for TNCs from donor countries like Japan and the US, rather than spent on the priority adaptation and mitigation needs of developing countries.

Table 1. Some CDM capacity building projects in the Philippines

AGENCY	PROJECT/PROGRAM	PERIOD
Japan New Energy and Industrial Technology Development Organization (NEDO)	CDM support program for the Philippines	2003-2004
Japan Ministry of Economy, Trade and Industry (METI)	Asia CDM Capacity Building Initiative	2004-2005
Japan Ministry of the Environment (MOE) - Institute for Global Environmental Strategies (IGES)	Integrated Capacity Strengthening for CDM/JI	2003-2008
Japan International Cooperation Agency (JICA)	Study on Capacity Building to Promote CDM Projects in the Republic of the Philippines	2005-2006
Japan Bank for International Cooperation (JBIC)	Workshops in the Philippines Support CDM Project Formation - Knowledge Assistance for Reducing GHG Emissions	2007
United Nations Environment Program – UNEP Risø Centre	Capacity Building for Clean Development Mechanism (CD4CDM)	2002-2006
World Bank – Carbon Finance Assist	Carbon Finance Technical Assistance	2007-2008

Table 2. Philippine financial institutions with CDM portfolio

BANK	FOREIGN PARTNER
Development Bank of the Philippines (Public)	Japan Bank for International Cooperation
Land Bank of the Philippines (Public)	
Philippine Export Import Credit Agency (Public)	
Metropolitan Bank & Trust Company (Private)	Sumitomo Matsui Banking Corporation

Box 1. Japan's promotion of CDM through ODA
Steps involving CDM are as follows:

1. Advanced nations (investors) promote projects in developing countries to reduce and absorb greenhouse gases through financial and technical cooperation;
2. The projects result in emission reduction compared to before their implementation;
3. Advanced nations and developing countries mutually approve the projects as CDM projects;
4. After the approval, application for registration to the third-party institution (United Nations CDM Executive Board). When the registration is complete, advanced nations can use part or all of the emission reductions resulting from the projects as Certified Emission Reduction (CER) to meet their reduction targets.

Source: *Japan's Official Development Assistance White Paper 2007*



Ecuador's Historic Vote: Nature Gets Legal Rights

By Becky Daniel

Approximately two-thirds of Ecuador's population voted "yes" this autumn in a historic, national referendum – a result that reflects the vast majority's hopeful expectations of political change. By an overwhelming margin, the Ecuadorians backed their President, Rafael Correa, in voting for a new progressive constitution - the first in the world to grant Nature the same inalienable rights as human beings.

"I think that a lot of eyes will be on Ecuador", said Mari Margil, associate director of the Community Environmental Legal Defence Fund – the law firm that worked with the members of Ecuador's Assembly to draft the legal framework. "With this vote, they

are leading the way for countries around the world to fundamentally change how we protect Nature.

Officially, the new Magna Carta seeks to repair the country's past inequities and injustices.

According to Maria Fernanda Espinosa, Ecuador's ambassador to the United Nations, it "aims to supersede the assumption that having more will enable better living". Inspired by the indigenous Quichua concept, *sumak kawsay* – which translates as balanced living – this new constitution promotes being in harmony with oneself, society and nature.

Geographically, Ecuador abounds in unique habitats and precious ecosystems. The Amazon rainforest, the Andes and the Galapagos Islands are home to rare and irreplaceable flora and fauna: the jaguar, spectacled bear, land and marine iguana, golden-headed quetzal, umbrella bird, river otter, fur seal and thousands of species of orchids. The country is also culturally diverse and a quarter of the population are indigenous. Descendants of the Incas, Quichua, Otavalenos and Saraguros live primarily in the Andean highlands, while the tropical rainforest is the home of the Shuar, Huaorani and Anchuar Indians. The new bill is a groundbreaking step towards the protection of this natural wealth and cultural diversity.

Dr. Mario Melo, a lawyer specialising in Environmental Law and an advisor to Fundacion Pachamama, explained that the new constitution redefines people's relationship with Nature. It is not an object to be appropriated and exploited but rather a rights-bearing entity that should be treated with parity under the law.

"In this sense, the constitution reflects the traditions of the indigenous peoples living in Ecuador, who see Nature as a mother and call her by her proper name, *Pachamama*," Dr. Mario Melo said.

This new bill for Nature's "right to exist" offers an alternative paradigm. It clearly acknowledges that all life on Earth is interconnected. It must be protected and respected for the sake of all

species – beliefs which have long been obvious to Ecuador's indigenous peoples.

The constitution provides explicit legal protection for the environment. Says one section: "Nature or *Pachamama*, where life is reproduced and exists, maintain and regenerates its vital cycles, structures, functions and its processes in evolution."

It also decrees that the government must apply "precaution in all the activities that could lead to the extinction of any species, the destruction of ecosystems or cause the permanent alteration of natural cycles."

Although the government is ultimately responsible for upholding the new laws, in Ecuador, every individual, organization or community now has the power to represent Nature on the courts and halt any damaging activities.

Alberto Acosta, ex-president of the Ecuadorian Assembly, helped draft the new laws. He said: "If social justice was the axis of struggle in the 20th century, environmental injustice is going to be the focus of conflicts for the 21st century."

Alberto explained that western society has long viewed Nature and all its living species simply as objects of property or resources, available for exploitation, to be bought or sold. Any legal measures to protect the environment have, until now, concentrated on regulating human behaviour, the amount of pollution and offer to forsake oil revenue for the sake of humanity," Rafael Correa said, "but we need the international community to share the responsibility, by providing ... some compensation in recognition of the environmental benefits we will generate for the entire planet."

The new constitution of 444 articles has been created democratically. It incorporates proposals put together by the 70,000 citizens, who were present at the Assembly in Montecristi. Along with the rights for Nature, it also contains social reforms, aimed at improving the quality of life for the 38% of Ecuadorians who live below the poverty line.

New provisions guarantee collective rights to water and food, free education for all, increased spending on health, the availability of low-interest micro-loans, building materials for first-time home owners and free seeds for growing crops.

Ecuador's extension of legal rights for Nature may also represent a wider shift in how humans view their place in the world. The Legal Defence Fund has seen the extent of destruction. Ecuador's new laws are a radical turning point because they champion sustainable development over economic growth.

"Throughout legal history," stated Mr Acosta, "each extension of liberties – the abolition of slavery or the expansion of civil rights – has required recognition of the 'right to have rights'. It has taken a concerted political effort to change the laws which deny this vision."

Looking ahead, some environmental organizations can foresee potential conflict between multinational

corporations and the implementation of Nature's new rights. Ecuador's economy has depended largely on the extraction of timber, oil and minerals – industries which have contributed hugely to the degradation of the country's environment.

President Correa has already proposed a ban on drilling in the Yasuni National Park. The Ecuadorian government has appealed to the international community to find innovative ways to recompense their country for the estimated 4.6 billion dollars income which will be lost. "We are fielding calls on the subject from Italy, Australia, South Africa and Nepal – also in the throes of its first constitution."

Some religious leaders, including the Archbishop of Canterbury and the Dalai Lama, have recently declared that caring for Nature is a spiritual duty, while the Catholic Church has incorporated: thou shalt not pollute the environment into its revised list of Seven Deadly Sins.

"We are still on time for our laws to recognise the right of a river to flow and to prohibit actions that will destabilise the Earth's climate ..." said Mr. Acosta. "It is time to stop the mad commodification of Nature, as it was in previous years, time to prohibit the buying and selling of human beings." - *Positive News, Winter 2008*

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Warnings of “Climate Genes” Biopiracy in Africa

By Chee Yoke Heong

Corporations and institutions are rushing to patent “climate-genes” that can withstand environmental stresses, with some of these genes originating from crops grown in Africa, thus igniting fears of potential “biopiracy” of the continent’s resources.

S yngenta, Monsanto and others are positioning themselves to further penetrate African markets clutching the climate change banner,” said a new report by the African Centre for Biosafety (ACB). This involved appropriating key African food crops to produce genetically modified (GM) climate crops.

According to the report, biotechnology is being used to identify “climate genes” in African crops

plants, which can withstand stresses that are likely to become prevalent as the world’s climate changes and companies are patenting them to strengthen their hold on the seed market for GM crops.

Monsanto has obtained permits from the South African regulatory authority to conduct field trials on four events of its abiotic stress corn over a three-year period. (An “event” refers to a particular modification of an organism.)

Current Green



The multinational corporation is also conducting studies on drought tolerant soybean and cotton for commercialization.

Together with strategic partners, Monsanto is in the forefront of patenting parts of key African food crops such as sorghum, maize, peanut, cotton, wheat, manioc, sugar cane and banana for their “climate” properties including stress tolerance, biomass accumulation and drought tolerance.

An Israeli company, Evogene, partially owned by Monsanto, is claiming more than 700 climate-related gene sequences in a single patent application. The claim extends to the use of the gene sequences in key African crops such as maize, peanut, cotton, wheat, manioc as well as a number of economic plants such as ornamentals and teak species.

Another Monsanto ally, US-based Ceres Inc., which calls itself “the energy crop company”, has filed patents on numerous climate-related genes for both agrofuels and food crops of importance to Africa such as sorghum, maize, millets and rice.

Switzerland-based Syngenta, another multinational corporation, has also lined up

climate change-related patent claims on genes related to drought and agrofuels that have implications for Africa. Some of these patent claims include development of GM plants that are resistant to saline soil and drought.

In an earlier report, the ETC Group in 2008 identified over 500 patent applications on climate genes around the world and since then many new applications have been filed. Apart from focusing on specific crops, the patent claims also extend to genes and biotechnology techniques that could be used on a large variety of plants.

According to the ACB report, Africa is constantly under pressure to extend the patent rights of the multinational seed industry which, together with its supporters as well as private funders, believe that mass adoption of genetically engineered “climate-ready” crops is the answer to dealing with the impact of climate change on African agriculture.

This is despite the fact that this “solution” poses serious biosafety risks as well as a threat to the continent’s food sovereignty, cautioned the ACB.

The activity of the multinational seed and agrochemical companies in African national markets is currently variable, depending on the country and its dominant crops. Their presence is currently felt more strongly in the temperate regions of Southern Africa where maize is grown on a large scale than in the central African rainforests.

According to the report, through pressure to expand their intellectual property rights over plants, these companies hope to strengthen their African presence in their search for greater profits.

The report also highlights the players behind the development of the “climate-ready” crops

and who seek to control them through patents. It noted that while large seed and agrochemical companies often forge research alliances among themselves or with smaller companies involved in “gene recovery” relating to climate change crops, such alliances also extend into public sector plant breeding and research programmes through collaborative agreements often funded by multinationals and private philanthropy in the West.

Ceres, for example, has signed a deal for exclusive access to high biomass sorghum lines from Texas A&M University. Sorghum is a major African and Texas crop that is notable for its drought-tolerant quality and which recently has attracted renewed interest for grain, agrofuels and fodder production. For decades, the university had been a major source of publicly released sorghum breeding lines, but this public resource has now been endangered through Ceres’ exclusive arrangement.

Another initiative that has come under critical review is the Water Efficient Maize for Africa (WEMA) project. Funded by the Bill and Melinda Gates and Buffett Foundation, the project involves Monsanto, the International Maize and Wheat Improvement Centre (CIMMYT), the African Agricultural Technology Foundation and the national agricultural research institutions of Kenya, Uganda, Tanzania and South Africa.

The project aims to develop and release conventional and genetically engineered drought-resistant maize varieties which its promoters say will be made available royalty-free to small farmers in Southern Africa. As such, the project is hailed as an example of corporate largesse and how biotechnology can supposedly solve climate change challenges. However, critics such as the ACB see it as a

“Trojan horse intended to hook African farmers on GM seeds.”

Of the hundreds of patent claims on climate genes, it is difficult to predict which, if any, will ultimately prove commercially valuable or useful in Africa, says the ACB report. Because most claims are so broad - applying to the use of the genes in almost any plant - at this stage of technological development, there are few concrete examples beyond attempts to introduce transgenic drought tolerance traits into the largest global crops such as maize and rice, all of which remain experimental to date.

The report argued that Africa should rise to the challenges posed by climate change by collectively responding to new conditions using traditional knowledge and *in-situ* methods, supported by agricultural research and extension, to create the seeds and production systems necessary to cope with a rapidly changing environment.

Extending patent monopolies to large corporations will only undermine and stymie climate adaptation by African farmers because it will stifle the free exchange of and experimentation with crops, activities which are critical to the development of indigenous solutions, says the report.

As such, the ACB urges African governments to investigate the patent claims that have been filed, particularly those that resemble “biopiracy” in asserting ownership to African genetic resources that would otherwise be commercialized elsewhere. – *Third World Network Features*

Chee Yoke Heong is a researcher with the Third World Network. This article is reproduced from Third World Network Features. Third World Network is also accessible at <http://www.twinside.org.sg>

Critiquing Carbon Trading

People and planet pay the ultimate price

By Paul L. Quintos



The United Nations Framework Convention on Climate Change (UNFCCC) is the Multilateral Environmental Agreement adopted at the United Nations Conference on Environment and Development, better known as the Earth Summit, in 1992. With 192 parties to the Convention, it sets the overall framework for intergovernmental efforts to tackle the problem posed by climate change.

Its principal goal is to stabilize greenhouse gas (GHG) concentrations in the atmosphere to prevent dangerous anthropogenic interference with the climate system. But the UNFCCC does not specify how this goal will be achieved. Rather, it lays out a process through which various protocols with more specific and binding commitments might be negotiated among the Parties to the Convention.

This process led to the adoption of the Kyoto Protocol during the 3rd Conference of Parties (COP) to the UNFCCC held in Japan in December 1997. The central feature of the Protocol is that it sets binding targets for 37 industrialized countries and the European community (Annex B countries) for reducing the level of GHG emissions by an average of 5% compared to 1990 levels over the five-year period 2008-2012.

A market-friendly climate protocol

The Protocol does not mandate what domestic policies can or must be implemented to achieve these reductions. But it does introduce three market-based mechanisms – Emissions Trading (ET), the Clean Development Mechanism (CDM) and Joint Implementation (JI) -- to help countries meet their emission targets, and to encourage the private sector and developing countries to contribute to emission reduction efforts.¹

Parties with emission reduction commitments under the Kyoto Protocol (Annex B Parties) have emission targets expressed as assigned amount units (AAUs) over the 2008-2012 commitment period. Emissions trading, as set out in Article 17, allows countries that have “unutilized” AAUs - emissions permitted them but not “used” - to sell this excess capacity to countries that exceed their targets.

Joint implementation, defined in Article 6, allows an Annex B country to earn emission reduction units (ERUs) from an emission-reduction or emission removal project in another Annex B Party, each equivalent to one tonne of CO₂, which can be counted towards meeting its Kyoto target.²

The Clean Development Mechanism allows emission-reduction (or emission removal) projects in developing countries to earn certified emission reduction (CER) credits, likewise equivalent to one tonne of CO₂ each. These CERs can be traded and sold, and used by Annex B countries to meet a part of their emission reduction targets under the Kyoto Protocol.³

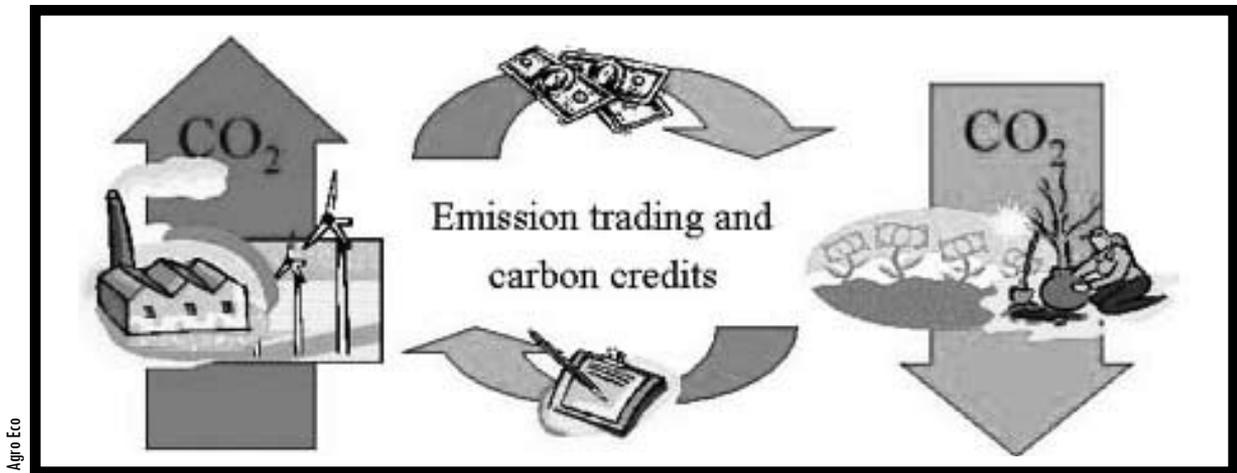
These market-based mechanisms were included to accommodate the demands of the biggest GHG emitting countries led by the United States (US) which had resisted and continue to resist proposals for drastic and binding cuts to GHG emissions, pushing instead for a market-based approach such as the use of tradeable emissions permits.

In theory, by treating the right to dump CO₂ in the atmosphere (expressed as CO₂ emission allowances) as a scarce tradeable commodity, the carbon market creates incentives for emissions reductions because the more CO₂ you emit above your allowance, the more money you would have to shell out. In this sense, it functions like a carbon tax. But unlike a carbon tax, carbon trading reduces emissions in the least cost manner because those that can easily reduce emissions most cheaply will do so the most and sell their excess allowances to those who face higher costs for emission reductions, so goes the theory.

A booming market

Even with these market-friendly mechanisms in place, the US still withdrew from the Kyoto Protocol in 2001. Nevertheless, the Protocol gave birth to the *global* carbon market which has since expanded exponentially in volume and value terms.

The World Bank concludes that, “Its biggest success so far has been to send market signals for the price of mitigating carbon emissions. This, in turn, has stimulated innovation and carbon abatement worldwide, as motivated individuals, communities, companies and governments have cooperated to reduce emissions.”⁴



Agro Eco

Lowering costs for some

However the Bank’s bold claim is ultimately unverifiable. Even in principle, whatever emissions reduction that results from cap-and-trade is due to the cap imposed by regulators. The lower the cap, the bigger the reductions -- assuming they are enforced. The trade in emissions permits is merely a mechanism for allocating the costs of meeting that same regulatory measure among the different sources of emissions. Put another way, whatever emissions reduction is possible under a cap-and-trade scheme is also possible under a cap-without-trade scheme. But not all emissions reductions that can be achieved using large-scale public works projects and non-market based regulatory measures (e.g. mandatory efficiency standards or technologies) can be ensured using a cap-and-trade system which leaves the question of how to reduce emissions completely up to the discretion of polluters.

Hence critics point out that carbon trading is essentially designed first and foremost to minimize the costs faced by polluters in complying with the Kyoto Protocol rather than to effect a structural shift towards non carbon-

intensive development paths at the quickest possible time to avert climate catastrophe.

Even mainstream economists who are by no means anti-market in ideology are waking up to this fact. Jeffrey Sachs, for instance, recently wrote: “Economists often talk as though putting a price on carbon emissions—through tradable permits or a carbon tax—will be enough to deliver the needed reductions in those emissions. This is not true. Europe’s carbon-trading system may or may not have modestly reduced emissions, but it has not shown much capacity to generate large-scale research nor to develop, demonstrate and deploy breakthrough technologies. At the margin, a trading system might marginally influence the choices between coal and gas plants or provoke a bit more adoption of solar and wind power, but it will not lead to the necessary fundamental overhaul of energy systems.”⁵

As Lohman points out, the underlying principle to carbon trade -- that a ton of CO₂ emitted anywhere in the world has exactly the same impact on climate change and is therefore exchangeable -- is fundamentally flawed. In fact, the where and how of emissions reductions are

important, not just the volumes of reduction. For instance, fossil fuel based powerplants may cost billions of dollars to set-up and can operate over 4 decades. Therefore building more of these should be avoided since they imply high levels of CO₂ emissions farther into the future. Given the massive scale and extreme urgency of the need to reduce emissions, there is clearly a need to prioritize structural changes in electricity generation, transportation, industrial processes, etc. Buying cheaper emissions permits or carbon credits from offset projects allow the biggest polluters and governments to postpone such changes, making it even more difficult and expensive for society to undertake such a transition in the future.⁶

Lohman estimates that, “Given a target of 80 per cent reductions in greenhouse gas emissions by 2050, for instance, putting off action just four years doubles the yearly rate of change required, from two to four per cent. Keeping the world’s largest addicts of fossil fuels locked into coal, oil and gas for the foreseeable future – whether it is power generators or the cement, chemicals, oil and gas, pulp and paper or iron and steel industries – is exactly the opposite of the course that needs to be taken.”⁷

This is made worse by the fact that carbon trading also creates perverse incentives by allowing some of the biggest polluters to even profit from their emissions. For instance in all actually-existing cap and trade systems, “pollution rights” are granted based on historical levels of emissions. Thus the biggest polluters are awarded, free of charge, the lion’s share of the atmosphere, which they can use to generate windfall profits.

This was most famously demonstrated during the first phase of the European Union ETS,

which came into effect in January 2005. At its outset, emissions allocations were granted free of charge to corporations largely based on estimates prepared by the corporations themselves. This resulted in permit allocation levels that, in some industries, exceeded their real carbon emissions by up to 50%. Thus most companies were not even compelled to make emissions cuts nor purchase pollution permits.

When this became public knowledge in May 2006, the price of carbon emission collapsed from a peak of 33 Euros to 0.20 Euros per MT CO₂ – hence providing no incentive at all for reducing emissions. Meanwhile, big electricity generators were allowed to pass onto consumers the “opportunity cost” of withholding their freely-granted permits from the market. According to a report by Point Carbon commissioned by the World Wildlife Fund for Nature (WWF), by 2012 this would have delivered an additional US\$112 billion in accumulated windfall profits for European power generators.⁸

Then there is the problem of measuring and monitoring actual emissions reductions at the source, given the wide range of processes and sources of various greenhouse gasses all over the world. The IPCC acknowledges the wide range of uncertainty in calculating emissions: from 10% in the case of electricity generation and some industrial processes; to 60% for coal mining and land use change; to 100% for biomass burning.⁹

The problem of measurement is further confounded by the fact that in most countries, data on industrial emissions is provided by polluting companies themselves, not by an impartial authority. The technical and

institutional requirements for ensuring the veracity of claimed emissions reductions is therefore absent, especially in developing countries, or may entail far bigger costs than the alleged efficiency gains offered by a market-based emissions trading scheme.

The uncertainties involved in measurement, enforcement, policy inconsistency as well as technological change adds to the volatility of “carbon prices” and becomes the subject of financial speculation as well. Recent years have seen the rise of secondary markets and financial derivatives based on “carbon assets”. For instance, the value of secondary trading in guaranteed CERs (gCERs) from CDM projects exploded from US\$ 445 million in 2006 to US\$5.4 billion in 2007 with the average price also rising from US\$18 per tCO₂e to US\$23 per t CO₂e.¹⁰ Unstable price signals therefore

polluting companies – contrary to the rationale for carbon trading in the first place.

In summary, carbon trading is an unreliable and unjust mechanism for addressing the problem of climate change. It encourages delay rather than a rapid transition away from fossil-fuel based economies; it rewards the biggest polluters rather than making them carry the burden of mitigation and adaptation; and it discourages other measures for dealing with the problem.

The future at the auction block

And yet for policy makers, especially in the biggest polluting countries, carbon trading is the wave of the future. Europe is at the forefront with the EU-ETS as the centerpiece of EU climate policy. Norway, Liechtenstein and Iceland have joined the EU-ETS in Phase II. In the third phase, the scope of EU-ETS will be extended to new sectors (chemical sectors and ammonia producers), which would bring new gases (PFC and N₂O) into the scheme. Aviation may join earlier toward the end of Phase II and maritime transport is also next on the list.

In June 2009, the US House of Representatives passed the American Clean Energy and Security Act (better known as the Waxman-Markey Bill) that would establish a national cap-and-trade system for curbing greenhouse gas emissions. Hailed as an “historic” piece of legislation, the bill sets a very low target for emissions cuts (17% against 2005 levels by 2020),¹¹ allows polluters to purchase domestic and international offsets to meet targets, and gives coal and oil industries billions of dollars in subsidies.¹² Among the bill’s supporters are big corporate polluters such as Shell Oil, BP America, and Duke Energy.



In the developing world, CDM projects generating tradable CERs continue to multiply with proposals to broaden the scope of CDM-eligible activities to include land-use, land-use change and forestry; carbon capture and storage and nuclear, as well as including sectoral crediting of emission reductions and/or crediting on the basis of nationally appropriate mitigation actions (NAMA).¹³

All this should be cause for alarm for the emerging global carbon trading system is profoundly flawed. It is essentially based on the privatization of the earth's atmosphere and premised on the free market doctrine that the pursuit of private gain is the best way to realize socially desired outcomes. It starts with the bitter irony of freely awarding property rights over the atmosphere to the ones most responsible for its damage, then allowing them to profit from these 'rights' through trade and speculation. Meanwhile, the ultimate objective of arresting global warming falls victim to their singular drive for capital accumulation and profit. The system is indeed 'cost effective' and even profitable for some in the short term. But society pays a lot more in the long run. Indeed, the people and the planet may be forced to pay the ultimate price sooner than expected because of carbon trading.

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One Year After the Global Financial Crisis: Economies still struggling, jobless, hungry people on the rise

By Jenny Guste

Amid news that capitalist countries are on the road to recovery, real economic indicators show that developed economies are still struggling to rise above the ravages of the near-collapse of the global financial system.

In 2008, governments released trillions of dollars in public money as handouts, loans, and guarantees to save the world's largest financial institutions and corporations from collapsing. Major banks bailed out a year ago are announcing record profits, fuelling a bullish mood in stock and commodity markets in recent weeks.

Likewise, the United States (US), China, and other major economies are posting growth in their gross domestic products (GDP). Global trade appears to be picking up as well.

Not yet over

These macro-economic indicators, however, are not fundamental indicators of economic recovery. The more reliable indicators of economic recovery are the levels of employment and job security, real incomes, social spending, and the incidences of poverty and hunger.

One year since the global financial system's near-collapse, the army of unemployed workers is still rising by the millions. The International Labor Organization (ILO) forecasts an increase in global unemployment of between 39 and 61 million workers in 2009 against 2007 levels amid continued labor market deterioration around the world. The World Bank also estimated that 90 million more people will suffer from hunger by 2010.

Private rescue, public burden

Last year, the world witnessed how Northern governments quickly bailed out and infused money to failing private corporations to stem the worst financial crisis in decades. Totalling US\$12.6 trillion, these bailouts and stimulus funds are financed by government debt which is already soaring. The burden will ultimately

be shouldered by the people through higher taxes and cuts in social spending. Already, the US federal government has US\$11.8 trillion in debt, and is facing a deficit of US\$1.8 trillion for 2009 alone. The US is sure to be saddled with trillion-dollar deficits every year for at least the next decade.

In other G8 countries, fiscal stimulus programs are also translating into huge public deficits at levels not reached since World War II. In the US for instance, fiscal stimulus programs amount to 13.5% of GDP; 11.6% in the United Kingdom; 0.4% in France; and 10.3% in Japan.

Indebtedness in the US is projected to increase further in 2010 as 40% of US government revenues will come from debts. This will result in the US national debt nearly doubling over the next 10 years to about US\$20 trillion. By 2019, the US national debt will increase to nearly 70% of GDP, up from 48% this year. Meanwhile, some 40 poor countries are projected to plunge into a new debt crisis.

The phenomenal bailouts and consequent rising budget deficits and debt have made one thing clear: private financial institutions are rescued by governments while taxpayers are footing the bill. While capital is being concentrated further in the hands of few finance oligarchs, losses are passed on to the working people. Belt-tightening measures in the form of reduced government spending for social services are also borne by the public.

Record-level unemployment rates

Following the bailouts were massive lay-offs in developed countries, while the remaining employed are forced to work longer hours without due compensation. According to the

Organization for Economic Cooperation and Development (OECD), the unemployment rate in advanced economies reached 8.6% in August 2009, 2.3 points higher than last year.

In the US, the latest unemployment rate 9.8% is the highest in 26 years with the number of unemployed increasing by 7.6 million to 15.1 million since the onset of the recession. Meanwhile, the seasonally-adjusted official unemployment rate in the 27-member European Union (EU) rose to 8.9%, reflecting an increase of 246,000 in the number of jobless people to more than 21.5 million in June 2009. Japan's unemployment is at its highest in 53 years, reaching 5.7% or 3.59 million unemployed as of July 2009, a million more than in July 2008.

More than 1.6 million people worldwide have been pushed into reduced hours, casual, or part-time employment. Almost half a million people are stand-ins or temporary workers because they cannot find permanent jobs, while nearly one million work part-time because they cannot find full-time employment.

Global forecasts on unemployment levels show that the worst has yet to come. According to the ILO, global unemployment could reach

219 million to 241 million in 2009 as the labor market deteriorates. It is projected that the jobs crisis will linger for up to seven to eight years after the market has recovered.

Poverty and Hunger in the Third World

The ranks of the unemployed will eventually add to the growing number of the world's poor. It is projected that 98 million more people will be poor by the end of 2009. Sharp increases in food prices from 2005 to 2008 have already pushed 130 million more people into hunger. This means that over a billion people now face a daily battle against hunger across the world. According to the United Nations (UN), despite world food prices decreasing in the last half of 2008, domestic food prices generally have remained very high and are projected to continue to rise. In the first half of 2009, commodity prices rose again, reflecting the return of financial speculation to commodity markets.

The recession's impacts are harsher in the South, whose backward economies have been made further vulnerable to the volatile financial flows and reduced trade. The UN estimates that 105

to 145 million more people would remain poor or fall into poverty because of the current economic crisis. Much of this will come from East and South Asia affecting 95 to 132 million people, of whom about half are in India. The crisis could keep 5 to 7 million more people in poverty in Africa and another 4 million in Latin America and the Caribbean.

The crisis also has graver impact on employment in developing



AP

countries. Job losses have continued, especially in mining, textile and garments, metals and metal products, automobiles, jewelry, construction, transport and information technology, as well as tourism.

In the Philippines, people experiencing job insecurity as of April 2009 numbered 10.8 million (4.2 million unemployed and 6.6 million underemployed), on top of the 9.2 million forced to work abroad as overseas Filipino workers (OFW). Crisis-related retrenchments from October 2008 to April 2009 affected 50,000 workers. Most of these are in the export processing zones in sectors such as electronics (29,000), garments (6,179), and automotive (3,436). An additional 17,600 workers are threatened with losing their jobs – 8,000 from Philippine Airlines, 5,000 from North Harbor, 3,000 from the Wyeth-Pfizer merger, and 1,600 from Triumph International's closure. Meanwhile about 6,500 OFWs have already returned to the country since October last year because of the global crisis.

These are just among the many statistics depicting the wide range of human suffering worldwide made more insufferable by the global economic crisis. All these serve to belie the claim that economies, including those of the most developed countries, are already moving towards recovery.

The manner by which capitalist countries have dealt with the crisis is severely limited. They



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have responded to it with bailouts, corporate rescues and stimulus packages, perceiving the problem as merely due to financial excesses and the resulting instability. However, the crisis is rooted in the systemic contradiction between private profit and social production, and in the resulting crisis of overproduction.

The US financial crisis continues to send tremors across the developing world through economic channels such as trade, investment, debt, and overseas remittances. Southern governments must realize the undue vulnerability that indiscriminate integration to the global financial and trading system has brought them.

The global crisis should prove to developing countries the importance of building a strong domestic economy by instituting genuine agrarian reform, agricultural development for food security, and national industrialization.-
IBON Features

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Tough Love

By Sarah Raymundo

Michael Moore's Capitalism: A Love Story

(2009, 123 minutes, Rated R)

There is no metaphor more fitting than love to get us a feel for our engagement with a system's berserk display of passion for profit accumulation. King of shock docus, Michael Moore, once again, points a wrathful finger on the usual suspects who have enslaved and enchained our hearts and minds to a cruel relationship that neither fungible contracts nor boastings of recovery from Wall Street can assuage.

Capitalism: A Love story means to shed light on the financial collapse that has left even middle class Americans homeless, jobless and insecure—a condition that has ensured the flourishing of the financial elites for the past several decades. That this condition must usher in the violence of fury over foreclosed homes, declined wages and stolen dignities is the point of this tell-all love story.

Lovers won't deny how suffering makes love romantic and compelling. Commonsensically, however, they tend to believe that barriers and prohibitions prevent love's ultimate realization. Such is one of the greatest illusions about love.* What makes love possible, irresistible and forcible are precisely the hurdles involved in making that grand gesture of total embrace.

A parallel illusion is still being argued by neoliberal fetishists whose screwy brainwork suggests that regulations to the "free market" prevent capitalism's promise of abundance for all. And they are quick to add, as if to lend force

to a false premise, that the market is its own best regulator. This means that market barriers set by government can only upset the value of currencies, commodities, stocks and cut international aid down.

What elides this line of thinking is the fact that the market excludes the majority. And it has only done so with governments' concerted and decisive efforts to privatize, deregulate and liberalize the global economy. In other words, market freedom does not happen on its own. It needs state power for emplacement. It is the state's total embrace of the interest of the ruling economic class that has bolstered the supremacy of the current financial elite, the same kind of tough love that has ironically minimized the mind-boggling size of the financial market lately.

Personally Yours

Coming from the wrong side of history and a misplaced appreciation of current matters, Moore's critics paint him as a big, fat, stupid white man whose comfortable childhood matched with overindulgent parents entitle him to publicly perform his denouncement of the wealthy. Here is a man with a moving camera, a few personal assistants and perhaps considerable family money to squander for his petty cinematic outbursts.

But Moore, in this love story, does not deny any of his swanky family vacations and adventurous road trips which mark the family's fidelity to high middle class living. He shares actual footages of his privileged childhood to sell a contradiction that is both personal and historical.

The risks of globalization were never mitigated with any degree of efficiency. Rather, those risks were subjected to risk management that was predicated on turning the same to saleable commodities groomed for the market

by business people chasing after profit. Yet these commodities do not relate directly to production. This shift in profit-making is vaguely pursued by Moore’s sentimentalism for factories long gone with his own childhood.

Yet somehow, by showing images of the post-war boom and the remainder of industrial production at the time, Moore is, in fact, pointing out that life for the average American between then and now has changed significantly, and for the worse.

While most of us have yet to grasp the logic in which commodities conceal the exploitative relationship between worker and employer as items sold in the malls appear to have a life of their own, Moore already urges us to grapple with derivatives. Conceived to mitigate the risks of the speculative mode of profit-making, derivatives shape the direction of financial capital as the current economic model.

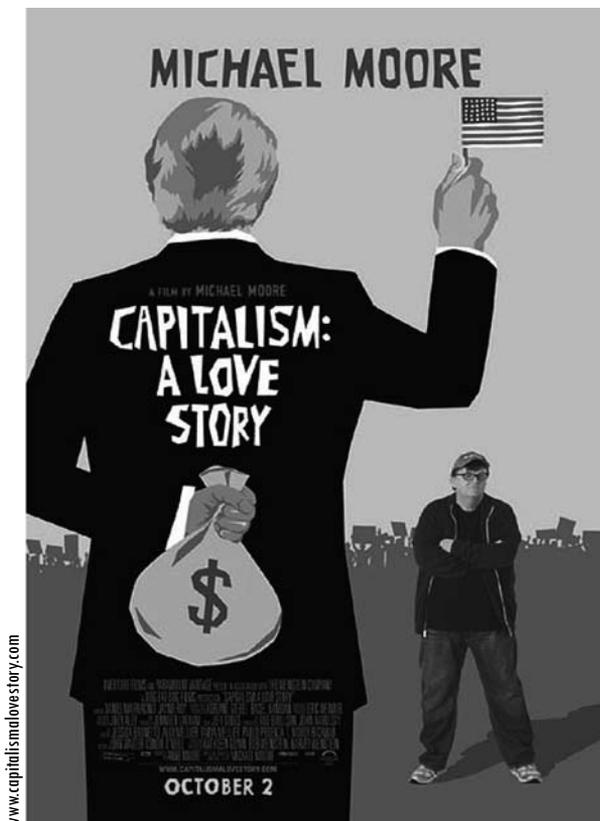
private deals that govern production and consumption. The trust that we invested in those credit cards, insurances, housing and car loans was also a convenient sign of the good life fetishized to the extreme. It is indeed the kind of life that was in sync with the agitated lights of commercial districts.

But in the light of the financial collapse, nothing remains of the good life that was pursued on a privatized basis through highly personalized and customized loans. Despite this, the good life is still being marketed as an aspiration of the lone individual. Against this picture, Moore gathers all the stories of failed expectations, scandalous betrayals and painful delistings to prove that these personal stories are part of a historical collective experience marked by the destruction of public services.

Convincingly, Moore renders visual how the privatization of the common good—marketed as the good life—is a cultural logic that weaves into a particular political logic. This political logic, at first glance, seems like the privatization of government or social state. In reality, this is the kind of logic that shapes governments when capitalists are allowed to take over.

Capitalists do not only mean to privatize. They go beyond the description “private sector.” Their own record shows that they also mean fascist attacks to our civil rights and our very basic right to life as evidenced by the globalization of military aggression. After all, war solves their problem—that of the narrowing margins of profit. This is a class that is conditioned not only to loot the living but also to choose loot over lives at all times.

When children are imprisoned for bantering, when corporations earn big time from the death of their employees by secretly securing insurance for the latter, when hardworking people are driven out of their ancestral homes on account



of loans, how do we suppose to imagine people of the future passing judgments on our lives and times? Moore suggests that we seriously consider this question.

Michael Moore Is Not Alone

While Moore doesn't seem to outgrow his penchant for hilarious if not perverted ("I can change the world if I can break the rules") mode of intervention as seen through his driving around in an armored car, going from one bank to another to reclaim the bailout money, this showmanship is balanced by presentations of other significant voices.

He does not miss out on people's capacity for political intervention. By showing the political battles fought by ordinary working people, the film goes beyond a one-sided and cynical way of describing the capitalist crisis. Apart from misery, Moore points out two of its other permanent features: resistance and empowerment.

His interviews with literal high priests are shocking since the most popular and powerful religious figure—the pope—does not seem to have the language in which to articulate a single criticism of a system that promotes the church's all-time favorite words: greed, pride, evil. But Moore's religious informants and their critique of capitalism are by no means craven and dogmatic.

Meanwhile, Moore falls into the trap of sycophantic sentimentalism in his apotheosis of Franklin Delano Roosevelt. A figure from the Great Depression seems in order as the matter at hand is the current Greater Depression. It must be noted, however, that FDR's reforms and his shot at a second Bill of Rights were meant as reinforcements to capitalist mechanisms that were shaken by the crisis. More than anything else, his was a strategy to contain the moment of socialist politics.

Moore is curiously and suspiciously generous to Obama. That the latter might be the new Roosevelt

who shares the same fate of governing over a nation amidst economic depression does not amount to anything that is either conceptually or affectively powerful. Not when people like Timothy Geithner and Larry Summers whom Moore himself vilifies, are handpicked by Obama to oversee matters of economic importance.

With neoliberals like Obama and company directing "the change we need," we can almost be sure that Imperialist America can only continue to lord over the world in ways that are perhaps less barefaced than their republican counterparts. At the end of the day, imperialist plunder rises above fractions within America's ruling elite.

Moore's Alternative: Democracy

The ideologues of capitalism, from political conservatives to left-wing liberal pragmatists, will not disagree. Leftist figures and right-wing fanatics are actually better together in any anti-communist battle on account of their similar assessment that our age has not yet witnessed the full realization of capitalism since no genuine democracy exists. As though capitalism even in its "full realization" will not require a form of government that will hide the fact that in its fully realized form, capitalism will still be founded on the private ownership of capital that will allow a minority to exploit and rule over the people.

But Moore does not equivocate. A jazzy version of the Internationale concludes Moore's love story. We are enjoined to demand a different kind of democracy, the kind that marches forward and beyond capital. For through and within capital, there simply is no love.

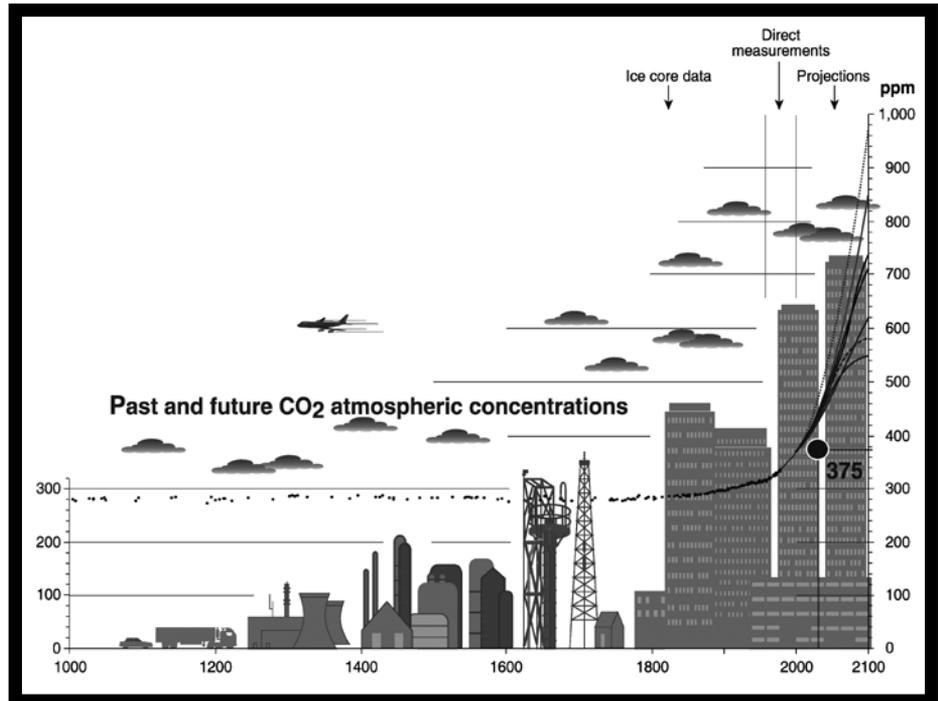
Endnote

* Salecl, Renata. 2000 (*Per*) *Versions of Love and Hate*. London: Verso.

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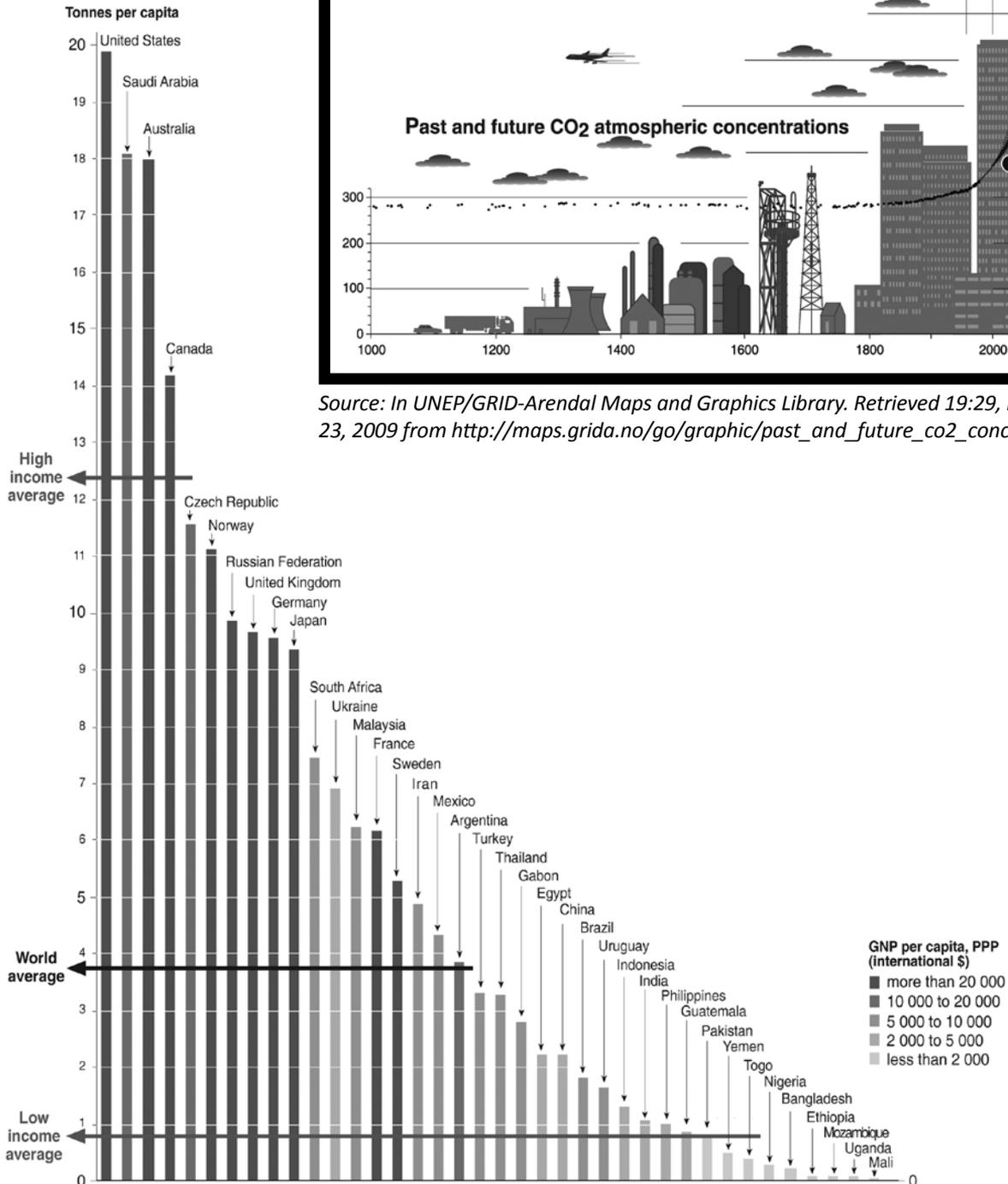
Climate Injustice

Past and future CO₂ concentrations (2005)



Source: In UNEP/GRID-Arendal Maps and Graphics Library. Retrieved 19:29, November 23, 2009 from http://maps.grida.no/go/graphic/past_and_future_co2_concentrations.

CO₂ Emissions in 2002



Source: NEP/GRID-Arendal Maps and Graphics Library. Retrieved 19:28, November 23, 2009 from http://maps.grida.no/go/graphic/national_carbon_dioxide_co2_emissions_per_capita.



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