

Watch This!

NGO Voices on Carbon Markets



Editorial

Dear friends,

We are happy to present this edition of the Watch This! NGO Newsletter which includes an assessment from our Indian colleagues on how India's new Prime Minister Narendra Modi will address sustainable environment. It also includes a special focus on the struggles of friends currently fighting against projects that do not belong in the CDM. The Santa Rita Hydroelectric plant in Guatemala stands in the spotlight as the CDM Executive Board is about to decide upon the registration of this project despite the violation of community consultation rules as well as alleged murders and intimidations of the affected community. It is the first project to be formally reviewed by the CDM Board on the grounds that the local stakeholder consultation was not carried out in the proper way. Our friends from India explain the local impacts of the two devastating coal power plants Reliance Power's Sasan project and Adani Power's Mundra project and show how these projects remain registered, even receiving carbon credits, despite non-compliance with a number of national and international rules. These experiences show that the current CDM rules are not strong enough to ensure a robust public participation process and to offer an efficient remedy in case harm occurs. These are basic elements needed to ensure sustainable development and to protect human rights, something that needs to be addressed as part of the ongoing CDM reform process.

Following our previous Watch This! Special Workshop Edition, which focused on land rights and carbon markets, we continue to assess how the concept of climate smart agriculture is developing and find that the arguments against linking such a concept to carbon markets are gaining ground. Finally, the experience from a colleague who had the pleasure to work with activists in India are shared and we look at developments of the Green Climate Fund which has finally started operation and is now looking to be filled with climate finance.

Carbon Market Watch Network and Friends

Watch This! NGO voices on Carbon Markets' appears quarterly in English and Hindi with campaign updates and opinion pieces from around the world. If you would like to contribute to the next edition or have any comments please get in touch with Urska: urska.trunk@carbonmarketwatch.org

In this issue



Short analysis of how political parties deal with environmental issues in India

page. 2



When a CDM project reminds of civil war atmosphere

page. 5



Clean felling people and laws of the land: The story of "clean development" by Reliance Power's Sasan Ultra Mega coal power plant

page. 7



The Clean Development Mechanism paradox of Adani Power Limited

page. 8



The pitfalls of climate smart mitigation

page. 10



Have carbon credits benefited small and marginal farmers?

page. 11



A journey around CDM projects in India

page. 12



Waste disposal and land conflicts in India

page. 14



NGO Voices on Carbon Markets
Watch This! Notice board

page. 16

Short analysis of how political parties deal with environmental issues in India



By Mahesh Pandya, Director, Paryavaran Mitra (Friends of Environment)



Photo: sfgate.com

With the results now revealed on who is India's new Prime Minister, every one focuses their attention on the economic development Narendra Modi promises. But how about his environmental manifesto? All the parties, BJP included, preached a 'sustainable development' that would make environmental protection coexists with industrial and economic development but it does not mean that their propositions will actually be efficient? Moreover, most parties pledged a sustainable environment for every Indian citizens and future generations but in practice nothing is done to make sure laws are properly implemented.

Congress is probably the party that had the most elaborated manifesto concerning environmental protection, but measures still seem superficial.

They wanted to bring a bill to set up a National Environmental Appraisal and Monitoring Authority (NEAMA) that would be an efficient agency to recommend Environmental Clearance. Yet this bill has been proposed since 2011 and nothing has been done till now. The proposal was buried within the Ministry even though the Supreme Court had passed an order in 2011, referred to very often as the Lafarge judgment, ordering such an authority. The Ministry's interpretation remained that it was only a recommendation and not an order of the court.

It also wanted to clean the rivers on a large scale as it is already being done for the Ganga through the National Ganga River Basin Authority. However, cleaning would only be a small part of the work. To make a real difference, measure should be taken to create awareness among people in order to avoid the disposal of waste in the rivers, etc. Furthermore, industries are also major water polluters. Regular monitoring should be set up to make sure the companies respect the environmental laws.

The 'Green National Accounts' initiative launched by Congress, although good in intention, would have been hard to put in place since some of the appropriate data is hard to collect, or has not been collected as there was no requirement. Also putting a monetary value on everything from built infrastructure to air quality is a very difficult task that most experts know is not possible to achieve. Therefore, it would have probably remained an ideal.

Regarding the National Action Plan on Climate Change, some experts argue that it will have little impact since climate change is a global crisis and to be efficient, not only India, but every country has to be involved. Also it seems like they expect more from developed countries, holding them responsible for the current situation. This kind of thinking would not solve any of the climate issues.

The Government pledged, under Congress, for protection of the biodiversity of the country

PARYAVARAN MITRA

Our goal is to focus on social injustice, human rights violations and ecological/environmental imbalance in development projects/processes and to try and resolve these issues.

and at the same time charging ahead with an aggressive policy to increase coal mining and industrial development that is destroying the environment including the habitat of numerous species. It is also forcing tens of thousands of its own citizens to leave their homes.

Aam Admi Party, which could be called a 'new-born' party, the Communist Party of India (Marxist) and the CPI are the three political parties that do not even pretend to care about the environmental issues. In their manifesto, environmental issues are barely addressed.

AAP promotes an ecologically sustainable economy for India but barely mentions its protection. Instead, they simply want access to basic needs such as food and water for all, but this won't be in any case protecting the environment. It is mentioned that 'Human and ecological capital are continually enriched' without saying anything on how to either enrich this capital or promote its conservation.

CPIM in its manifesto fails to mention the protection of wildlife which is threatened by the intensive industrialisation of the country.

In spite all of this; BJP seems to be the party that makes the biggest joke of environmental protection. BJP declares: wanting a better place, a better environment for all, now and in the future. They emphasise the need of a holistic view of human life for a sustainable development. Even though on paper, BJP supports environment protection, practices in Gujarat under the current Chief Minister (prime Minister elect) Narendra Modi, are very different. Many places, especially the coastal area have been polluted by the careless and extensive industrial development. Agencies in charge of environmental protection fail to serve their purpose and do not properly monitor. The proof of this lack of interest is the fact that the Central Pollution Control Board of India declared Gujarat to be the most polluted state in 2010. It is true that pollution started even before Modi, but he has not done much to improve the situation ever since.

As elsewhere in the developing world, this impressive industrial growth has been accompanied by pollution on a large and increasing scale. Air and water pollution, accumulation of solid hazardous waste and land contamination have been a concomitant part. From coal dust and fly ash spewing from Ahmedabad's cotton textile mills to the dumping of waste products in rivers, woods, ravines and valleys along the Golden Corridor, the environmental degradation has gone largely unchecked.

BJP offers to commit to protection of the Himalayas but neglects conservation efforts in the Western Ghats, wetlands or the wildlife in these areas. The manifesto barely mentions wildlife protection.

The overall manifesto remains very vague on environmental protection without ever giving concrete measures to implement existing measures, or improve the current situation. BJP wants to frame the environment laws in a manner that provides no scope for confusion and will lead to speedy clearance of proposals without delay, which could make us fear a speedy clearance without real consideration of projects on the environment.

Now that Narendra Modi has been elected on May 20th and delivered a very emotional and optimistic speech, we can speculate on what he will or will not do regarding environmental issues such as Climate Change in the country that is the 3rd largest polluter after the USA and China.

What can be said for sure is that Modi has a way with words; he knows how to mesmerize crowds and announce great and innovative measures. One of them could be the creation of a Ministry of Climate Change, like he did during his mandate in Gujarat, making him one of the first in the world to do so. In this new Ministry, he could transfer the National Action Plan or start is Goddess-given mission: clean the Ganga River.

We saw Modi in action in Gujarat when he was still Chief Minister, he created a CDM cell that turned out to be useless, promoted CDM projects such as state of the art windmills that were

Now that Narendra Modi has been elected on May 20th and delivered a very emotional and optimistic speech, we can speculate on what he will or will not do regarding environmental issues such as Climate Change in the country that is the 3rd largest polluter after the USA and China.

destroying land and leaving indigenous people jobless, if not homeless. The local people still do not have access to electricity when we know India has a surplus of electricity generation and Modi boasts to have a surplus of 2,000 MW thanks to these projects.



Photo: Firstpost India

The true irony lies in the fact that Modi believes himself to be the Indian Al-Gore. He published a book called 'A convenient action: Gujarat's Response to Challenges of Climate Change' in which he actually explains how to make money out of environmental protection. He has been invited by Ban Ki-Moon to attend the Summit on Climate Change in September 2014, my guess is that he will use this opportunity, not only to give Obama his first visit but also to try to appear as a saviour of the environment.

The three main national parties competing in the elections have published manifestos that touch on the environment, but say little about major problems such as worsening



Photo: pinterest.com (Million Dollar For Corporation)

pollution or projections that the country will have only half the water supply it needs by 2030. Overall, all the parties superficially mention the question of sustainable development without really giving the means and measures they will set up to protect the environment. No real punitive measures are proposed, they remain very shy in the way to punish polluting industries, even though it would be one of the best measures to deter industrialists from polluting India.

Now that Modi is Prime Minister, we expect him to be friendlier with Mother Nature and become a man of his word.

When a CDM project reminds of civil war atmosphere



By Anne Bordatto,
Activist, Colectivo
MadreSelva



Photo: carbonmarketwatch.org

In 1996 peace was signed in Guatemala after 36 years of civil war (around 200,000 deaths, mostly Mayan people) and a new electricity law was ratified as a strategy of privatization and liberalization to attract foreign investment based on the exploitation of natural resources, laying basis of what is turning out to be nowadays an ecological and economical genocide.

The peace agreement states the obligation to “obtain the favorable opinion of the indigenous communities prior to the realisation of any project based on natural resource exploitation that may affect their subsistence and lifestyle”, which is strengthened by the adoption of the ILO Convention No.169. However, when looking at Santa Rita hydroelectric project, the practice seems very different.

The Santa Rita Hydroelectric Plant is one of three projects that are under development on the Icbolay River, in the municipality of Cobán, in the Alta Verapaz region in Guatemala. The project is subject to community opposition over the environmental and social impacts and over violation of community consultation rights which are at the heart of the Guatemalan Agreement on Identity and Rights of Indigenous Peoples. To enforce this right, the Council of Peoples from Tezulutlán asked the CDM Executive Board not to register the project.

The company first entered the area by means of the Center for Rural Development - CEDER in its Spanish acronym, an NGO in charge of implementing the social responsibility policies of Hidroeléctrica Santa Rita. The public consultation started in 2009, but as a negotiation instead of a previous, free and informed process. The company claimed that it implemented a thorough stakeholder consultation process involving all affected local people. However, the reality looks different: only people from 8 out of 22 communities were invited to a meeting in a hotel where the common practice is that Maya-Q'eqchi' people usually discuss these matters in the surroundings of the whole community together.

In 2010, the 22 communities who would be affected by the hydropower project began organising meetings to discuss the project and made it clear to CEDER that they do not want the project. Since then, a pacific resistance against the project has started, including demonstrations and negotiation processes with the company. This process resulted in the removal of the building machinery in 2012. However, current developments suggest that this communitarian success resulting in peace will no longer remain in the region.

The Guatemalan Government, which is supposed to play the role as a warrant of peoples' rights recently strengthened its position to promote private investments. For example, a military camp was set up but was later removed upon the urge of community members.

Since then, the Department Governor is promoting a roundtable for dialogue on the hydroelectric plant construction. However, rather than promoting dialogue, the roundtable is



MADRESELVA

is an activists' collective committed to the defense of nature from a political and social perspective that supports proposals for accompanying People who defend natural resources or resist to projects that threaten the balance and ecological processes.

used to investigate who is against the project, further intimidating the local communities who keep opposing the project.

One of the CDM goals is to promote sustainable development but Santa Rita does not reflect anything sustainable. It is a showcase of human rights violation, deaths and lack of indigenous people's consultation in the implementation process of a CDM hydroelectric project in Guatemala. Unfortunately the Santa Rita project is not the only case in Guatemala. In Cambalan, Palo Viejo and Xacbal cases, the same leaders' criminalisation, creation of conflicts between communities and corruption are observed. Resistance movements for the natural resources protection are criticised for not understanding what development is, but what is the benefit for the native populations when electricity is produced but they cannot access it and instead only suffer damages? Why should they have to change to their worldview and their construction of good living for profit of the national oligarchy and multinational trusts?

It is ironic that the CDM, a symbol of global cooperation in the fight to protect our planet, is allowing projects that directly threaten the lives of local people. These projects must be stopped.

Recap of Santa Rita CDM hydroelectric project:

- Permission was given for project activity to go ahead without the consent of local stakeholders.
- **Communitarian leaders' persecution have led to the killing of 2 kids, 2 men, physical injuries of 9 persons (1 person with disabilities) and 13 leaders with limited basic human rights due to legal prosecution (3 of them are in jail).**
- Project causes significant negative social and environmental impacts.
- Continued repression by the company (despite declaring "a good neighbor policy" in the PDD) with governmental support as well as influence peddling of a local NGO that aims to disrupt local indigenous peace and unity.
- Lack of adequate public consultation and human rights abuses.
- River concession is expedited before the approval of the environmental impact study (which is a requirement).
- The PDD lacks information on environmental impact of the hydropower plant in the reservoir area as well as after the dam because of the mentioned ecological flow. The capacity reported in the environmental study doesn't match with the one reported in the PDD.
- The public consultation reported in the PDD is previous to the final design of the hydropower plant and doesn't take into account all the communities affected by the project. The communities reject the consensus that the PDD mentions.
- The project is not additional as inversion in company social responsibility starts in 2007 and the first design and impact study was approved before 02/08/2008.
- The Council of Tezulutlán Peoples asked the CDM Executive Board not to register the Santa Rita Project as a way of denouncing the climate of fear in which the population lives.
- The Santa Rita project is the first CDM project under investigation to assess the adequacy of the local stakeholder consultation

The opposition of the communities to the project remains due to the fact that their lifestyle is highly linked to the river as they use it for locomotion, food, irrigation, drinking water and spare-time. In Guatemala, there is no regulation on water and the "ecological flow" is defined as a 10% of the dry season flow. According to human rights ombudsman report, after a dam, the population has commonly only access to mud.

Clean felling people and laws of the land: The story of “clean development” by Reliance Power’s Sasan Ultra Mega coal power plant



By Soumya Dutta,
Convenor - Climate &
Energy Group, Beyond
Copenhagen collective,
India,
National Convenor - Bharat
Jan Vigyan Jatha (India
people’s science campaign)



Photo: Soumya Dutta

The Sasan coal power plant in Singrauli, India is approved under the Clean Development Mechanisms because of its ‘more efficient super critical boiler based coal power technology’ that is supposed to improve livelihoods of local communities. A visit to the local communities shows that Sasan is anything but promising to thousands of people now struggling with eviction, intimidation, violence and mistreatment from authorities.

The Sasan project is one of the ‘shining examples’ of how well the UNFCCC Clean Development Mechanism (CDM) is working to bring ‘clean and sustainable development’ to thousands of poor, malnourished, almost forgotten people, including the poorest ‘adivaasis’ (indigenous people) in India’s Coal capital - Singrauli, in the state of Madhya-Pradesh. Reliance Power won the bid to set up Sasan’s Ultra Mega Power Plant (UMPP) as part of the Indian governments UMPP scheme. The UMPP scheme aims at building 4000 MW coal power plants using ‘efficient’ super-critical boiler technology.

Reliance’s Sasan project has been approved under the United Nations Clean Development Mechanism (CDM) scheme because it claims that it’s employing more efficient super critical coal technology with the help of additional finance coming from the CDM. Moreover, Reliance claims that as a CDM project, Sasan has respected the stakeholder consultations rules and is facilitating sustainable development in India. This represents a serious misuse of the CDM which is meant to stimulate investments in clean energy for sustainable development.

The official agreement between Reliance and Madhya Pradesh government - signed July 11, 2007 - mandates Reliance to follow state Rehabilitation Policy of 2002, providing one job to each family whose land is acquired, resettle them with proper land and a built house, provide all facilities to the displaced in their new places, along with schools, health facilities and so on.

In March 2014, I visited the area of Singrauli. House after house, family after family from the displaced villages of Harharwa, Tiyyara, Siddhi Khurd and others that we visited, had very different stories to tell. Stories of forceful evictions, little consultations, intimidation by police and administration to accept paltry compensation for their lost land and houses, or else... With sufficient flow of



BEYOND COPENHAGEN

BEYOND COPENHAGEN COLLECTIVE (BCPH)
is a coalition of around 40 organisations & networks
working on issues of sustainable development,
environment, and sustainable agriculture.

'incentives' to government officials, any protesting or even dissenting voice was quickly crushed by strong police actions. The 'contractual obligations' of providing jobs to those losing land was never fulfilled. Families, who used to live in houses with four to five rooms, were displaced into tiny two room houses, unfit to accommodate their big numbers. The construction of ash-pond in Harharwa village was started even before people could evacuate their belongings and domestic animals. Not everyone had the fighting spirit of Dhurandhar Singh of Harharwa, a Gond tribal whose house, cultivated agricultural land, and goats, were all endangered by the fast filling massive ash-pond. He spent months writing complaints to top district officers, district police head, police station in charge, and even the Chief Minister. A 30-strong police contingent was sent to intimidate him and his neighbours and pressure them to vacate or else.... Without fighting, the gentle and poorer "Baiga" tribals just chose to die out.

Sati Prasad's land in Sidhi Khurd was also taken and no compensation was provided to him for "khata lands" (officially government owned lands but cultivated by them for decades). He got a daily-wage job with a sub-contractor of Reliance, but started protesting against low wages, long work hours without overtime payment and brought together other sufferers. The day he was to address a gate meeting, the police picked him up, brutally beat him unconscious and laid him with false charges. Both he and his father lost their jobs and savings in fighting those charges. The police involvement displays the synergy between the company and the government.

A 'Shining Clean' example indeed - in the smoke covered dark nights, the beaten down, tortured, desperate 'Reliance Refugees' can see the sodium lamps of the plant shining brightly.

The Clean Development Mechanism paradox of Adani Power Limited



By Falguni Joshi
Coordinator, Gujarat
Forum on the CDM
(GFCDM)



Photo: Falguni Joshi; Fly Ash dumping open ground

Adani Group - the world's first supercritical technology based thermal power project to have received CDM project certification from UNFCCC - fails to guarantee environmental and social integrity to the Mundra community. Promises of sustainable development and trivial environmental effects remain only on paper.

In a report of a committee set up by the Union ministry of environment and forests (MoEF) to inspect the project of Adani Power Ltd (APL) in Mundra, it has been revealed that the company had not only violated and failed to comply with environmental clearance but also that they had bypassed some environmental procedures. Somehow, Adani Group seems to have managed to lure the UNFCCC with their beautiful promises.

In their Project Design Document (PDD), approved in February 2013 by the UNFCCC, they declare that this project will contribute to sustainable development and even that "impacts



THE GUJARAT FORUM ON CDM

is a network of individuals and organisations working on environmental issues. It is also the [Carbon Market Watch Network's](#) focal point in India. The Forum specifically monitors CDM projects and developments in Gujarat, India

due to the construction of the project activity are very negligible as it would be only for a period of three years as compared to the lifetime of the power plant (25 years). Associated activities would cause air pollution which would be short-term and would cease to exist beyond the construction phase.”

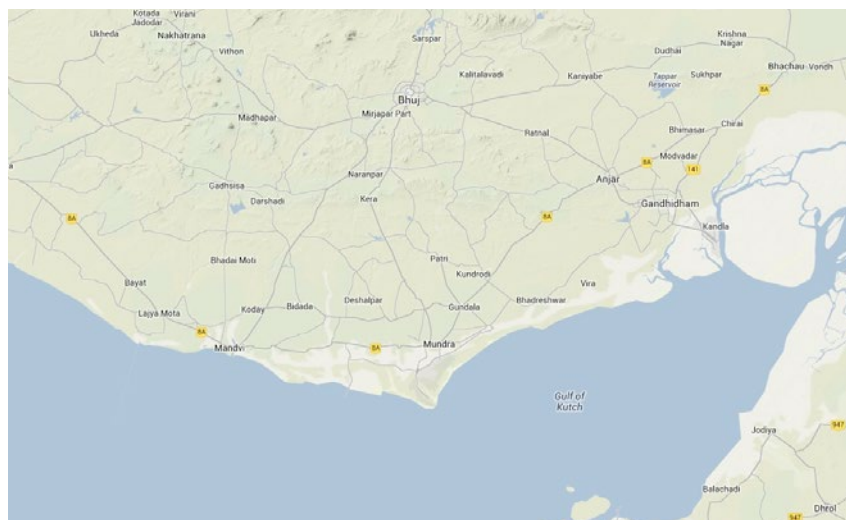
In the PDD, they proposed to provide a proper ash utilisation plan but only on April 18, 2011, Gujarat Pollution Control Board (GPCB) issued a notice to the Thermal Power Plant for fugitive emissions. GPCB observed fugitive emission due to movement of fly ash loaded dumpers and other heavy vehicles and also undertook a site inspection as a result of a complaint filed by residents of nearby villages. The findings indicated that fly ash generated from the plant was being collected in fly ash silo.

Mangroves had been cut for laying pipelines and construction of roads; mangroves in Bocha Island have also been cut. In December 2010, an inspection team under one of the Ministry of Environment and Forest officials was sent based on complaints from local people. The report presented after the visit, found many instances of non-compliances.

In their Project Development Design, APL stated that the project “will be beneficial to the local rural community by providing substantial employment opportunities and reinforcing social infrastructure in the region.” Fishermen in the area would probably disagree. In 2008, the latter expressed concerns about inconvenience in fishing operations due to limited or no access to fishermen in the area.

When I first met some local fishermen, it did not take too much time to understand why they resent this plant. Some have worked in this part of Gujarat coast for generations, basing themselves close to the sea for many months of the year. Their way of life has been severely disrupted, as has that of many villagers whose land has been swallowed by the SEZ (Special economic zone). Their only source of income has been taken away. However, fishermen are not the only ones concerned by this destruction of the environment. Farmers, cattle-breeders and salt-pan workers living along the coast are also touched by this. One of them declared “We believe that our livelihood is being adversely affected and we fear the conditions to only become grimmer due to the rapid, haphazard and environmentally unsustainable industrialisation that is taking place along the coast of Mundra taluka.”

Here lies the great paradox of the Clean Development Mechanism. The Article 12 of the Kyoto Protocol requires that a CDM project activity contributes to the sustainable development of the host country and yet, as seen, it systematically fails to monitor the real and often disastrous impacts on populations and lands of the projects. With all the good will in the world, CDM will not have any significant impact on climate change mitigation as long as monitoring agencies established by the host country are toothless. Or maybe they simply prefer closing their eyes to the striking truth.



Google Maps: Gulf of Kutch, India

Farmers, cattle-breeders and salt-pan workers living along the coast are also touched by this. One of them declared "We believe that our livelihood is being adversely affected and we fear the conditions to only become grimmer due to the rapid, haphazard and environmentally unsustainable industrialisation that is taking place along the coast of Mundra taluka."

The pitfalls of climate smart mitigation



By Urska Trunk,
Policy Intern, Carbon
Market Watch



Photo: lowcarbonkid.blogspot.be

Climate Smart Agriculture, a concept promoted as part of a solution to climate change, has been at the heart of international and national debates on agricultural development in recent years. While many stakeholders push to link it to carbon markets, the arguments of inappropriateness of such system are gaining ground.

With agriculture being called on to address a variety of cutting issues, Climate Smart Agriculture (CSA) was devised to meet a triple challenge of achieving food security, adaption and mitigation by achieving sustainable increases of productivity, resilience to climate change and reduction or removal of greenhouse gas emissions. Since being presented by the Food and Agriculture Organization (FAO) in 2010, the concept has been receiving increasing attention around the globe. It is distinct in its way of not promoting a single specific agricultural practice, but endorsing practices and technologies suitable to specific local conditions. Such approach commands a deeply integrated manner of cooperation between different sectors and across agricultural sectors, with considerable input in knowledge, innovation systems, multi-stakeholder processes and capacity development to meet the multiple objectives.

This will be a challenging task, not only due to lack of tools and experience but also due to vague definition of the concept itself. Though firm in its set of objectives and approaches, CSA doesn't exclude any practice as long as it contributes to soil carbon sequestration. This leaves space for interpretation and application of practices which might be at odds with the goal of sustainable agriculture, such as GMOs, pesticides, fertilizers, and so forth. Apart from environmental consequences, these practices increase farmers' dependence on outside resources; a big challenge they've already been struggling with. Furthermore, site-specific assessments to identify suitable agricultural practice and technology, is crucial but has not always been proven successful.

The World Bank and FAO strongly advocate for mitigation by linking CSA to developing soil carbon markets. They asses that financially incentivising practices that sequester carbon in soils would provide the necessary investments in agricultural development and bring the "triple" win for food security, climate adaptation and mitigation. They are supported by number or stakeholders, including NGOs, project developers, management, advisory companies and technical consultants which attempt to potentially include agriculture as a new sector into the Clean Development Mechanism.

However, several challenges are tied to enforcing carbon finance schemes within CSA. Many neglect the low demand of such credits. Carbon markets are in a downturn, and with little indication that demand for soil carbon will grow, projects will have unreliable finance. Moreover, carbon projects take several years before generating carbon credits, making it highly challenging to find investors for pre-financing the running of the projects, given that farmers are expected to have negative income for the first five years after adopting CSA practice. The returns for farmers from carbon offsetting are very poor; a pilot project supported by World Bank in Kenya yearly generates between \$5 and \$1 per farmer. Additional concerns emerge with uncertainty and costliness of measuring and verifying the amounts of sequestered carbon. Allies such as CGIAR (Consultative Group on International Agricultural Research)



THE CARBON MARKET WATCH NETWORK connects NGOs and academics from the global North and South to share information and concerns about carbon offset projects and policies. Its purpose is to strengthen the voice of civil society in carbon market developments.

Research Program on Climate Change, Agriculture and Food Security and FAO are trying to get around this challenge by developing simplified methodologies for carbon accounting. Although the World Bank, FAO and many others acknowledge these challenges and question the benefits carbon markets are to bring for smallholders, they endorse market-based sequestration within CSA.

Prioritizing mitigation can be a big burden for communities in the developing world, especially since agriculture soil carbon projects require a great number of farmers to aggregate into a single scheme to provide a larger 'carbon pool', which is likely to create social conflicts, violation of land tenures and a possible shift in food production in order to accumulate carbon sinks.

Without providing new solutions, the many worrying aspects of packaging CSA with carbon markets will essentially harm the smallholders' livelihoods by turning their farms into carbon sinks and violating their social and environmental integrity. This is a lot to take on for the poor communities of the developing world in order to mitigate developed countries emissions.

Have carbon credits benefited small and marginal farmers?



By Ranjan K Panda, Convenor of 'Water Initiatives Odisha', leading water researcher and practitioner of the country and senior freelance journalist



Photo: Print week India

Revisiting villages where JK Paper mill is supposedly implementing its Afforestation and Reforestation CDM project has reinforced my belief that such projects are utter failures, at least for the people who are supposed to be beneficiaries; and for the cause of 'climate mitigation' for which these are designed.

In October 2010, when we visited the Kauguda village in a very remote location of Odisha in India, I found how a lot of small and marginal farmers - who had been depending on the subsistence agriculture - had fallen prey to an elusive design of development called the 'eucalyptus plantation' all in the name of promoting a Clean Development Mechanism (CDM) Afforestation and Reforestation project by JK Paper Mills. I just returned from a fresh visit to the same villages and found that the situation has not changed much. Commercial monoculture for profit of the company has encroached upon the natural farms, farmers have been indebted to loans which they are unable to repay and despite of tall claims in the CDM project documents, there seems to be no people's participation in the project's process.

The specific objectives of the project include pilot reforestation activities for high-quality greenhouse gas removal by sinks, which can be measured, monitored, and verified; developing plantation and agro-forestry models, which can provide multiple benefits to farmers in terms of timber, firewood, and non-wood forest products; providing additional income to promote livelihoods to resource-poor farmers through carbon revenues; and so on - all of which was going to make it an ideal CDM project. Nevertheless, a letter of Veda Climate Change solutions limited addressed to World



WATER INITIATIVES

Odisha (WIO) is a state level coalition of civil society organisations, farmers, academia, media and other concerned, which has been working on water, environment and climate change issues in the state for more than two decades now.

Bank President in 2012 shows there was no carbon revenue earned till then.

Already in 2010, we found how poor farmers had to abandon their farm lands and were forced to migrate out in search of jobs outside as their eucalyptus crops failed and they had no means to repay the loans. Also, we were informed about how the company's miracle seedlings had failed to deliver and the company never came to rescue of the poor farmers despite promise. The recent visit to five villages, where the project is being implemented, confirmed existence of same problems.

The World Bank money

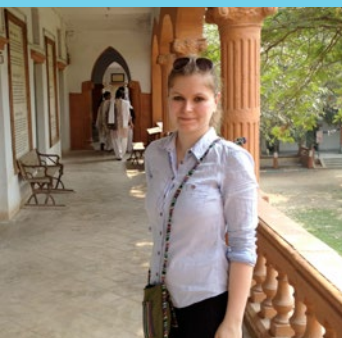
The misery remains the same, but have the carbon credits, the company has supposedly accrued, benefited the project participants? We found traces of three payments by cheques made to three farmers - one big farmer and two small ones. The big farmer got three thousand Indian rupees (which is approximately 50 USD) last year. One of the small farmers got the same amount, while the other one got two thousand Indian rupees (approximately 33/34 USD). However, the cheque for one of the small farmers bounced and he is yet to get it back.

Company officials came and handed over this cheque saying 'World Bank gave us this money for our good work of planting eucalyptus trees.' There does not seem to be clarity about how the money for the roughly 80,000 carbon credits received so far has been distributed. The farmers do not know what exactly the money, they received is and more importantly, why some of them received it while others who are involved in the same plantation practices did not. This clearly indicates that either there was no public consultation or there was no clear explanation given to people about the CDM project and how they are to benefit from it.

Concluding, we can say that a benefit here and there to farmers has not been able to heal the loss small farmers have made by shifting to 'commercial monoculture' for the company.

This project continues to be a faulty one, promoting commercial monoculture for a company's profit by marginalising the poor farmers. The fact is that there is no mechanism for the victims to approach if there is injustice done to them. In cases such as this, the CDM mechanism should have a system to revoke projects.

A journey around CDM projects in India



By Juliane Voigt,
Researcher, Carbon
Market Watch



Photo: Juliane Voigt; at the village near the Sasan coal power plant

In February 2014, I went to India to collect research on Clean Development Mechanism (CDM) projects in India and their sustainable development benefits. During my 3 month stay, I had the pleasure to work together with Indian organizations and activists and found that a well-organized network, strong collaborations and awareness raising are the most important indicators for successful civil society work.

CDM shortcomings and chances

Following a dual purpose, the CDM was designed to bring sustainable development to developing countries and to enable industrialized countries achieve emission reductions in the most cost effective way. However, what has been written many times, and what

CARBON MARKET WATCH TRAINEESHIPS:

Our organisation is committed to nurturing the skills and understanding of young climate activists like Juliane. For more information email:

recruitment@carbonmarketwatch.org

I have found during my research trip is that besides a number of good projects, numerous CDM project activities do not bring sustainable development to the host countries and can have harmful effects on the local population as well as negative impacts on the environment. Best example for the latter observation is the Sasan coal power project in Singrauli, India, which has severe negative influences on the locals and the nature (see Clean felling people and laws of the land above).

Major shortcomings of the current CDM regulations are missing monitoring systems for claimed benefits and grievance mechanism for affected communities and individuals for the more than 7300 projects registered to date.

In 2014, the modalities and procedures of the CDM will be reformed, offering a unique opportunity for civil society to advocate for improved regulations.

Therefore, Carbon Market Watch organized a civil society workshop on land rights in India to create a platform for information exchange and to intensify collaborations between network members with different expertise. This workshop as well as the collection of research during my stay in India underlined the need for a strong civil society to lobby for the necessary reforms in the CDM in the upcoming climate negotiations.

Civil society workshop in Pune

From 20-22 February, Carbon Market Watch together with Indian civil society organizations gathered at a workshop to discuss the impacts carbon markets may have on land rights in India. For the workshop, more than 50 participants from all over India came together to exchange information on various topics related to land rights and to identify synergies for future activities and lobby work. Highlighting current shortcomings and experiences with climate mitigation projects in India as well as providing an overview of the different expertise of network member groups, most important outcome of the workshop was the agreement to strengthen partnerships and synergies between participating groups. The quality of future civil society work and the effectiveness of lobbying work can only profit from intensified collaborations.

Working with Indian NGOs

After the workshop, I had the pleasure to work together with many of the Indian groups that have already done research on CDM projects. On my travels from Ahmedabad to Delhi as well as Mumbai and Singrauli, I met numerous local groups with strong campaigns challenging negative effects on CDM projects on the environment and local population. The work of the members of the India network is inspiring and provides the necessary awareness on the effects of the CDM in India.

I found that it is of utmost importance to make use of the good work of network members that are already established and to further strengthen collaborations and to increase synergies between groups with expertise in different subject matters. Using the expertise available will thereby improve the effectiveness of lobby work. Consequently, strengthened linkages and sharing information to build up capacity among the civil society are important drivers for successful reforms in the CDM as well as future climate negotiations. Therefore, simple tools like the mailing list, conference calls or workshops should be made use of to guarantee the most qualitative civil society work possible.

The civil society workshop held in Pune 2014 focused on the impacts carbon market might place on land rights in India with special regard to the effects of the CDM and other offsetting mechanisms on common lands and marginalized groups. Various topics were covered such as biodiversity, legal regulations and experience with CDM projects and the agricultural sector. The project participants agreed to establish a compliance working group, to develop a best practice document on public hearing and to specifically work on monitoring of sustainable development benefits.



Sasan coal power plant Singrauli, India.



An 'exclusion list' for the Green Climate Fund



By Mariel Vilella,
Climate Policy
Campaigner, GAIA
- Global Alliance
for Incinerator
Alternatives



Photo: Mariel Viella; view of Sanghi Cement plant from the road

More than 150 environmental and social justice organizations have urged the Green Climate Fund (GCF) to adopt an "exclusion list" as part of its policies to ensure that environmental, social, gender and financial safeguards and protection - are taken up as a practice by several international development and financial institutions. In the run-up to the last GCF Board meeting that took place in Songdo, Republic of Korea, on the 18-21 May, the call for a GCF exclusion list got wider and louder.

The Green Climate Fund - a financial institution within the framework of the UNFCCC, set up to support projects, programmes, policies and other activities on climate adaptation and mitigation in developing countries - is planned to be a crucial source of climate finance in the years to come. The Fund's mandate to "promote the paradigm shift towards low-emission and climate-resilient development pathways" should be read with the highest ambition to deliver mitigation and adaptation effectively.

Yet such effective climate response will greatly depend on the GCF's capacity to drive financial investment to sustainable, clean energy projects that build low-carbon development pathways and address the needs of the most vulnerable people in developing countries, including the reassurance that harmful projects will be excluded from its list of beneficiaries.

It's been far too often the case that climate and development finance supports harmful energy projects under a narrative of "lower carbon" energy, "alternative fuels" or switching to "lower emissions" fuels, when in fact they still increase global GHG emissions and have severe environmental and economic impacts to local communities.

Waste for example - including chemical pesticides, toxic-laden plastics, and other hazardous waste - is increasingly being burned as an 'alternative' to fossil fuels by polluting industries such as cement kilns, biomass plants, and coal power plants. As conventional fossil fuels costs rise, these powerful industries have identified important economic incentives for burning waste and promote it as a climate-friendly option. Waste is often cheaper than traditional fuels - in fact, its producers are used to having to pay for its disposal, and industries further benefit from lax or non-existent regulation of toxic pollution from burning waste.

The consequences of these misguided climate policies are devastating. The latest field research carried out by GAIA and Community Environmental Monitoring - Concrete Troubles - found excessive toxic emissions in dust sample analysis taken from the surroundings of cement plants burning waste in India. The report also highlighted the poor regulatory mechanism, which allowed such a situation to persist for years. Resulting pollution from burning waste is felt first and worst in communities that neighbour the cement kilns and waste-powered energy plants, where respiratory illness, skin disease, crop loss, and deadly industrial accidents have taken their toll.



GAIA

is a worldwide alliance of more than 800 grassroots groups, non-governmental organizations, and individuals in over 90 countries whose ultimate vision is a just, toxic-free world without incineration.

Unfortunately, the Green Climate Fund Board in its last meeting in Songdo did not respond to the civil society demands about the development of an 'exclusion list' and it's yet to be seen what criteria will apply to disburse funds.



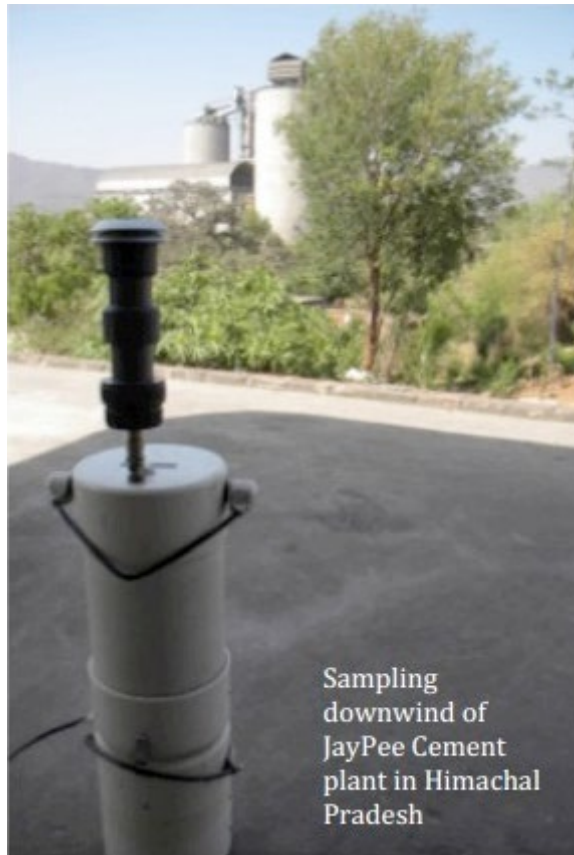
View of Sanghi Cement plant from the road

The Green Climate Fund should not be feeding this trend, and should instead commit to support real clean energy and resource efficiency. The mandate provided by the Governing Instrument for the GCF and the principles of the UNFCCC are clear: for the Green Climate Fund to have transformational impact, it should not promote “business-as-usual” energy solutions in the name of providing energy access for all - an important goal that can and must be met through clean, community-based and sustainable energy solutions.

Since the Fund has just started operations, there is still plenty of time for the Board to reconsider its position and act on the Fund’s best interest, which would be protecting its reputation and credibility, and most importantly, ensuring that its funds reach those who need it the most while promoting truly sustainable climate mitigation initiatives.



JayPee Cement Plant, Himachal Pradesh



Sampling downwind of JayPee Cement plant in Himachal Pradesh

Waste is being promoted as an alternative fuel in India causing major pollution; a GAIA and CEM report has found. Above: view of Sanghi Cement plant from the road. Down right: Jay Pee Cement Plant, Himachal Pradesh. Down left: Sampling downwind of JayPee Cement plant in Himachal Pradesh (Photo: Mariel Viella).

Watch This!

NGO Voices on Carbon Markets

Notice board

With the outcome of European Parliament elections 2014 showing gains for far-right and anti-EU parties, passing future climate policies seems more difficult.

Since 21 May, the UN Green Climate Fund (GCF) is operational and ready to start accepting funds from donors. The eight essential requirements agreed by the Board still provide a risk that the GCF could support so-called 'clean' coal, gas, nuclear power and other dirty energy.

Despite the grave concerns about human rights violations, the CDM Executive Board decided on 1 June 2014 to register the Santa Rita Hydroelectric Plant in Guatemala, another sign that the current CDM rules are too weak to be violated. - see article p.5.

Welcome to join our side event during the Bonn Climate Change Conference on 11 June to discuss "Best Practices in Local Stakeholder Consultation in the CDM and other Climate Mitigation Mechanisms".

From 20-22 February 2014, Carbon Market Watch together with many Indian groups organized a workshop on land rights and carbon markets. The workshop report is now available [our website](#).

The CDM Executive Board has finally operationalised a tool to report about the sustainable development co-benefits of CDM projects. Each project can use this tool but there is no monitoring, third-party verification or opportunity to comment. You can view the tool [our website](#)

Check out The Women's Room - an online community created for grown up, freethinking, intelligent, stylish women



About Carbon Market Watch



Carbon
Market
Watch

Carbon Market Watch, a project by Nature Code, provides an independent perspective on carbon market developments and advocates for stronger environmental and social integrity. Carbon Market Watch was launched in November 2012 to expand the work of CDM Watch to areas beyond the CDM.



The Carbon Market Watch Network connects NGOs and academics from the global North and South to share information and concerns about carbon offset projects and policies. Its purpose is to strengthen the voice of civil society in carbon market developments.

Join the Network

Subscribe to Watch This!

Follow us on



twitter@Carbonmrktwatch
and facebook.

Carbon Market Watch
Rue d'Albanie 117
1060 Brussels, Belgium

info@carbonmarketwatch.org
www.carbonmarketwatch.org