



# Watch This!

Progress and gossip about carbon markets at COP 17

---

## Leave the oil in the soil...

The decision in Cancun to allow carbon capture and storage (CCS) in the CDM was hailed as a victory by oil companies across the world. They could not believe their luck! As delegates in Durban are negotiating night after night, paragraph by paragraph, it looks like big oil is winning out – once again.

The current text does not exclude Enhanced Oil Recovery (EOR), a method to increase the amount of oil that can be recovered from an underground oil reservoir. By pumping CO<sub>2</sub> underground, 30 to 60% more oil can be recovered.

Here is an example: The Weyburn Oil Field in Canada includes a CCS project. The project is expected to inject a net amount of 18 million tonnes of CO<sub>2</sub> in order to recover an additional 130 million barrels of oil over an anticipated lifetime of 25 years. Assuming this plant was a CDM project generating carbon credits for a price of €8 per credit and producing profits of €60 a barrel, this project would make €144 million from carbon credits, plus around €7.8 billion from the additional oil recovery. The Weyburn facility could yield an average profit of €445 per tonne of CO<sub>2</sub>! This example also makes clear EORs do not need additional climate finance to be viable.

CCS technologies have yet to be tested over the long term. Despite billions of dollars of public funding committed to CCS development, there is still no large-scale full-chain CCS demonstration on a coal-fired power station anywhere in the world. There is little sense in transferring this risky, prohibitively expensive and ineffective technology to developing countries.

Dear delegates, please get your priorities right! CCS in the CDM is unproven on a commercial scale with plenty of scientific uncertainties. More work needs to be done for these lingering issues to be resolved. We certainly do not need yet another loophole for generating carbon credits from fossil fuel projects. Before rushing into setting up a new source for millions of carbon offsets, you want to work on pledges first!

## Access to Justice for all!

Since its inception the CDM has come under criticism for its lack of accountability, effective safeguards and grievance mechanisms. Yesterday's outcome in the SBI contact group on CDM Appeals was a step in the right direction and we call on delegates to keep up the good work! Establishing a legitimate process that provides means for all those impacted by a CDM project to raise their concerns and have them addressed in a timely manner is the only way forward. Well done EU and Switzerland for bringing the negotiations on the CDM Appeals procedure back on the right track here in Durban!

## ... and the coal in the hole!

### Multi-billion-dollar coal power projects claim they need climate finance

Building highly efficient plants make economic and strategic sense, given that coal prices have been rising very rapidly over the past years. Indian and Chinese government policies foster or require such super efficient plants. It is therefore very difficult to make a credible claim that these projects are truly additional. The value of CDM finance is several orders of magnitude lower than the scale of coal plant investments, and pales in comparison with the variation in coal prices witnessed in recent years.

### The geeky stuff

Better boiler technology can improve coal plant efficiency only slightly (e.g. from a 38% to a 39%). Other factors such as coal quality, cooling technology, and pollution controls often have a greater influence on the plant's efficiency than the boiler itself. It is difficult to predict the impact of these other factors, especially because data on power plants in developing countries is often not available or unreliable. These reasons make it very difficult to measure the actual improvements that have been achieved and to ensure that coal power offsets are real and measurable.

The CDM Executive Board wants a revision of the rules to bring coal projects back. The Stockholm Environment Institute issued a policy note on why it is quite unlikely that a revision of the rules can ensure coal power in the CDM deliver real and clean emissions reduction. Download the SEI policy note at <http://bit.ly/udwODd>

***This is why we call on the CMP to exclude coal power project from the CDM!***

## Amandla Awethu! Power to the People!

The ICC in Durban is proving to be an excellent location for this year's negotiations. We just have a small request, as many of us work long hours on laptops and other mobile devices it would be great to have more power plugs throughout the building. I'm sure we all agree this could make next week a little less draining!

***The CDM Watch team would like to say a huge thank you to all those working so hard every day at the conference centre to provide us with really tasty food and beverages. We all know how difficult things can be without the right energy, so thank you guys and keep up the great work!***

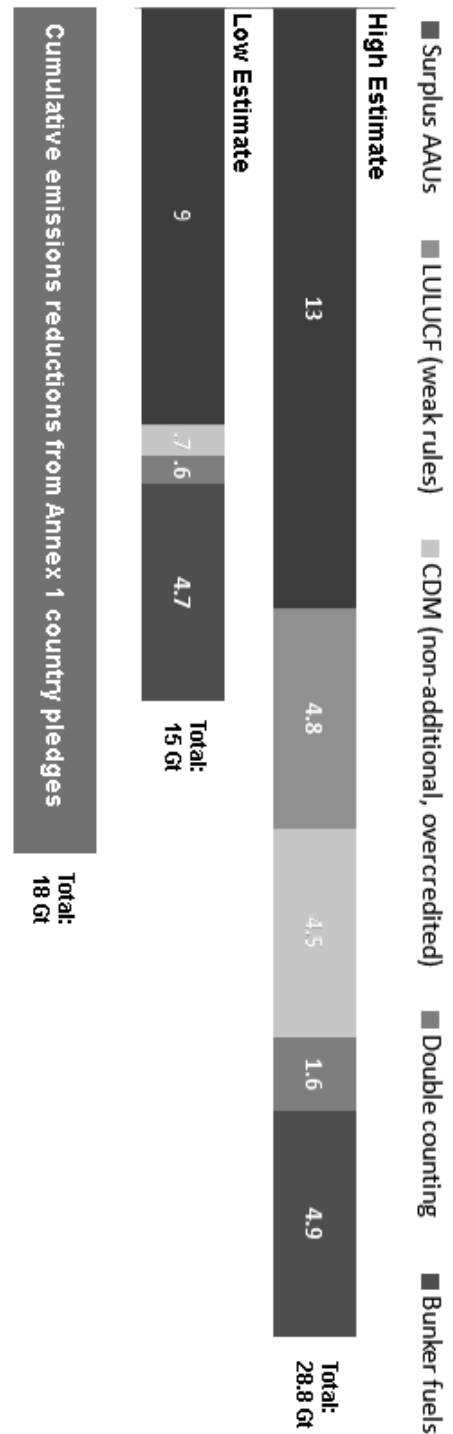
# CDM Watch has located the loopholes!

CDM Watch has written a paper on loopholes.  
You can download it here: <http://bit.ly/cdmwatch-loopholes>



; have successfully located the loophole

## Loopholes: Cumulative Emissions in Gt 2012-2020



**CDM Watch** provides an independent perspective on the CDM and wider carbon market developments and advocates solutions that strengthen the environmental and social integrity of emission reduction projects.

[www.cdm-watch.org](http://www.cdm-watch.org)



**The CDM Watch Network** is a free platform set up to strengthen the voice of civil society in the CDM. Already a thriving international community, the Network connects over 300 NGOs, activists and grassroots movements and offers capacity building, assistance with project campaigns, advocacy, and information about CDM project decisions.

[Join us!](#)