

Principles and Practicalities

UNITED NATIONS CARBON MARKET



Major Carbon Markets

Permit markets

- EU ETS
- New Zealand
- UN AAU market
- Regional Greenhouse Gas Initiative (US)
- Western Climate Initiative (N America - projected)
- Australia (projected)

Offset Markets

- UN Clean Development Mechanism
- UN Joint Implementation
- REDD+
- VER market (multiple)
- For California & Australia – potentially huge

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ETS

- EUA, European Allowance Unit
- Government agreement (i.e. allowance)
- Permit
- European Commission; emissions cap
- Stringency of cap; ratio permits:emissions; economic growth and weather; integrity of databases

CDM

- CER, Certified Emissions Reduction
- Change in behavior (i.e. reduction)
- Offset (or credit, reduction)
- UN CDM executive board; methodology & verification criteria
- Price of EUAs, project trustworthiness, kind of activity

Carbon is a right to the Atmosphere

- Rights to clean air, to clean water?
- Right to a secure environment?
- Or rights to pollute?

CDM transfers right to the Global North

- Unequal trade
- A new 'natural' resource asset
- Primary purpose is to transfer emissions rights from Asia, Africa and Latin America to Europe

Exacerbate Poverty

- Additional form of capital accumulation
- Disenfranchisement of marginalized group in developing countries

CDM is not Development

- A very narrow vision of industrial growth
- Focus on existing capitalist projects
- Perhaps some localized co-benefits, like water treatment or reduced air pollution

Unequal Growth


- Africa only 0.05% of CERs issued
- Thailand only 7 projects issued CERs – about 900,000 CERs
- Lots of projects developed, but few CERs issued

CDM does not help the climate

- No clear relation with reduced fossil fuel extraction
- At very best, GHG emissions break even
- Usually just a reason to emit more in Europe



Forestry Offsets Especially Bad

- Very serious quantification issues
 - Displacement of local & indigenous groups
 - Potential for land grabs
 - Lots of corruption in the industry
- 



Climate Justice and Carbon Market Dysfunction

Market Fraud

5 billion Euros =
Baht

210,000

000,000

Market Dysfunction

- Extensive Fraud
- Price is far too low for economic transition
- 1 billion excess permits
- 11 billion 'hot air permits' in Eastern Europe

Climate Justice Forward!

- Finish the critique of carbon markets
- Create a very solid moral coalition for binding emissions agreement

- Target the China – US truce of low ambitions
- Binding commitments for China, US, other large polluters