

Side Event:
The Sasan coal power CDM project – lessons learnt for climate finance“
8.12.2014



**Why coal power cannot deliver sustainable
development –**

Discussion Paper by Bread for the World and Misereor

Foto: PAS

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MISEREOR
IHR HILFSWERK

Part of a national network in Germany

Main Request: The German KfW – Banking Group (Kreditanstalt für Wiederaufbau) including it's subsidiaries (IPEX etc.) has to stop the financing of / or grants for coal power projects

Main argument: Coal Power doesn't lead to development – no funds should be used for such projects – especially no ODA funds.

Overcoming Energy poverty in the long run –
no development funding for coal power
Positioning by Bread for the World and Misereor

- Coal is one of the most climate-disrupting energy sources and drives dangerous climate change, which can turn into a poverty trap for millions of people if not contained.



Overcoming Energy poverty in the long run –
no development funding for coal power
Positioning by Bread for the World and Misereor

- **Coal-fired power/electricity does not reach those living in poverty:**



Bobby Peek,

Groundwork South Africa: “We found out that the low cost power generated from coal covers the needs of the big conglomerates, but not those of the small village communities and households.”

Chain of Production: Coal Power Plants need coal to work

- The coal mining in developing countries often brings grave human rights violations, violent conflicts, expulsions, exploitative working conditions and ecological destruction.



Impacts of Coal Mining in Colombia

- **Economic Development?**

- 2 main coal mining regions in the north east of the country: La Guajira and Cesar
- 90 % of the extracted coal is exported (2011: Europe 61 %, USA 13 %, Lateinamerika – Chile, Brazil– 15 %, Middle East 8 %)
- Contribution to the GDP, but no local development : Enclave Economy
- No Investment in the region – very low taxes and royalties for the multinational companies



Impacts of coal mining in Colombia

• Social Impact

- Very few jobs are created and often not for the local people
- Forced relocation without compensation: e.g. Tabaco community 2001
- Destruction of the social and cultural relations
- Lowest HDI in the country: lacking health services, education, water supply, sanitation, energy access

• Environment + Health

- Deviation of rivers
- Huge water use
- Excavation material: 1:10
- Noise exposure to trains + detonations
- carbon dust: skin and lung disease
- DNA degradation in animals

-> no compensation or reparation

Impact of coal mining in Colombia – no social development

El Hatillo



Foto: PAS: El Hatillo

Coal Mine Cerrejón



Impact on agricultural production and health



Foto: PAS

Carbon dust on the plants and fruits on the fields:
Ciro Ortiz, little farmer in Cienaga - Loss of production:
before 18 sacks of lime, now only 7

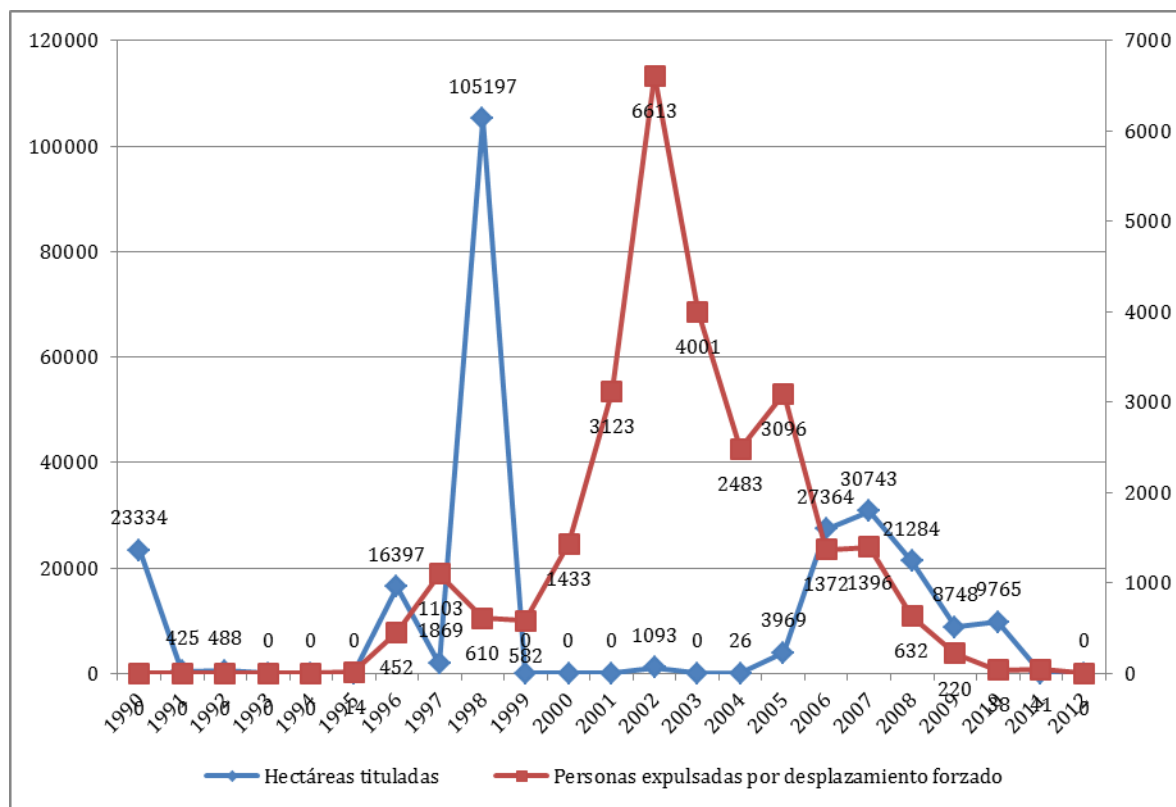
Human Rights

- Conflict: Militarization of the region “to protect the coal infrastructure”
- Violation of the indigenous rights of the **Wayúu** : No free, prior and informed consultation
- Link between violent displacement of people and coal mining projects



Human Rights – violent displacement

Relation between concessions for coal mines in three communities in the César region and violent displacement.(La Jagua de Iberico, El Paso, Becerril und Chiriguana, Cesar)



Source : Human Rights Data base CINEP – Centro de Investigación y Educación popular.

Human Rights

- ***“The Dark Side of Coal”:***

Threat and killing of trade unionists: Victor Orcasita, Valmore Locarno, Gustavo Soler 2001- Payment of paramilitary henchmen (*Drummond*)

- **Threat against journalist** Alejandro Arias 2013/2014: Revealing of pollution of the environment on the shipment of the coal in the haven of St. Marta

- Dead and injured people because of the **lack of compliance of standards:** from January to October 2012 16 dead workers only in the coal mine of *Drummond*

- Threat against **representatives of the communities** who try to inform about the situation: Yoe Arregoces in 2010 after information tour through Germany

Conclusion

- Fossil energy sources, especially coal, are not a solution but rather part of the problem
- Locally adjusted and decentralised systems should be given priority for enhanced access to energy, which can create new jobs in small businesses as an additional positive side effect.
- The funding of climate protection measures - in developing countries should be used in a future-oriented and sustainable way and create as many synergies as possible – from climate protection to fighting poverty

Better option: Decentralized solutions



Thank you – muchas gracias