Special Edition

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Carbon Market Watch

#8 February 2014

Watch This!

NGO Voices on Carbon Markets

In this issue

Editorial

Welcome to this special workshop edition of our NGO newsletter "Watch This! NGO Voices on Carbon Markets"

Over the past years, Carbon Market Watch together with numerous dedicated organizations in India has worked to improve the social and environmental integrity of carbon market projects in India, and exposed weaknesses where they occurred. As the number of projects has increased, challenges faced by local communities to defend their right to land, food, and shelter have increasingly been reported across India.

An increasing focus of climate mitigation activities in sectors that are typically dependent on common lands, such as forests and agricultural areas, adds further pressure to this challenge. Countries around the world are currently discussing how to combat climate change with the aim to adopt an international agreement in 2015. Although the international carbon market does not allow projects in the agricultural and forestry sectors for a number of reasons, the voluntary carbon market is currently developing methodologies to account for emission savings in these sectors. Experience with climate mitigation activities in India has shown that it is getting increasingly difficult for local communities to defend their individual as well as community rights to use common lands for their everyday survival.

The workshop aims at providing a platform to share information and discuss recent developments around the potential inclusion of these new sectors in carbon markets. While outlying potential strategies for collective action against illegal land grabbing, this workshop will also explore the political impacts of land based carbon market initiatives, including what effect the Clean Development Mechanism (CDM) and other mechanisms can have on land rights for marginalised groups & women.

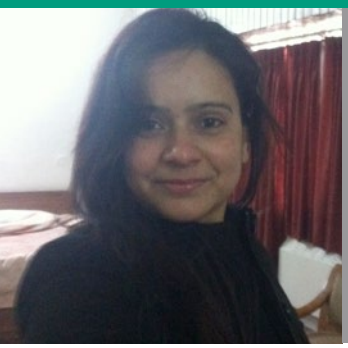
The civil society workshop "Land Rights and Carbon Markets in India" taking place in Pune, Maharashtra from 20 to 22 February 2014 will discuss the influence carbon markets may place upon land rights in India. For this occasion, we have invited the co-organizers of the workshop to draw on their experience on the matter in this special Watch This edition.

Happy Reading,

The Carbon Market Watch Team & our Indian 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 adela: adela.putinelu@carbonmarketwatch.org thanks

‘Sponge’ iron plants - ‘soaking up’ every bit of survival!



By Ajita Tiwari, National Facilitator, Indian Network on Ethics and Climate Change (INECC)

Usha Martin Limited - Waste Heat Recovery Based Captive Power Project activity Jharkhand
Picture by Ajita Tiwari

There seems to be no reason why India’s most polluting industry which has been allowed to grow unfettered and unhindered by various laws, often with administrative connivance should be incentivized to continue polluting through the international Clean Development Mechanism (CDM)?

Sponge iron plants are a manifestation of the loop-sided concept of industrialisation gained at the cost of human lives and livelihoods, environment, agriculture and livestock. Unfortunately, the UN’s, Clean Development Mechanism (CDM) seems to have failed to see its huge environmental, social and cultural impact before considering these projects worthy of being clean!

Today, India is the largest producer of sponge iron in the world, having 147 plants with an installed production capacity of 11 million tons per annum . This industry is understood to be extremely resource intensive; for example, 350 tonnes of raw material are required for 100 tonnes of sponge iron, while generating 250 tons of waste material daily. More than 80 per cent of the sponge iron factories are coal-based, which emit heavy smoke and dust and are notorious for polluting the environment, impacting livelihoods, posing threat to the soil fertility, cattle and livestock and to community’s physical health and well-being. The emissions from sponge iron plants comprise of carbon dioxide, nitrogen dioxide and minute particles of heavy metals like cadmium, lead, zinc, mercury, manganese, nickel, chromium and arsenic.

Projects under the CDM are expected to serve twin purposes: to reduce carbon emissions and to support sustainable development. Sponge Iron plants are eligible to procure resources under the CDM, by recycling the waste heat (which was earlier released in the environment) for generating electricity. This process avoids coal which would have been otherwise used. Most of the sponge iron plants like Orissa (Talcher, Keonjhar), Chhattisgarh (Siltara), Jharkhand (Saraikela Kharsawan) claim CDM carbon credits for waste heat recovery processes. All the projects that we have studied so far have carefully skirted sustainable development claims (as articulated in the Project design Document PDD) and in fact have worked towards further pauperizing the vulnerable communities on whose backyards such projects operate.

Agricultural land from Kohinoor, Jharkhand, Aarti sponge in Siltara, Chhattisgarh regions has been obtained from the local community for pittance. Most of the sponge iron factories are in areas known for rice cultivation. But due to improper methods of waste disposal, all rice fields within a five km radius of a factory site are adversely affected because of air and water pollution. Access to ground water has diminished sharply as these plants suck in every bit of water (Usha Martin). People are forced to consume polluted food grains leading

INECC is a network of organizations interested in the climate discourse from a grassroots perspective.

But the bigger question is how do such impacts go unnoticed by a group of experts under an international mechanism like the CDM?

to diseases. Further promises of employment elude most of them. The marketability for grains and fruits has sharply declined. The cattle population was brought down and milk production had reduced because the cows live off the leaves and grass covered with layers of poisonous black dust from the smoke of the factories. These impacts don't get factored in during the process of validation and during verification of the project.

Systemic failure not only by domestic regulators but also by an international mechanism: demonstrates a blatant ignorance of the law. The law is quite clear. It is mandatory for sponge iron factories to maintain a minimum distance of five kilometres between two factories, but the real story is very different. In Siltara, that is 10 km away from Raipur, there are more than 30 factories. More than five factories are installed within a distance of one kilometre of each other. Another legal framework states out that the distance between a village and a sponge iron factory must be at least one km. But in places like Sundargarh and Raipur, factories have come up adjacent to residential areas. This clearly indicates the unholy nexus between industries; the administration and the regulator/ protectors of the environment.

The mechanism is understood to have inbuilt flaws which need to be addressed.
Firstly, carbon credits should be accounted not only from the perspective of emission reductions but factor in the extent of local sustainable development that has been met through the project. Delivery of sustainable development commitments should not constitute a trade-off. This translates into a larger role for the host country approval body -Designated National Authority (DNA) in our case. A framework for this has to be agreed upon.

The centralised one window clearance process for CDM projects has kept away state, district and panchayat level actors from the CDM. These stakeholders need to be integrated into the CDM chain. This could go a long way in providing some teeth to the otherwise farce stakeholder consultation process.
Regulatory processes need to be strengthened and penal measures need to be in place for companies who flout rules domestically and also under the international mechanism. To start with the company should be asked to immediately follow the guidelines as prepared by the CPCB (Central Pollution Control Board) and make sure they meet the environmental standards set by CPCB including permission from the Central Ground Water Authority.

The sustainable development perspective

- Campaign against those projects that are harmful to community interests
- Ascertain that promises in the PDD are kept
- Critique the sustainable development indicators of the 'GoaIs and development' comprehensive indicators
- Promote pro-poor carbon credit projects

Carbon credits - the Jadoo Mantra to solve all problems of the planet?

By Viren Lobo, Executive Director, Society for Promotion of Wasteland Developments (SPWD)

Photo credits: www.unfccc.com

Way back in the eighties, countries from all over the world got together and agreed on a set of common principles to preserve Planet earth. The Stockholm declaration to preserve "Our Common future" was endorsed by many countries. India took up an unprecedented nation-wide exercise guided by Ashish Kothari and others to develop what is called the National Biodiversity Strategic Action Plan (NBSAP).

This plan was rejected outright by the Government on the plea that it was not 'scientific enough'. Other environmental reports like the Gadgil report have received similar treatment. Professor Madhav Gadgil in fact had to knock on the doors of the Supreme Court to make the report available to the masses.

On the other side of the story, the Govardhan Tirumulkpad case put up before the Supreme Court, upheld that the Forest Department have done nothing to preserve the forests and that they should free the forest from the mafia and other such elements. With the forest Department being hand in glove with such elements, the only bad elements that could be found were the hapless tribes.

Houses were trampled down by elephants and thatched houses were torched, to give the message that the government will not tolerate any illegal occupation of the forest. The resultant struggle led by Campaign for survival helped to restore some sanity and the Recognition of Forest dwellers rights Act was passed in 2005.
While the struggle on various nitty gritty goes on, the forest dwellers have their own legal space on which to articulate their views. The recent case on Niymagiri provides a landmark for indigenous communities to press onward in their struggle for a life with dignity.

The recent cases including Kalpavalli versus Government of India and other, is an attempt to broaden the horizons of what is known as community forest. Kalpavalli as you all know has been painstakingly revived by the efforts of CK Ganguly and his wife Mary from the Timbaktu Collective who by their example in reviving Timbaktu were able to motivate the people from the neighbouring Kalpavalli to restore the land and barren soils of Kalpavalli to near pristine glory. Kalpavalli forests and the downstream tank of Mushtikovilla, together perform the role of a corridor from Guttur reserve forests to the nearby Penukonda forest. It is for this reason that while only about 50 saplings were planted in Kalpvalli, we now see more than 500 species there.

The place got a rude awakening when the windmill company Enercon got permission to set up 55 windmills in Kalpavalli and more than 100 in the vicinity. In order to carry the materials weighing 470 T/ windmill 10-15m wide roads were constructed disturbing the entire ecosystem of the region. The hill tops had to be flattened to provide the base for such monstrous structures. The current evaluation regime only looks at wind speeds in the region; it fails to look at other factors.

SPWD

SPWD's mission is "To prevent arrest and reverse degradation of life support systems, particularly land and water, so as to expand livelihood opportunities in a sustainable and equitable manner through people's participation"

It is our plea that any genuine interest in the Clean Development Mechanism needs to look at systems in their entirety.

A thorough knowledge of the carbon cycle, energy cycle and nutrient cycle is needed to fully understand the impact on the system as a whole. Impact of the electromagnetic waves affects the homing devices of birds and bats. There are other impacts on the nature of wind flows which need to be looked at very carefully.

It is our plea that any genuine interest in the Clean Development Mechanism needs to look at systems in their entirety.

Detailed material on the above has been put up on the web sitea of Paryavaran Jagriti Abhiyan requesting for any support you all can give for the cause.

Save Cow, Save grasslands, Victory to the struggle of the people at Kalpavalli!

The right to livelihood

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

Photo credits: Mahesh Pandya

India has a land area of about 328 million hectares which is the seventh largest land area among the countries of the world. For centuries, land has been a principle source of livelihood to millions of people in India and farming has provided employment to more people than any other sector. Agriculture has been the backbone of the entire economic structure of India. In this article I am going to tackle the impact of intensive industrialization on the India's land and livelihood of the people.

In developing countries like India, until now agriculture was highly dependent on monsoon condition and most of the cultivated crops were rain-fed crops. Because huge land was available for farming, food insecurity was never a problem. In recent years, long-term changes in temperature and precipitation patterns from climate change have harmed farmers resulting in stagnant agriculture production. Also, industrialization has adversely affected access to agricultural land. Change in climate patterns and industrialization represent significant threats to food security. Land is crucial not only for farmer's livelihoods and food security, but also for landless and marginal labourers working in agriculture field, as well as people who are dependent on resources such as forest, pasture, and common land. These people use these resources to secure their livelihood.

In the era of environmental change, we are in search of mitigation to combat climate change through carbon sinks or carbon emission reductions. UNFCCC has introduced mechanisms to meet greenhouse gas emission reduction targets largely

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.

In developing countries like India, the Clean Development Mechanism (CDM) or green technology has become 'Industrialist's pet project' in the name of holy cow. It has become an opportunity for them to earn money for carbon credits while continuing to pollute.

through national or international carbon markets. In developing countries like India, the Clean Development Mechanism (CDM) or green technology has become 'Industrialist's pet project' in the name of holy cow. It has become an opportunity for them to earn money for carbon credits while continuing to pollute.

Renewable energy projects and carbon reduction projects are now acquiring large lands in the name of green technology which in turn has affected the livelihood of farmers and other land-dependent livelihoods. Although these projects are intended to bring about emission reductions, it is very important that they be carried out in accordance with a thorough social and economic impact assessment.

One example of agriculture-related practices eligible for credits under the CDM is the use of 'Jatropha' as biofuel. India has been focusing on one particular oil plant for some years, Jatropha Curcas. The Jatropha is a sustainable source of oil crops, but it has evolved in the opposite way as a monoculture, hurting biodiversity, causing deforestation and competing for land with food crops. Wasteland is made available for this crop for biodiesel production by the Indian government. This biofuel boom will take away the livelihoods of people who have been dependent on it for grazing their animals, gathering firewood, collecting and selling small fruits etc.

This competition over land and its resources has resulted in change in food habits of the people, malnutrition among poor, displacement, and even death. Amid this, the new land acquisition act is a new ray of hope which will give safeguards against displacement, return of unutilized land, compensation not only to land losers but to livelihood losers, and most importantly involve citizen participation.

There needs to be a broad civil society debate on issues related to land rights and carbon markets in India. Such an opportunity for debate is facilitated at the workshop on land rights and carbon markets from 20-22 February, 2014 to take place in Pune, India.

Jatropha Curcus

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Unassessed impacts and unsustainable development

By Parineeta Dandekar, Associate Coordinator, South Asia Network on Dams, Rivers and People (SANDRP)

River Kumardhara, which will be affected by Kukke I mini hydel project, currently under review by UNFCCC. Picture by Parineeta Dandekar

In India, Small Hydel Projects are excluded from the Environmental Impact Assessment process which includes a Public Hearing and an appraisal by an expert committee of the Ministry of Environment and Forests (MoEF). As a result, these projects do not reflect the impacts they can have on communities and ecosystems if approved under the Clean Development Mechanism (CDM). Despite these unassessed impacts, the UNFCCC process entirely depends on the Host Country Approval for gauging sustainable development contribution of projects. This has proved to be misleading many times. The UNFCCC needs to consider comments sent by local and global stakeholders on this issue and not depend only on the approval from Host Country.

Small Hydel Projects (SHPs) which have an installed capacity between 2-25 MW are mushrooming in some of the most ecologically sensitive regions of India including the Western Himalayas and Western Ghats World Heritage Site. Given the high numbers, impacts and locations of these projects, National CDM Authority of the MoEF, which issues approvals for these projects, should be more cautious. Once a country issues an approval, the UNFCCC assumes that the impacts of the project have been assessed and that the project automatically contributes to sustainable development.

SANDRP has experienced that projects with very high ecological impacts are registered because the UNFCCC assumes that it has been looked at by the Indian government. In its response to SANDRP, UNFCCC has stated, that '(it is the) Designated National Authority's prerogative to check whether the project contributes to sustainable development'. In practice the ecological impacts have never been considered.

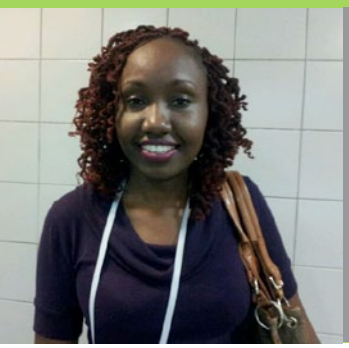
For example, 24.75 MW Kukke Hydel Project in Western Ghats of Karnataka received approval despite its potential to submerge over 388 hectares of lush forests, homes and plantations in the hottest biodiversity hotspots of Western Ghats. Moreover, 24.75 MW Perla Small Hydel Project (SHP) and 24.75 MW Shemburi SHP received approvals despite being a single project across Netravathi with significant upstream and downstream impacts, including drowning of local youths due to erratic water releases.
24.75 MW Basavanna and 24.75 MW Mauneswar projects in Karnataka received approval despite being clubbed as a single project leading to significant submergence in the upstream, affecting local farmers and in the downstream, depriving farmers from irrigation.

In Himachal Pradesh, small hydels on streams designated to be protected for in-situ fish diversity received approval and have been registered under the CDM although these projects are destroying freshwater diversity. Projects which are severely affecting local water security and old growth forests too received approval (Example: 4.5 MW Hul Project). This is clearly unacceptable and unsustainable.

The National CDM Authority under the MoEF, which is the national authority for applications to UNFCCC needs to take its role seriously and take effort to understand the impacts of projects under its consideration. At the same time, the UNFCCC should not assume that host country approval is the only evidence of sustainable development. It needs to consider submissions which outline severe impacts on ecology and communities too. UNFCCC should take action against the authority from the host country if it is found that the 'sustainable development' approval is unjustified. In the absence of factual assessment, both UNFCCC and DNA are directly responsible for ecological and social damage caused by such projects.

SANDRP is an informal network of organizations and individuals working towards protecting rivers and the dependent social and ecological systems.

The Kenya agricultural carbon project – A triple win for whom exactly?



By Ruth Nyambura, Advocacy & Communications Coordinator, African Biodiversity Network (ABN)

Photo credits: Ruth Nyambura

In January, the World Bank in a press release and subsequent articles penned in Kenyan dailies, announced that under the sustainable agricultural land management (SALM) carbon accounting methodology, 60,000 small-holder farmers in Western Kenya had just received carbon credits through the Kenya Agricultural Carbon Project (KACP), a project funded by the bank.

The project that began in November 2010 and is expected to be completed by December 2017, banks on the so-called **'triple win'** for farmers in the developing World; increase in yields, adapting to climate change and finally helping the farmers to mitigate climate change by reducing emissions and sequestering carbon through sustainable farming or rather what the World Bank and the UN's Food and Agriculture Organization (FAO) are calling **'climate-smart agriculture'.**

The press release issued by the World Bank reads in part, *'...for sequestering carbon in soil, thanks to these changed agricultural land management practices. The credits represent a reduction of 24,788 metric tons of carbon dioxide, which is equivalent to emissions from 5,164 vehicles in a year.'* The project that is estimated to cost a whopping $1,000,000 is being spearheaded by the bank's local implementing partner, the much respected Swedish NGO, VI Agro-forestry, which has operated in the Lake Victoria Basin for over 25 years, mainly providing agro-forestry extension services to small-holder farmers.

A lot has been said regarding expanding carbon markets to include agriculture; most pronounced being the logic or **ill-logic** of putting the main food producers of the World, who are already facing the terrible impacts of a changing climate, in a train that was bound for disaster even before it left the tracks. The falling carbon price to depressing levels and the reality that carbon markets have not served to deter polluters in the Global North, but has rather given them a loophole to pollute and buy carbon credits from elsewhere, the carbon sequestering activities of small-holder farmers like the ones in Western Kenya, have not endeared a lot of people and groups to market mechanisms as an answer to the climate crises we currently face.

Just a week after the World Bank's grand announcement, the NGO FERN released a report titled, **'Misleading Numbers; The case for Separating Land and Fossil Based Carbon Emissions'.** The report's central theme is around breaking the commonly held assumption that carbon released from fossil fuels is equivalent to the carbon stored in trees, plants and soils in the terrestrial eco-system. The report further questions the unfounded belief that fossil based carbon emissions can be negated or 'offset' by increasing or simply protecting the storage potential of the terrestrial eco-system – which is exactly what the Kenya Agricultural Carbon Project (KACP) is premised on.

In addition to this, we are confronted with the reality that fossil carbon emissions are as good as irreversible while there is a natural limit of the amount of emissions that can be held at any one time by terrestrial eco-systems such as forests and therefore land-carbon stocks are reversible. It is becoming very clear that the fight for climate justice is being thrown to the poor and developing nations in the form of mitigation via carbon markets. Rich countries on the other hand are not only dilly dallying in providing the necessary funds through the Green Climate Fund (GCF) to enable poor countries to

The African Biodiversity Network (ABN) is a regional network of individuals and organizations seeking African solutions to the ecological and socio-economic challenges that face the continent. ABN's thematic areas of work are community ecological governance (CEG), community, seed and knowledge (CSK) and Advocacy and communications.

Terrestrial eco-systems such as forests and therefore land-carbon stocks are reversible. It is becoming very clear that the fight for climate justice is being thrown to the poor and developing nations in the form of mitigation via carbon markets.

adapt and mitigate in ways outside the market based system, but are still actively increasing the levels of fossil fuel based emissions.

How can poor countries adapt and mitigate against climate change when their hands are completely tied and in addition, the little funding that comes in goes to projects such as KACP, putting undue focus on accounting for land emissions - which is imprecise, costly and ineffective rather than focusing policy and praxis efforts on transitioning to a fossil-free World?

Also highly questionable is the project's focus on hybrid seed and agro-chemicals supplied by one of the multi-national agri-business companies, Syngenta. Shefali Sharma had this to say when reviewing the project two years ago, 'a *"high" technology, high input, high cost seeds and herbicides are eager to be decision-makers in the design of such projects. Improving food security under climate change means much more than increased corn yields and richer soils. It also means that farmers are able to diversify their harvests to manage against climate-change induced risk to crop failure, that they are better able to predict impacts on their harvests and make planting choices to effectively meet their (and their country's) adaptation and food security needs, in the short and the long- term. Insisting that farmers dedicate scarce resources to carbon accounting, rather than comprehensive efforts to address these urgent adaptation and food security needs is bad policy and poor use of very limited funds.'*

The notion that carbon offsets will bring finance for African agriculture is highly doubtful, for foreign consultants yes. At best they will serve to distract us from the real problems; harmonization of punitive seed and trade laws within Africa that will negatively affect small-holder-farmers, land-grabs, an industrial farming system being aggressively pushed, genetically modified foods, extractive industries encroaching on agricultural land, and now climate change. Ultimately, the focus should be on the capabilities of these farmers to adapt rather than mitigate for a system that is completely bent on increasing the amount of fossil fuel carbon in the atmosphere.

Insisting that farmers dedicate scarce resources to carbon accounting, rather than comprehensive efforts to address these urgent adaptation and food security needs is bad policy and poor use of very limited funds

CDM can't be a standalone concept

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

Hidalgo fly ash mount breach, photo credits: Ranjan K Panda

India's environmental legislation processes are passing through the gloomiest period ever at the moment. Investment figures and not environmental concerns always decided on the clearance of projects. What is new is the new found political aggressive spirit to speed this path. The latest Environment Minister of India, who occupied his office on 24th of December 2013, claimed – in a media event to have cleared (meaning he gave environmental clearance/nod) more than 70 projects in just 20 days from joining office . Ironically, a minister appointed to protect the environment of the nation, claims this 'grand' clearance drive (to my knowledge, greatest ever in history of the country) was a grand victory.

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.

The environment of the nation will suffer further for a whopping capital investment of one hundred fifty thousand crore (a crore is ten millions) Indian Rupees that the minister cleared. What do such investments bring along? Take into consideration the track record of the same government, to which this minister belongs to and which is in power for a decade now, and you will understand the real sacrifice to this country's environment for such projects. Records that were just obtained reveal that as huge as 2.43 lakh (a lakh is a hundred thousand) hectares of forests have been cleared for industrial and development projects under this government from 2004 until the end of 2013. Another 1.64 lakh or more hectares of forests have been given away for oil and mineral exploration during the same period. Not over yet. Under consideration at the moment are proposals for giving away more almost 3.30 lakh hectares of forests for all such projects. These adds up to 7.36 lakh hectares of forests, nearly an area one and a half times the size of Punjab, a north Indian state.

This is the state of environmental conservation in the country today. This is just basic data. The real damage must be much more. And that is because the current systems of regulating environmental destruction caused by these projects have miserably failed. Take for example the mining scams in India. Each state where the mining of resources has been allowed is now suffering from huge scams. The latest scam in the news is about the mining scams in Odisha that has been inquired upon by the Justice M. B. Shah commission appointed by the central government.

According to the Shah Commission report, that was just tabled in the Indian Parliament, the illegal mining scam in Odisha amounts to about 60 thousand crore Indian Rupees. It means, mining companies that included all big names in the industry, extracted resources more than the permission given to them. And this continued unabated for years despite regular complaints by locals and environmentalists. The report finds out that illegal iron and manganese ore amounting to 22.80 crore tonnes were extracted illegally from the state for almost a decade. And the commission has pointed to the involvement of the politicians, bureaucracy and all such biggies who are supposed to be checking the crime.

The CDM must be part of an integrated environmental accountability and responsibility mechanism

Can we expect a transparent system of Clean Development Mechanism (CDM) projects in such a regulation regime? A certain no. In Odisha, where we are monitoring the projects, the Hindalco industries has been caught violating environmental laws regularly and it goes without being punished. In Hirakud, where this industry's Aluminium Smelter has been approved with a CDM Project for reduction of GHG emissions from primary aluminium smelter and 33,624 carbon credits have been issued up to 31 December 2012, the Odisha State Pollution Control Board (OPSCB) has failed to abate the deliberate acts of pollution. This company has been breaking the rules for fluoride emissions and fly ash spillage that have been dangerously and frequently impacting the local crop fields and water bodies. Moreover, it is worth reporting here that Hindalco has been also indicated as a big violator in the Shah Commission report inquiring into the mining scams of Odisha.

This case exemplifies that the CDM mechanism has failed to recognize overall environmental problems of a project proponent and thus has defeated the very purpose of the mechanism. We need to advocate for establishing a system that sees CDM projects as part of an integrated system of environmental accountability and responsibility. A violator of environmental laws has no right to get carbon credits. We have to ensure that CDM projects are not standalone projects.

Photo credits NASA

Climate crisis and false solutions – the case of India's North East

By Jiten Yumnam, Secretary, Centre for Research and Advocacy, Manipur

Photo credits: www.cifor.org

India's North East (NE) witnessed exceptional signs of climate changing, more so in recent years, of increased unpredictability of summer rains and floods. Nearby, Mawsynram village in Meghalaya, the world's wettest place, experienced scarcity of water in recent times and nearby Himalayan glaciers are confirmed to recede alarmingly. Amidst such change, India's NE witnessed an aggressive push for large development projects which aggravate the global climate crisis, such as mining, oil and gas drilling and the further adoption of false climate change solutions, such as the construction of mega dams and considering forest as carbon stocks for carbon trading.

There's little hope that India's National Action Plan on Climate Change (NAPCC) and the subsequent State Action Plans emphasizing the construction of mega dams and targetting forest for "Reduced Emission from Deforestation and Degradation and Deforestation (REDD+)" to reap benefits from carbon trading mechanisms can actually tackle climate crisis. Additionally, the Oil and Natural Gas Corporation (ONGC) and Cement companies also sought carbon credits for their claimed "low carbon projects" in Tripura, Meghalaya and Assam. Multinational corporations also pursued bio-fuels, viz, Jatropa and palm oil across the NE region.

The dam developers of the 1750 MW Lower Demwe Hydroelectric Project over Lohit River in Arunachal Pradesh, the 1200 MW Teesta III project over Teesta River in Sikkim and many others already wrought colossal devastations but are seeking carbon credits from Clean Development Mechanism (CDM) of the UN Framework Convention on Climate Change without highlighting the impacts on communities. More than 150 memorandums of understanding (MoU) for Mega dams have been inked in Arunachal Pradesh State alone, which will submerge a great portion of its rich forest cover. The GHGs to be emitted by these colossal mega dams and the implications on climate change have never been assessed.

Across the region, the push for REDD+ initiative to promote the protection of forests is being pursued, without clearly highlighting the possible implications on the communities' rights over forest land. As part of a larger game, the Forest Departments in the region also tried to gain more control of community forest land. There's limited process to consult with communities on alternatives to the climate crisis. Such false climate change solutions pursued had already proved to serve profit needs of multinational corporations and financial institutions at the cost of indigenous peoples' rights over their land, water and forest.

A development decision with high implications for communities' rights over land continues to be exclusively framed and forcefully imposed to serve corporate interest. The increasing loss of forest, rivers, agriculture land from communities' sustainable use in the pursuance of false climate change solutions will spell tremendous hardship for them as the profit mongering corporations remain unaccountable for the devastations.

Carbon traders will just be trading the lives and souls of indigenous communities and their land and

Centre for Research and Advocacy, Manipur is an indigenous peoples' organization promoting sustainable development and human rights in Manipur and India's NE region.

Carbon traders will just be trading the lives and souls of indigenous communities and their land and forest. Defining alternatives based on communities' wisdom and sensitivity to their needs coupled with the full recognition of their self-determined rights and development over their land is the key to mitigate the climate crisis.

forest. Defining alternatives based on communities' wisdom and sensitivity to their needs coupled with the full recognition of their self-determined rights and development over their land is the key to mitigate the climate crisis. Last but not least, the promotion of a low energy oriented way of life of indigenous peoples in India's North East can contribute enormously to tackle the climate crisis.

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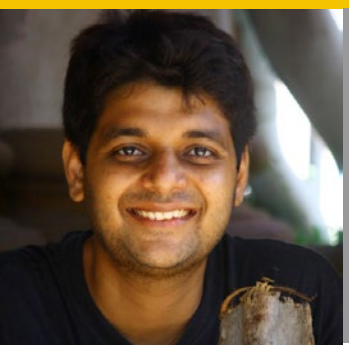
Waste disposal and land conflicts in India



By Dharmesh Shah, Climate, waste picker and zero waste Coordinator, Global Alliance for Incinerator Alternatives (GAIA)

Photo credits: www.thehindu.com

Mr. Rangaswamy Elango is anxious after learning about the recent plans of the Municipal Corporation of Chennai (COC) to set up 2000 tons per day waste processing facility on 100 acres of common grazing land in his village. After scouting various options the COC found Mr. Elango's village, Kuthambakkam, located 40 kms north of Chennai, should be the "beneficiary" of this project which will apparently bring jobs and boost the local economy. Unfortunately for the COC, the residents of Kuthambakkam are all employed and doing very well financially. In fact the Kuthambakkam has been awarded the title of the model village for its achievements in transforming itself into a self-sufficient village founded on the Gandhian philosophy of Gram Swaraj. However, the COC still insists on setting up a waste disposal project in Mr. Elango's village even at the risk of contaminating the Chembarambakkam lake, one of the last remaining fresh water bodies providing water to Chennai .

The story of Kuthambakkam is not isolated. The residents of Jawaharnagar village near Hyderabad are also pitched in a battle against the Greater Hyderabad Municipal Corporation (GHMC) for illegally dumping municipal waste on their community land. In response to the protests the GHMC proposed an Integrated Municipal Solid Waste Management (ISWM) project costing Rs.400 crores which will house a mega landfill and country's largest waste incinerator. This will sound a death knell to the residents of Jawaharnagar who are demanding an end to all waste disposal activities in the area. Similar protests turned violent across two of Bangalore's largest waste dumps, Mavallipura and Mandur which forced

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.

the Bangalore Municipal Corporation to explore alternatives that eventually eliminate their dependence on landfills hence making it India's first city to adopt a zero waste to landfill strategy . How will Bangalore achieve this paradigm shift is yet to be seen.

Municipalities across India are increasingly attempting to usurp community common lands in hinterland villages. On the outskirts of a city the waste becomes the black man's burden, to be borne by communities marginalized from the economic system or in the case of India those ousted in the name of religion through its caste system.

But why are such land conflicts over waste disposal becoming more prevalent? One reason is our unplanned urbanization. In its report, India's Urban Awakening, McKinsey Global Institute observed that "The speed of urbanization poses an unprecedented managerial and policy challenge--yet India has barely engaged in a discussion about how to handle this seismic shift in the makeup of the nation."

In such a situation short sighted solutions like landfills and waste to energy incinerators cause more problems than they solve. Despite this cities continue to pursue such options and are further encouraged by institutions like the UNFCCC. Market based mechanisms like the Clean Development Mechanism (CDM) continue to acknowledge Integrated SWM projects like incinerators and Landfill Gas to Energy (FGTE) as climate change mitigation technologies. In November 2007, the CDM Executive Board registered a project by the Timarpur-Okhla Waste Management Company to build two facilities to handle 2050 tons per day of municipal waste from Delhi. The project proposed to generate 16MW of renewable energy and reduce 262,791 tons of CO2 equivalent (tCO2e) per year. Six years later, the project has failed to generate a single unit of energy and has caused severe environmental pollution due to incineration of waste . The land allotted to the company on a long-term lease of 20 years was designated for community recreational purposes but illegally diverted.

Agriculture mitigation and carbon markets- unknown territory

By Ram Kishan, Regional Humanitarian Manager, Christian Aid

Picture: UN Photo/Kibae Park, www.unmultimedia.org/photo/

Climate change remains a real threat to the humankind, and while this will not be limited to any specific sector, agriculture will also be threatened by climate change. However, because of agriculture's potential for mitigation and carbon trading any move to bring this into the carbon credit markets will be a dangerous move for small and marginal farmers.

Agriculture plays a central role in the lives of the poor in developing countries. It does not only contribute to peoples' livelihoods but also represents an important element for food security. Some forms of agriculture contribute significantly to global greenhouse gas emissions (GHG). Other forms of agriculture contribute little to the climate problem. Some forms of agricultural production are more climate-resilient, and must be promoted in our efforts to protect food security and livelihoods in the face of growing climate impacts on our region.

Climate mitigation in the agriculture sector must be based on real emission reductions or prevention. So far, soil carbon "sequestration" has been presented as a solution to prevent dangerous anthropogenic

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Christian Aid insists the world can and must be swiftly changed to one where everyone can live a full life, free from poverty. We provide urgent, practical and effective assistance where need is great, tackling the effects of poverty as well as its root causes.

interference with the climate system. But carbon "sequestration" in soils does not reduce or avoid emission reductions per se. As these 'reductions' are not permanent, technically, they cannot be defined as sequestration because soils will likely become a net source of carbon as precipitation patterns change and temperatures increase.

Carbon markets are seen as an important source of climate finance. However, in reality this functions differently as it is very difficult to achieve changes in terms of sustainable practices for the agricultural sector by relying on market based mechanisms. Carbon markets, as defined by the COP-17 in Durban aim "to enhance the cost-effectiveness of, and to promote, mitigation actions." However, until now this has been widely controversial because these markets have a top down governance approach and cannot cater for behavioral change in the agriculture sector or shield small farmers from negative social and environmental impacts. In reality, carbon markets have been beneficial for those firms that have received huge carbon credits for free from governments that can afford to subsidize their industries.

Market-based mechanisms should be based on criteria, such as vulnerability, harm to food production and sustainable development, and be applied on the basis of equity and common but differentiated responsibilities.

Agriculture offset projects are a very contentious issue because these create significant challenges in terms of measurement and environmental integrity. Furthermore, lack of appropriate data and measurements of in situ soil types as well as their associated climate variability, past and future land use, and management practices all compound the existing problems. Soil carbon content can be highly variable depending on crops and their cropping cycles, human activity, land tenure and the climate itself.

We see a real threat that the solution of carbon markets for climate mitigation in the agriculture sector will be further encouraged in international climate policy negotiations. This has the potential to aggravate already difficult challenges such as land rights and food security.
Drawing small farmers into carbon markets for the sake of carbon credits will create the potential for increased social conflict and human rights violations around land tenure, land grabbing and the displacement of food production in favor of more easily calculable carbon sinks.

In general there is a widely shared sense that market-based approaches now in consideration at UNFCCC level will not be very successful and likely have negative financial and environmental consequences. Furthermore, experience tells us that such mechanisms do not contribute to emissions reductions needed to avoid dangerous climate change and rather jeopardize the agriculture sector's ability to adapt to global warming.

Agriculture will be central in the Subsidiary Body for Scientific and Technological Advice (SBSTA) where mitigation aspects in agriculture such as co-benefits of climate adaptation policy will be discussed. Together with sectorial mitigation approaches and new market mechanisms agriculture will also feature prominently on the discussion agenda. Solely relying on market based measures to mitigate the effects of climate change in the agriculture sector means a high bet on food security and land tenure. Consequentially, this means a great risk for small and marginal farmers in developing countries.

Drawing small farmers into carbon markets for the sake of carbon credits will create the potential for increased social conflict and human rights violations around land tenure, land grabbing and the displacement of food production in favor of more easily calculable carbon sinks.

Golden landscapes?

By Anika Schroeder, Desk Officer for Climate Change and Development, Misereor

Picture: http://www.flickr.com/photos/20024546@N05

The Gold Standard Foundation (GFS) is expanding its project scope to land use and forestry projects. This raises many questions even if we assume that this standard may ensure a high social integrity and provides funding for development and preservation of local ecosystems. There is a severe risk that this development opens the box of the Pandora and stipulates the inclusion of land based activities into more regional or even international compliance markets if not communicated carefully.

The widely accepted GFS was set up 10 years ago by several NGOs led by WWF in order to enhance and certify high quality carbon offset projects. The certification was only given to energy projects as too many risks were associated with crediting forestry or other land based activities 10 years back. This summer, GSF expanded its scope and is now offering a 'land-use and forestry Gold Standard'. Afforestation/ Reforestation projects including mangroves can now generate Verified Emission Reductions (VER) for voluntary offsets. Schemes for Climate Smart Agriculture and Improved Forest Management are under development.

Climate Constraints

What sounds like a good idea holds potential for many pitfalls and risks. First of all, fossil fuels need to remain under the surface while preserving ecosystems at the same time. As the window of opportunity to reduce global warming to below two degrees is getting smaller and smaller, accounting one with the other is just not helpful. Moreover, complex biological processes in soils and biomass make it difficult to obtain reliable soil and ecosystem carbon measurements – these, however, would be essential for the quantification of sequestered CO2 and the generation of corresponding VERs.

Paving the way toward the compliance market?

Land-based offsetting projects may not be too problematic if the standard would remain in the voluntary market.

But how to explain to negotiators, business and public that offsetting fossil fuel emissions with land based activities does not work if NGOs around the world are selling credits from these sectors with a formula: like "you drive a car, we plant a tree"?

There is a severe risk that this development paves the way forward for an inclusion of land based activities into international compliance markets or into more national and regional carbon markets. History has shown that activities that reduce emissions from land use have led to a criminalization of marginalized farmers and indigenous communities. Moreover, these activities have been responsible for land displacement and have limited the access to natural resources that livelihood systems depend upon.

Funding agriculture via carbon markets would benefit large-scale farming and companies who are able to bear the high upfront costs to negotiate with buyers of credits and to monitor activities. This could provide incentives for an expansion of large-scale agriculture and lead to further "land grab deals". Furthermore, carbon market 'readiness' projects will surely divert institutional, human and

MISEREOR
IHR HILFSWERK

MISEREOR is the German Catholic Bishops´ Organization for Development Cooperation. Ever since its foundation in 1958 MISEREOR has strengthened the self-help capacity of farming communities consisting of people who are not merely passive recipients but agents of change.

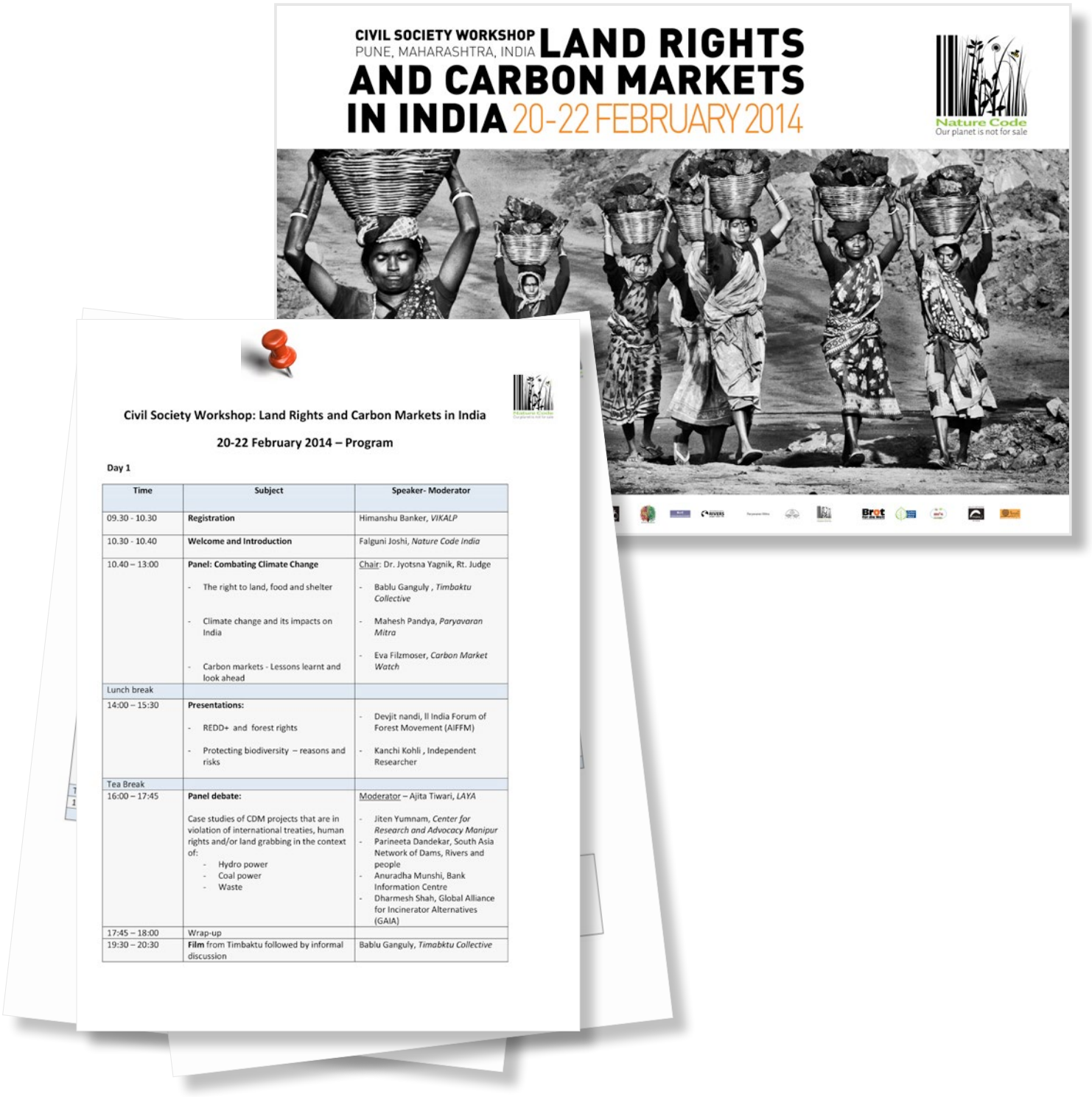
But how to explain to negotiators, business and public that offsetting fossil fuel emissions with land based activities does not work if NGOs around the world are selling credits from these sectors with a formula: like "you drive a car, we plant a tree"?

monetary resources away from other development efforts, as a large part of costs is likely to be met by Official Development Assistance (ODA). Funds from carbon markets may furthermore support practices that ensure highest carbon sequestration measures and "the absolute easiest to measure" techniques, rather than the most appropriate support needed by a farmer.

Political will from governments is needed to achieve "Golden landscapes". Best practices, however are necessary in order to make this happen. GSF can therefore still play a role in supporting real solutions if communication strategy would include the above constraints. But until now, the question, if GS supports an inclusion into the compliance market or not remains open.
For further reading and references see:

MISEREOR 2012: "Climate-smart agriculture - A useful development paradigm?"

MISEREOR 2012: "Carbon markets in Agriculture - Benefitting the Poor and the Climate?"



Watch This!

NGO Voices on Carbon Markets

Notice board

Following on from the establishment of Nature Code International, the mother organization of Carbon Market Watch, some of the steering committee's active Indian members felt that it was appropriate to develop their own branch (or Code) for India. This was quickly welcomed by other members of the Nature Code board and steering committee. The establishment of Nature Code India is currently underway and aims to provide potential opportunities for our Indian partners, not to mention greatly improving Nature Code's relationships and operational capacity throughout India and South Asia in future years.

Nature Code India
Our planet is not for sale

For more information, see http://naturecode.org/en/nature-code-india/.

The first opportunity is the co-organization of the workshop on Land Rights and Carbon Markets in India. You can find more about the upcoming workshop here: http://naturecode.org/en/nature-code-india/civil-society-workshop/. In the coming months, Nature Code India will be working on campaigns related to this topic, with particular focus on the contribution of climate mitigation projects to sustainable development and public participation procedures.

If you have any questions regarding Nature Code India, or how you can get involved, please email Falguni Joshi –
Programme Coordinator: Falguni.Joshi@naturecode.org

The workshop programme will address the following topics:
Political developments on international and regional carbon markets Key challenges for land-based initiatives in:

- Sustainable forest management activities (REDD+)
- Agriculture and forest carbon markets projects
- Biodiversity offsetting mechanisms

Particular focus will be given to:

- Public participation procedures
- Environmental impacts
- Social safeguards (e.g. to protect human rights) and grievance mechanisms

Who should attend?

- CSO representatives from India, who have worked or are planning to work on land rights or carbon market related issues in South Asia.
- Academic and research institutions
- Journalists

How much will it cost to participate?

- Participation is free of charge
- Coffee and lunch is provided
- Representatives of NGOs can apply for travel expenses and accommodation costs.

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

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