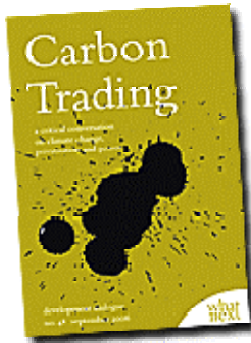


On Eve of Nairobi Climate Conference, New Book Exposes Flaws of Carbon Trading

“Bad for the South, bad for the North, and bad for the climate”



International negotiators are trying to find ways to further the carbon market in Africa at the November 2006 climate summit in Nairobi. A new book published this week proposes alternatives and exposes why carbon trading is both ineffective and unjust.

The book is published by Sweden's Dag Hammarskjold Foundation together with the international Durban Group for Climate Justice and the UK-based NGO The Corner House.

Carbon Trading argues that the Kyoto Protocol and the EU Emissions Trading Scheme are ineffective and unjust, and that carbon trading is particularly detrimental to African interests.

Carbon trading 'dispossesses ordinary people in the South of their lands and futures without resulting in appreciable progress toward alternative energy systems,' said Larry Lohmann of The Corner House, the book's editor. 'Tradable rights to pollute are handed out to Northern industry to allow them to continue profiting from business as usual. At the same time, Northern polluters are encouraged to invest in supposedly carbon-saving projects in the South, very few of which promote clean energy at all.'¹

'This is the most absurd and impossible market human civilization has ever seen,' said Indian activist and researcher Soumitra Ghosh, a contributing author on carbon projects in the South. 'Carbon trading is bad for the South, bad for the North, and bad for the climate.'

'Claims that carbon credits mitigate climate change have not been verified', added Jutta Kill of FERN, another contributor to the book. Carbon trading impedes positive investment in the South while thwarting popular movements against subsidies for fossil fuel extraction, she said.

In detailed case studies from nine Third World countries, the book shows how carbon offset projects such as those promoted under the Kyoto Protocol's Clean Development Mechanism (CDM) have had a detrimental impact on local communities. At the same time, they prolong industrialized countries' excessive pollution of the atmosphere.² Included are projects to 'offset' Northern emissions using tree plantings on contested lands in Uganda and Tanzania.

So far, Africa has been largely left out of the CDM, as carbon project investment has gravitated to richer developing countries such as China, India, Brazil and Korea. Yet if more carbon investments are made, the book argues, the result is likely to be neither climatically effective nor people-friendly. 'Carbon trading slows down the social and technological change needed to cope with global warming by unnecessarily prolonging the world's dependence on oil, coal and gas,' Lohmann said.

Evidence from South Africa is particularly disturbing, as the World Bank and large corporations like Sasol demonstrate the untenability of carbon trading projects in Durban and Steel Valley. As

major Clean Development Mechanism pilot schemes, a methane extraction project at Africa's largest landfill and a Mozambique-SA natural gas pipeline are flawed beyond repair.

Sajida Khan, a cancer victim who has fought hard against a Durban project, warns: 'The poor countries are so poor they will accept crumbs. The World Bank know this and they are taking advantage of it.'

Carbon Trading: A Critical Conversation on Climate Change, Privatisation and Power is available for download at <http://www.dhf.uu.se>. A paper edition will be published by the Dag Hammarskjold Foundation in November.

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NOTES FOR EDITORS

1. Carbon trading has two parts. First, governments hand out free tradable rights to emit carbon dioxide to big industrial polluters, as under the EU Emissions Trading Scheme. Second, companies buy additional pollution credits from projects in the South that claim to be emitting less greenhouse gas than they would have without the carbon market investment.

2. Carbon trading was made the centrepiece of the Kyoto Protocol at the insistence of the US, which claimed that its trading scheme to reduce sulphur dioxide emissions had been a great success, and remained in place after the US pulled out of the treaty. *Carbon Trading* demonstrates, however, that the US's sulphur dioxide scheme was radically different from the Kyoto Protocol's trading arrangements and dealt with a radically different problem.