



# The Dirty Energy Week Reader

A Compilation of What You Need To Know  
For COP 17 Durban & Beyond

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## **Durban COP17's failures in the making**

By Patrick Bond

The failure of Durban's COP17 – a veritable “Conference of Polluters” – is certain, but the nuance and spin are also important. Binding emissions-cut commitments under the Kyoto Protocol are impossible given Washington's push for an alternate architecture that is also built upon sand. The devils in the details over climate finance and technology include an extension of private-sector profit-making opportunities at public expense, plus bizarre new technologies that threaten planetary safety.

Politically, the overall orientation of global climate policy managers, especially from the US State Department and World Bank, will be to eventually displace the main process to the G20. This did not happen in Cannes because of the Greek and Italian economic crises, but is likely in future. It entails Washington's rejection of any potential overall UN solution to the climate crisis – which in any case is a zero-possibility in the near future because of the terribly adverse power balance – and the UN's dismissal of civil society's varied critiques of market strategies. The COP negotiators will also reject climate justice movement's strategies to keep fossil fuels in the ground and its demands for state-subsidized, community-controlled, transformative energy, transport, production, consumption and disposal systems.

Recall from last December how disappointed the progressive movement was that in the wake of the 2009 Copenhagen fiasco, the primary face-saving at the Cancun summit was restoration of faith in carbon markets. The Bolivian delegation was the only sensible insider team, and they summed up the summit's eight shortcomings:

- Effectively kills the only binding agreement, Kyoto Protocol, in favour of a completely inadequate bottom-up voluntary approach.
- Increases loopholes and flexibilities that allow developed countries to avoid action via an expansion of offsets and continued existence of 'surplus allowances' of carbon after 2012 by countries such as Ukraine and Russia, which effectively cancel out any other reductions.
- Finance commitments weakened: commitments to 'provide new and additional financial resources' to developing countries have been diluted to talking more vaguely about 'mobilizing [resources] jointly', with expectation that this will mainly be provided by carbon markets.
- The World Bank is made trustee of the new Green Climate Fund, which has been strongly opposed by many civil society groups due to the undemocratic make-up of the Bank and its poor environmental record.
- No discussion of intellectual property rights, repeatedly raised by many countries, as current rules obstruct transfer of key climate-related technologies to developing countries.

- Constant assumption in favour of market mechanisms to resolve climate change even though this perspective is not shared by a number of countries, particularly in Latin America.
- Green light given for the controversial Reducing Emissions from Deforestation and Forest Degradation (REDD) program, which often ends up perversely rewarding those responsible for deforestation, while dispossessing indigenous and forest dwellers of their land.
- Systematic exclusion of proposals that came from the historic World Peoples' Conference on Climate Change, including proposals for a Climate Justice Tribunal, full recognition of indigenous rights and rights of Mother Nature.

Nothing will be different in Durban, but in the meantime all the worst tendencies in world capitalism have conjoined to prevent progress on the two main areas of COP17 decisions: financing and technology. The latter includes intellectual property rights barriers which must be overcome, reminiscent of how militant AIDS treatment activists liberated Anti-RetroViral (ARV) medicines in 2003 at the Doha World Trade Organisation summit. Before that summit, Trade Related Intellectual Property Rights provisions allowed Big Pharma to charge \$15,000 per person per year for life-saving ARVs, even though generic drugs cost a fraction of that sum. A similar push to decommodify vital climate technology is needed but only a few activists have prioritized this struggle.

After all, technological processes that threaten the earth have intensified, such as geo-engineering, shale-gas fracking (endorsed by the SA National Planning Commission), tar sands extraction, and carbon capture and storage schemes aiming to bury greenhouse gases. The Johannesburg company SASOL continues to build up the world's most CO<sub>2</sub>-intensive factory by converting coal and gas to liquid petroleum, for which it requests carbon credits from the UN.

And in spite of the Fukushima catastrophe, the US and South Africa continue a major nuclear energy expansion. The mad idea of seeding the oceans with iron filings to generate carbon-sequestering algae blooms continues to get attention. In October 2010, the Convention on Biological Diversity in Nagoya, Japan called for a halt to geo-engineering, but a year later British scientists began experimenting with stratospheric aerosol injections as a way to artificially cool the planet. As Canadian technology watchdog Diana Bronson put it, "This so-called Solar Radiation Management could have devastating consequences: altering precipitation patterns, threatening food supplies and public health, destroying ozone and diminishing the effectiveness of solar power."

The financial mechanisms under debate since Cancun are just as dangerous because austerity-minded states in the US and European Union are backtracking on their \$100 billion/year promise of a Green Climate Fund to promote carbon trading. That Fund appears set to re-subsidize carbon markets by ensuring they become the source of revenues, instead of larger flows of direct aid from rich countries, which activists suggest should become a down payment on the North's 'climate debt'. The markets have been foiled by their own internal corruption and contradictions, as well as by left critiques in key



sites such as California and Australia, and rightwing climate change denialism in the US Congress.

But most importantly, the EU's emissions trading scheme is still failing to generate even \$10/tonne carbon prices, whereas at least \$50 would be required to start substantial shifts from fossil fuels to renewables. And world financial chaos means no one can trust the markets to self-correct.

Even with a rise of 2°C, scientists generally agree, small islands will sink, Andean and Himalayan glaciers will melt, coastal areas such as much of Bangladesh and many port cities will drown and Africa will dry out or in some places flood. With the trajectory going into Durban, the result will be a cataclysmic 4–5°C rise in temperature over this century, and if Copenhagen and Cancun promises are broken, as is reasonable to anticipate, 7°C is likely.

After 16 annual Conferences of Parties, the power balance within the UN Framework Convention on Climate Change continues to degenerate. On the other hand, growing awareness of elite paralysis is rising here in Durban, even within a generally uncritical mass media.

That means the space occupied by activists will be crucial for highlighting anti-extraction campaigns including the Canadian tar sands, West Virginia mountains, Ecuadorian Amazon and Niger Delta – the hottest spots at present.

### Expanding the Enviro Fightback

Beyond defensive campaigning, transformative politics are crucial. Robust South African community protests include sustained demands for a better environment in townships, including increased housing, electricity, water and sanitation, waste removal, healthcare and education. Connecting the dots to climate is the challenge for movement strategists, for example by linking the rising Eskom price to its decision to build new coal-fired powerplants whose main beneficiaries are BHP Billiton and Anglo American. The post-apartheid South African government's lack of progress on renewable energy, public transport and ecologically-aware production mirrors its failures in basic service delivery, which have generated amongst the world's highest rate of social protest – and to link these via the new Durban Climate Justice network will offer a real threat, not of "Seattling" Durban but of establishing a counter power that cannot be ignored.

## **World People's Conference on Climate Change and the Rights of Mother Earth,**

**April 22nd, Cochabamba, Bolivia**

### **PEOPLE'S AGREEMENT**

Today, our Mother Earth is wounded and the future of humanity is in danger.

If global warming increases by more than 2 degrees Celsius, a situation that the "Copenhagen Accord" could lead to, there is a 50% probability that the damages caused to our Mother Earth will be completely irreversible. Between 20% and 30% of species would be in danger of disappearing. Large extensions of forest would be affected, droughts and floods would affect different regions of the planet, deserts would expand, and the melting of the polar ice caps and the glaciers in the Andes and Himalayas would worsen. Many island states would disappear, and Africa would suffer an increase in temperature of more than 3 degrees Celsius. Likewise, the production of food would diminish in the world, causing catastrophic impact on the survival of inhabitants from vast regions in the planet, and the number of people in the world suffering from hunger would increase dramatically, a figure that already exceeds 1.02 billion people. The corporations and governments of the so-called "developed" countries, in complicity with a segment of the scientific community, have led us to discuss climate change as a problem limited to the rise in temperature without questioning the cause, which is the capitalist system.

We confront the terminal crisis of a civilizing model that is patriarchal and based on the submission and destruction of human beings and nature that accelerated since the industrial revolution.

The capitalist system has imposed on us a logic of competition, progress and limitless growth. This regime of production and consumption seeks profit without limits, separating human beings from nature and imposing a logic of domination upon nature, transforming everything into commodities: water, earth, the human genome, ancestral cultures, biodiversity, justice, ethics, the rights of peoples, and life itself.

Under capitalism, Mother Earth is converted into a source of raw materials, and human beings into consumers and a means of production, into people that are seen as valuable only for what they own, and not for what they are.

Capitalism requires a powerful military industry for its processes of accumulation and imposition of control over territories and natural resources, suppressing the resistance of the peoples. It is an imperialist system of colonization of the planet.

Humanity confronts a great dilemma: to continue on the path of capitalism, depredation, and death, or to choose the path of harmony with nature and respect for life.

It is imperative that we forge a new system that restores harmony with nature and among human beings. And in order for there to be balance with nature, there must first be equity among human beings. We propose to the peoples of the world the recovery, revalorization, and strengthening of the knowledge, wisdom, and ancestral practices of Indigenous Peoples, which are affirmed in the thought and practices of "Living Well," recognizing Mother Earth as a living being with which we have an indivisible, interdependent, complementary and spiritual relationship. To face climate change, we must recognize Mother Earth as the source of life and forge a new system based on the principles of:

- harmony and balance among all and with all things;
- complementarity, solidarity, and equality;

- collective well-being and the satisfaction of the basic necessities of all;
- people in harmony with nature;
- recognition of human beings for what they are, not what they own;
- elimination of all forms of colonialism, imperialism and interventionism;
- peace among the peoples and with Mother Earth;

The model we support is not a model of limitless and destructive development. All countries need to produce the goods and services necessary to satisfy the fundamental needs of their populations, but by no means can they continue to follow the path of development that has led the richest countries to have an ecological footprint five times bigger than what the planet is able to support. Currently, the regenerative capacity of the planet has been already exceeded by more than 30 percent. If this pace of over-exploitation of our Mother Earth continues, we will need two planets by the year 2030. In an interdependent system in which human beings are only one component, it is not possible to recognize rights only to the human part without provoking an imbalance in the system as a whole. To guarantee human rights and to restore harmony with nature, it is necessary to effectively recognize and apply the rights of Mother Earth. For this purpose, we propose the attached project for the Universal Declaration on the Rights of Mother Earth, in which it's recorded that:

- The right to live and to exist;
- The right to be respected;
- The right to regenerate its bio-capacity and to continue it's vital cycles and processes free of human alteration;
- The right to maintain their identity and integrity as differentiated beings, self-regulated and interrelated;
- The right to water as the source of life;
- The right to clean air;
- The right to comprehensive health;
- The right to be free of contamination and pollution, free of toxic and radioactive waste;
- The right to be free of alterations or modifications of it's genetic structure in a manner that threatens it's integrity or vital and healthy functioning;
- The right to prompt and full restoration for violations to the rights acknowledged in this Declaration caused by human activities.

The "shared vision" seeks to stabilize the concentrations of greenhouse gases to make effective the Article 2 of the United Nations Framework Convention on Climate Change, which states that "the stabilization of greenhouse gases concentrations in the atmosphere to a level that prevents dangerous anthropogenic inferences for the climate system." Our vision is based on the principle of historical common but differentiated responsibilities, to demand the developed countries to commit with quantifiable goals of emission reduction that will allow to return the concentrations of greenhouse gases to 300 ppm, therefore the increase in the average world temperature to a maximum of one degree Celsius.

Emphasizing the need for urgent action to achieve this vision, and with the support of peoples, movements and countries, developed countries should commit to ambitious targets for reducing emissions that permit the achievement of short-term objectives, while maintaining our vision in favor of balance in the Earth's climate system, in agreement with the ultimate objective of the Convention.

The "shared vision for long-term cooperative action" in climate change negotiations should not be reduced to defining the limit on temperature increases and the concentration of greenhouse gases in the atmosphere, but must also incorporate in a balanced and integral manner measures regarding

capacity building, production and consumption patterns, and other essential factors such as the acknowledging of the Rights of Mother Earth to establish harmony with nature.

Developed countries, as the main cause of climate change, in assuming their historical responsibility, must recognize and honor their climate debt in all of its dimensions as the basis for a just, effective, and scientific solution to climate change. In this context, we demand that developed countries:

- Restore to developing countries the atmospheric space that is occupied by their greenhouse gas emissions. This implies the decolonization of the atmosphere through the reduction and absorption of their emissions;
- Assume the costs and technology transfer needs of developing countries arising from the loss of development opportunities due to living in a restricted atmospheric space;
- Assume responsibility for the hundreds of millions of people that will be forced to migrate due to the climate change caused by these countries, and eliminate their restrictive immigration policies, offering migrants a decent life with full human rights guarantees in their countries;
- Assume adaptation debt related to the impacts of climate change on developing countries by providing the means to prevent, minimize, and deal with damages arising from their excessive emissions;
- Honor these debts as part of a broader debt to Mother Earth by adopting and implementing the United Nations Universal Declaration on the Rights of Mother Earth.

The focus must not be only on financial compensation, but also on restorative justice, understood as the restitution of integrity to our Mother Earth and all its beings.

We deplore attempts by countries to annul the Kyoto Protocol, which is the sole legally binding instrument specific to the reduction of greenhouse gas emissions by developed countries.

We inform the world that, despite their obligation to reduce emissions, developed countries have increased their emissions by 11.2% in the period from 1990 to 2007.

During that same period, due to unbridled consumption, the United States of America has increased its greenhouse gas emissions by 16.8%, reaching an average of 20 to 23 tons of CO<sub>2</sub> per-person. This represents 9 times more than that of the average inhabitant of the "Third World," and 20 times more than that of the average inhabitant of Sub-Saharan Africa.

We categorically reject the illegitimate "Copenhagen Accord" that allows developed countries to offer insufficient reductions in greenhouse gases based in voluntary and individual commitments, violating the environmental integrity of Mother Earth and leading us toward an increase in global temperatures of around 4°C.

The next Conference on Climate Change to be held at the end of 2010 in Mexico should approve an amendment to the Kyoto Protocol for the second commitment period from 2013 to 2017 under which developed countries must agree to significant domestic emissions reductions of at least 50% based on 1990 levels, excluding carbon markets or other offset mechanisms that mask the failure of actual reductions in greenhouse gas emissions.

We require first of all the establishment of a goal for the group of developed countries to achieve the assignment of individual commitments for each developed country under the framework of complementary efforts among each one, maintaining in this way Kyoto Protocol as the route to emissions reductions.

The United States, as the only Annex 1 country on Earth that did not ratify the Kyoto Protocol, has a significant responsibility toward all peoples of the world to ratify this document and commit itself to respecting and complying with emissions reduction targets on a scale appropriate to the total size of its economy.

We the peoples have the equal right to be protected from the adverse effects of climate change and reject the notion of adaptation to climate change as understood as a resignation to impacts provoked by the historical emissions of developed countries, which themselves must adapt their modes of life and consumption in the face of this global emergency. We see it as imperative to confront the adverse effects of climate change, and consider adaptation to be a process rather than an imposition, as well as a tool that can serve to help offset those effects, demonstrating that it is possible to achieve harmony with nature under a different model for living.

It is necessary to construct an Adaptation Fund exclusively for addressing climate change as part of a financial mechanism that is managed in a sovereign, transparent, and equitable manner for all States. This Fund should assess the impacts and costs of climate change in developing countries and needs deriving from these impacts, and monitor support on the part of developed countries. It should also include a mechanism for compensation for current and future damages, loss of opportunities due to extreme and gradual climactic events, and additional costs that could present themselves if our planet surpasses ecological thresholds, such as those impacts that present obstacles to "Living Well."

The "Copenhagen Accord" imposed on developing countries by a few States, beyond simply offering insufficient resources, attempts as well to divide and create confrontation between peoples and to extort developing countries by placing conditions on access to adaptation and mitigation resources. We also assert as unacceptable the attempt in processes of international negotiation to classify developing countries for their vulnerability to climate change, generating disputes, inequalities and segregation among them.

The immense challenge humanity faces of stopping global warming and cooling the planet can only be achieved through a profound shift in agricultural practices toward the sustainable model of production used by indigenous and rural farming peoples, as well as other ancestral models and practices that contribute to solving the problem of agriculture and food sovereignty. This is understood as the right of peoples to control their own seeds, lands, water, and food production, thereby guaranteeing, through forms of production that are in harmony with Mother Earth and appropriate to local cultural contexts, access to sufficient, varied and nutritious foods in complementarity with Mother Earth and deepening the autonomous (participatory, communal and shared) production of every nation and people.

Climate change is now producing profound impacts on agriculture and the ways of life of indigenous peoples and farmers throughout the world, and these impacts will worsen in the future.

Agribusiness, through its social, economic, and cultural model of global capitalist production and its logic of producing food for the market and not to fulfill the right to proper nutrition, is one of the principal causes of climate change. Its technological, commercial, and political approach only serves to deepen the climate change crisis and increase hunger in the world. For this reason, we reject Free Trade Agreements and Association Agreements and all forms of the application of Intellectual Property Rights to life, current technological packages (agrochemicals, genetic modification) and those that offer false solutions (biofuels, geo-engineering, nanotechnology, etc.) that only exacerbate the current crisis.

We similarly denounce the way in which the capitalist model imposes mega-infrastructure projects and invades territories with extractive projects, water privatization, and militarized territories, expelling

indigenous peoples from their lands, inhibiting food sovereignty and deepening socio-environmental crisis.

We demand recognition of the right of all peoples, living beings, and Mother Earth to have access to water, and we support the proposal of the Government of Bolivia to recognize water as a Fundamental Human Right.

The definition of forests used in the negotiations of the United Nations Framework Convention on Climate Change, which includes plantations, is unacceptable. Monoculture plantations are not forests. Therefore, we require a definition for negotiation purposes that recognizes the native forests, jungles and the diverse ecosystems on Earth.

The United Nations Declaration on the Rights of Indigenous Peoples must be fully recognized, implemented and integrated in climate change negotiations. The best strategy and action to avoid deforestation and degradation and protect native forests and jungles is to recognize and guarantee collective rights to lands and territories, especially considering that most of the forests are located within the territories of indigenous peoples and nations and other traditional communities.

We condemn market mechanisms such as REDD (Reducing Emissions from Deforestation and Forest Degradation) and its versions + and + +, which are violating the sovereignty of peoples and their right to prior free and informed consent as well as the sovereignty of national States, the customs of Peoples, and the Rights of Nature.

Polluting countries have an obligation to carry out direct transfers of the economic and technological resources needed to pay for the restoration and maintenance of forests in favor of the peoples and indigenous ancestral organic structures. Compensation must be direct and in addition to the sources of funding promised by developed countries outside of the carbon market, and never serve as carbon offsets. We demand that countries stop actions on local forests based on market mechanisms and propose non-existent and conditional results. We call on governments to create a global program to restore native forests and jungles, managed and administered by the peoples, implementing forest seeds, fruit trees, and native flora. Governments should eliminate forest concessions and support the conservation of petroleum deposits in the ground and urgently stop the exploitation of hydrocarbons in forestlands.

We call upon States to recognize, respect and guarantee the effective implementation of international human rights standards and the rights of indigenous peoples, including the United Nations Declaration on the Rights of Indigenous Peoples under ILO Convention 169, among other relevant instruments in the negotiations, policies and measures used to meet the challenges posed by climate change. In particular, we call upon States to give legal recognition to claims over territories, lands and natural resources to enable and strengthen our traditional ways of life and contribute effectively to solving climate change.

We demand the full and effective implementation of the right to consultation, participation and prior, free and informed consent of indigenous peoples in all negotiation processes, and in the design and implementation of measures related to climate change.

Environmental degradation and climate change are currently reaching critical levels, and one of the main consequences of this is domestic and international migration. According to projections, there were already about 25 million climate migrants by 1995. Current estimates are around 50 million, and projections suggest that between 200 million and 1 billion people will become displaced by situations resulting from climate change by the year 2050.

Developed countries should assume responsibility for climate migrants, welcoming them into their territories and recognizing their fundamental rights through the signing of international conventions that provide for the definition of climate migrant and require all States to abide by determinations.

Establish an International Tribunal of Conscience to denounce, make visible, document, judge and punish violations of the rights of migrants, refugees and displaced persons within countries of origin, transit and destination, clearly identifying the responsibilities of States, companies and other agents.

Current funding directed toward developing countries for climate change and the proposal of the Copenhagen Accord are insignificant. In addition to Official Development Assistance and public sources, developed countries must commit to a new annual funding of at least 6% of GDP to tackle climate change in developing countries. This is viable considering that a similar amount is spent on national defense, and that 5 times more have been put forth to rescue failing banks and speculators, which raises serious questions about global priorities and political will. This funding should be direct and free of conditions, and should not interfere with the national sovereignty or self-determination of the most affected communities and groups.

In view of the inefficiency of the current mechanism, a new funding mechanism should be established at the 2010 Climate Change Conference in Mexico, functioning under the authority of the Conference of the Parties (COP) under the United Nations Framework Convention on Climate Change and held accountable to it, with significant representation of developing countries, to ensure compliance with the funding commitments of Annex 1 countries.

It has been stated that developed countries significantly increased their emissions in the period from 1990 to 2007, despite having stated that the reduction would be substantially supported by market mechanisms.

The carbon market has become a lucrative business, commodifying our Mother Earth. It is therefore not an alternative for tackle climate change, as it loots and ravages the land, water, and even life itself.

The recent financial crisis has demonstrated that the market is incapable of regulating the financial system, which is fragile and uncertain due to speculation and the emergence of intermediary brokers. Therefore, it would be totally irresponsible to leave in their hands the care and protection of human existence and of our Mother Earth.

We consider inadmissible that current negotiations propose the creation of new mechanisms that extend and promote the carbon market, for existing mechanisms have not resolved the problem of climate change nor led to real and direct actions to reduce greenhouse gases. It is necessary to demand fulfillment of the commitments assumed by developed countries under the United Nations Framework Convention on Climate Change regarding development and technology transfer, and to reject the "technology showcase" proposed by developed countries that only markets technology. It is essential to establish guidelines in order to create a multilateral and multidisciplinary mechanism for participatory control, management, and evaluation of the exchange of technologies. These technologies must be useful, clean and socially sound. Likewise, it is fundamental to establish a fund for the financing and inventory of technologies that are appropriate and free of intellectual property rights. Patents, in particular, should move from the hands of private monopolies to the public domain in order to promote accessibility and low costs.

Knowledge is universal, and should for no reason be the object of private property or private use, nor should its application in the form of technology. Developed countries have a responsibility to share their

technology with developing countries, to build research centers in developing countries for the creation of technologies and innovations, and defend and promote their development and application for “living well.” The world must recover and re-learn ancestral principles and approaches from native peoples to stop the destruction of the planet, as well as promote ancestral practices, knowledge and spirituality to recuperate the capacity for “living well” in harmony with Mother Earth.

Considering the lack of political will on the part of developed countries to effectively comply with commitments and obligations assumed under the United Nations Framework Convention on Climate Change and the Kyoto Protocol, and given the lack of a legal international organism to guard against and sanction climate and environmental crimes that violate the Rights of Mother Earth and humanity, we demand the creation of an International Climate and Environmental Justice Tribunal that has the legal capacity to prevent, judge and penalize States, industries and people that by commission or omission contaminate and provoke climate change.

Supporting States that present claims at the International Climate and Environmental Justice Tribunal against developed countries that fail to comply with commitments under the United Nations Framework Convention on Climate Change and the Kyoto Protocol including commitments to reduce greenhouse gases.

We urge peoples to propose and promote deep reform within the United Nations, so that all member States comply with the decisions of the International Climate and Environmental Justice Tribunal.

The future of humanity is in danger, and we cannot allow a group of leaders from developed countries to decide for all countries as they tried unsuccessfully to do at the Conference of the Parties in Copenhagen. This decision concerns us all. Thus, it is essential to carry out a global referendum or popular consultation on climate change in which all are consulted regarding the following issues; the level of emission reductions on the part of developed countries and transnational corporations, financing to be offered by developed countries, the creation of an International Climate Justice Tribunal, the need for a Universal Declaration of the Rights of Mother Earth, and the need to change the current capitalist system. The process of a global referendum or popular consultation will depend on process of preparation that ensures the successful development of the same.

In order to coordinate our international action and implement the results of this “Accord of the Peoples,” we call for the building of a Global People’s Movement for Mother Earth, which should be based on the principles of complementarity and respect for the diversity of origin and visions among its members, constituting a broad and democratic space for coordination and joint worldwide actions.

To this end, we adopt the attached global plan of action so that in Mexico, the developed countries listed in Annex 1 respect the existing legal framework and reduce their greenhouse gases emissions by 50%, and that the different proposals contained in this Agreement are adopted.

Finally, we agree to undertake a Second World People’s Conference on Climate Change and the Rights of Mother Earth in 2011 as part of this process of building the Global People’s Movement for Mother Earth and reacting to the outcomes of the Climate Change Conference to be held at the end of this year in Cancun, Mexico.



# Hoodwinked in the Hothouse

Desperate to avoid climate regulation that may affect profits, polluting corporations are working hand-in-hand with governments, presenting a dizzying array of false solutions that deepen inequalities in our societies. There is a clear agenda: Manage the climate crisis without compromising profits, the power structures or the economic system that got us here, even if that means exacerbating the problem. Wall Street financiers, the synthetic biology industry, “green” venture capitalists and a host of others are jumping on the “we care about the climate, too!” bandwagon.

These actors have reduced one of the clearest consequences of an unsustainable system into a mere technical problem that can be “efficiently” dealt with through market-based solutions. This market fundamentalism diverts attention away from the root causes of the problem, encouraging us to imagine a world with price tags on rivers, forests, biodiversity and communities’ territories, all in the name of “dealing with the climate crisis.” At the heart of all false solutions is an avoidance of the big picture: the root causes.

False solutions are constructed around the invisible scaffolding that maintains the dominant economic, cultural and political systems—the idea that economic growth is both desirable and inevitable; that progress means industrial development; that Western science and technology can solve any problem; that profits will motivate and the markets will innovate. Most of us in the Global North\*, whether sensitized to it or not, are participants and, at times, even take comfort in this world view. Sadly, many find it easier to imagine the end of the world than the end of a globalized economy built upon the unsteady legs of expanding empire, ecological erosion and exploitation of workers and communities.

We can take steps, large and small, to stop the climate crisis. What we cannot afford to do is go down the wrong road. *Hoodwinked in the Hothouse* is an easy and essential guide to navigating the landscape of false solutions—the cul-de-sacs on the route to a just and livable climate future.

Gopal Dayaneni, Movement Generation: Justice and Ecology Project

*\*Throughout this booklet, wealthy countries, aka the developed world or the First World, are referred to as the “Global North.” Cash-poor countries, aka the developing world or the Third World, are referred to as the “Global South.”*



# Carbon Trading

## Part 1: Cap and Trade

The practice of carbon trading was implemented by the Kyoto Protocol as a strategy for tackling climate change, while allowing business-as-usual in industries that profit most from the use of fossil fuels. Essentially, governments made carbon pollution a market commodity by issuing tradable pollution permits. As the theory goes, the amount of permits issued would decrease year by year and carbon emissions would be reduced correspondingly.

The world's largest cap and trade system is in Europe and it has been an unmitigated failure, beset by fraud and market manipulation. The market includes large industrial power stations, plants and factories, which comprise just under half of Europe's total CO<sub>2</sub> emissions. Over 90% of permits are issued free of charge, yet some power companies have raised prices to "compensate" for the costs of the scheme, resulting in windfall profits expected to reach \$80 billion by 2012. At the same time, a majority of companies have received more permits than their actual emissions, leading to bargain-basement prices for the remaining permits and little incentive to limit emissions. To make matters worse, emissions monitoring is woefully inadequate: Nearly half the emission sites that purchase carbon credits in Europe are not satisfactorily monitored.

Proponents say these problems can be fixed, but there are more fundamental issues. With short-term reductions in carbon emissions relatively inexpensive in carbon trading markets, there is little incentive toward crucial long term changes and investments that will be needed to create a post-carbon economy. Furthermore, because cap and trade systems leave everything to the market, they can exacerbate pollution inequities. For example, the US sulfur dioxide trading market has led to increases in pollution in some low-income communities and communities of color as industries decide to concentrate pollution in areas with less rigorous environmental enforcement and lower "political costs."

Most troubling, cap and trade creates an experimental new system of private property rights. Corporate balance sheets and legal statutes record carbon permits as property in the same way government-issued patents or land grants are accounted for. When the most powerful actors in society are given additional



Demonstration during the 2007 UN climate meetings against the inclusion of forest offset credits in a post-Kyoto agreement. Photo: Ben Powless

property rights, their ability to shape our future is further entrenched. The vast majority of carbon trades are made by either energy producers seeking protection from fossil fuel and currency price fluctuations, or by specialist traders seeking speculative profit, rather than by companies concerned with meeting their “caps.” Cap levels and trading rules are the product of endless lobbying by companies and countries trying to retain their high allowances.

Market analysts widely expect the carbon market will become the largest commodity market in history. At a time when poorly understood, experimental markets dominated by powerful interests have thrust millions of households into foreclosure, with the world in the worst global recession in decades, do we really want another opaque commodity trading market?

Europe intends to fill some of the holes in the system—for instance, by auctioning off some permits rather than just giving them away. The fact remains that carbon trading does not address rising pollution levels, it simply hands over a crisis to be played out in the marketplace.

## Part II: Carbon Offsets

Carbon offsets are a trick designed to make it cheap and easy for polluting companies and countries to meet their emissions reductions requirements, or for individuals to assuage their guilt about their lifestyles. Instead of actually reducing pollution, they can pay for a carbon “reduction” project elsewhere. Offsets compound all of the problems of the cap and trade system—literally a license to pollute beyond the allotted “cap.”



Nearly all of the technologies described elsewhere in this booklet have received funding as offsets, their associated abuses enabled by—and enabling—coal, oil and gas companies who wish to carry on polluting. Carbon trading is the architecture supporting all other false solutions.

The Kyoto Protocol's "Clean Development Mechanism" (CDM) is the largest offset market in the world. As part of the Kyoto Protocol, it was established to allow wealthy polluting countries to "buy" cheaper carbon reductions in developing countries instead of making emission cuts at home. CDM is an attractive subsidy for big business, with reduction credits frequently being sold to support projects that would have happened anyway. The CDM is a billion-dollar market and continues to expand into new methodologies and schemes. This practice is anything but "clean"—it results in a net increase in pollution and displaces responsibility away from polluters.

Countries and companies selling offsets have an incentive to over-report emissions reductions in order to obtain more credits to sell. This type of manipulation will be further encouraged by new speculative markets in carbon offsets, which have been pioneered by Goldman Sachs and other investment banks that have recently begun marketing carbon-backed securities and subprime (junk) carbon bonds.

Offsetting encourages us to think we can buy our way out of climate catastrophe, but the reality is that offsets are a way for large polluters to continue dangerous levels of pollution within a new legal framework. Not only are the vast majority of offset projects socially and environmentally unjust, they distract us from the larger structural and social changes that need to happen to create a sustainable society.

[www.carbontradewatch.org](http://www.carbontradewatch.org) • [www.durbanclimatejustice.org](http://www.durbanclimatejustice.org) • [www.ejmmatters.org](http://www.ejmmatters.org)  
[www.climatesos.org](http://www.climatesos.org) • [www.storyofstuff.com/capandtrade](http://www.storyofstuff.com/capandtrade) • [www.seen.org](http://www.seen.org)  
[www.foe.org/subprimecarbon](http://www.foe.org/subprimecarbon) • [www.energyjustice.net/climate](http://www.energyjustice.net/climate)



Outside the offices of the Carbon Neutral Company in London, as it was being occupied by activists with London Rising Tide in February 2007. Photo: Mike Wells



“Waste-to-Energy” is a public relations term for generating power by burning garbage. Trash incinerators burn discards like paper, plastics, metals and food scraps, converting them into toxic ash and toxic air pollution, and making landfills more noxious. In recent years this industry has been promoting itself as a green, renewable energy provider.

In reality, energy produced by incinerators is very carbon intensive, emitting 33% more CO<sub>2</sub> per unit of energy than coal power plants. In contrast, if all discarded materials in the US were recycled and composted, it would be comparable to taking half the cars in the US off the road. Incinerators are basically a massive “waste-of-energy,” yielding less than one-third the energy that could be saved by recycling and composting.

Incinerators release a wide range of toxic pollutants and are a leading source of mercury, dioxins and furans. Many of these toxins make their way into our food supply. Incinerator pollution disproportionately impacts working class communities and communities of color in whose backyards they are typically built, such as the world’s largest trash incinerator in Detroit, MI. Incinerators are expensive to build and operate, costing billions of dollars—sometimes bankrupting the communities they “serve.”

In the Global South, incinerators impoverish millions of waste workers whose livelihoods depend on recycling discards. In the US, recycling—which is forced to compete with incineration for materials—creates more than 10 times as many jobs per tonnage of waste than incinerators or landfills. By sidetracking discarded materials and keeping community investment away from recycling, incinerators burn much needed jobs.

Facing widespread public opposition, the trash burning industry has rebranded itself, pushing new types of incinerators with fancy names like plasma arc, pyrolysis and gasification. These unproven systems are more expensive, and often create more greenhouse gases and toxic by-products than traditional incinerators.

# Agrofuels

Five years ago, agrofuels were hailed as the new climate savior. Today they are recognized as the quintessential false solution. Activists warned early on that massive new demand for agricultural products—corn, soy, sugar cane, palm and rapeseed oils—would be disastrous, forcing the expansion of destructive industrial agriculture practices and diverting food to fuel. Despite the warnings, many countries adopted mandates for agrofuel use, and continue to subsidize and support the industry.

Initial claims that agrofuels are “cleaner and greener” than fossil fuels have been proven wrong on many counts. In one glaring example, a study in South-east Asia of agrofuel life cycle emissions found that 450 to 900 years of agrofuel crop plantings would be required to “offset” CO<sub>2</sub> released from the peatlands cleared to grow the crops.

Besides failing to address climate change, agrofuels have caused human rights abuses. Working conditions in the Brazilian sugar cane ethanol industry are likened to slavery. There, as well as in Indonesia, Colombia and elsewhere, violent conflicts over access to land for palm oil plantations have left a trail of blood.

In 2005, the US converted 14% of the country’s corn crop to ethanol production, providing just 1.7% of gasoline consumption. In 2009, an estimated 30% of US corn was used for ethanol. The amount of corn required to produce enough ethanol to fill an SUV’s tank once could feed an adult for a year.



Despite mounting evidence demonstrating the harmful impact of agrofuels—and associated fertilizers and pesticides—on water, soil, biodiversity, human rights and

“Truck loaded with “sawit” or palm seeds on the way to Murini Sam Sam, a crushing facility that sells CDM credits.” Sumatra, Indonesia - December 2007. Photo Credit: Tamra Gilbertson



greenhouse gas emissions, politicians continue to pander to the industry, using “energy security” to justify financial support.

Agrofuels are part of the larger false solution of a “bioeconomy.” Governments in the Global North and industry partners are seeking plant substitutes for transportation fuels, heat and electricity, as well as chemicals, plastics and a host of other products and processes now derived from petroleum. The bioeconomy—far from encouraging life, as its savvy marketers would have us believe—has encouraged cutting, harvesting, and burning of vast areas of the earth. A recent modeling study found that on current trajectories we would replace virtually all remaining native forests, grasslands and savannahs with energy crop monocultures by 2065.

Agrofuel enthusiasts attempt to sidestep these criticisms by claiming that current technologies are just a stepping stone towards “cellulosic” fuels. These fuels would be made from cellulose, a primary component of woody materials. Proponents claim its use would not compete with food because cellulose is abundant in nature and inedible. However, technologies for producing cellulosic fuels have not been realized, and vast quantities of plant material would be needed to fuel current levels of unsustainable transportation. We must invest in restructuring our transportation systems rather than in advancing destructive agrofuels.

[www.foodfirst.org](http://www.foodfirst.org) • [www.globalforestcoalition.org](http://www.globalforestcoalition.org) • [www.biofuelwatch.org.uk](http://www.biofuelwatch.org.uk)  
[www.energyjustice.net](http://www.energyjustice.net) • [www.wrm.org.uy](http://www.wrm.org.uy)

Indonesia's massive Sawit (palm fruit) agrofuel plantations in Sumatra, Indonesia.  
Photos: Tamra Gilbertson





# Seeing REDD

BY INDIGENOUS ENVIRONMENTAL NETWORK AND RISING TIDE NORTH AMERICA

Within the United Nations' climate negotiations, a controversial agenda item for climate mitigation called "Reducing Emissions from Deforestation and Degradation" (REDD) has emerged. REDD is a mechanism for wealthy countries and polluting industries to pay cash-poor countries in the Global South to conserve their forests instead of cutting them down or allowing them to be logged illegally. The forests targeted by REDD include areas heavily populated by Indigenous Peoples and forest-dependent communities whose rights, interests, and livelihoods are at stake.

The World Bank—whose long history of human rights and environmental missteps is the subject of many other publications—runs a similar project known as the Forest Carbon Partnership Facility (FCPF). As the World Bank puts it, this program "provides value," by monetizing standing forests. Proponents believe it will create an economic incentive to conserve these forests, discouraging clear cutting for timber or to create plantations, including for agrofuels and genetically modified trees.

REDD is still evolving; its final form is uncertain and being negotiated within the UN climate talks. It is likely that carbon credits from REDD will be sold on the market as carbon offsets so that developed industrialized countries, as well as polluting industries, will be able to purchase REDD credits instead of fulfilling emissions reduction requirements as part of national or international climate agreements.

Trees would thus become part of a property rights system, despite very few countries having legislation that recognizes the rights of Indigenous Peoples and local forest-dependent communities to forested areas. These rights have long been a major source of conflict. Safeguards currently proposed for REDD at the UN and for the World Bank's FCPF do not guarantee REDD projects would avoid human rights abuses. National governments and carbon trading companies stand to make billions of dollars on the sale of forest carbon, while local communities—at best—would receive small cash payments (\$25/month/family would be common). At worst, Indigenous and local communities would be given nothing and could be forced off their land, or end up



The Declaration created at the World People's Conference on Climate Change and the Rights of Mother Earth clearly condemned REDD, stating that it violates "the sovereignty of our Peoples." Photo: Hector Mondaca



forced to pay rent on it. This would leave communities without traditional livelihoods, without jobs, and without real access to their ancestral land.

Companies want rights to the carbon in forests to use as greenwash licenses. For big polluters, it will be cheaper to buy permits to pollute through a REDD carbon offset mechanism than to reduce emissions. This will allow them to continue burning and mining fossil fuels from the Alberta tar sands in Canada to the Ecuadorian Amazon, and from the Niger Delta to the Appalachian mountaintops in the US.

With REDD negating existing efforts to mitigate climate change and exacerbating conflicts over the lands of Indigenous and forest peoples, it is clearly not a solution for climate change.

[www.redd-monitor.org](http://www.redd-monitor.org) • [www.ienearth.org](http://www.ienearth.org) • [www.wrm.org.uy](http://www.wrm.org.uy) •  
[www.carbontradewatch.org](http://www.carbontradewatch.org)

## Will the UN Help Us?

"In December 2009, the UNFCCC in Copenhagen saw people of the world coming together to question the false solutions being negotiated by world governments. After participating in UN climate negotiations for many years, I have never witnessed the intensity of deception going on behind closed doors by industrialized countries of the North, elites of some Southern countries and of large non-governmental organizations. Even though using forests from developing countries for carbon offsets was rejected in UN climate meetings over ten years back, there has been a well-planned effort by Northern countries in the EU and the US to form an agreement for developing a global forest offset program called REDD and REDD+. The carbon market solutions are not about mitigating climate, but are greenwashing policies that allow fossil fuel development to expand.

As an alternative to the Copenhagen Accords, we are supporting the Cochabamba People's Accord and the proposed Universal Declaration on the Rights of Mother Earth developed by members of social movements and Indigenous Peoples that came together in Cochabamba, Bolivia, in April 2010."

— TOM GOLDTOOTH, INDIGENOUS ENVIRONMENT NETWORK



# Megadams

BY INTERNATIONAL RIVERS

Hydroelectric dams are referred to as “green energy” because they do not require combustion to generate electricity, however the destruction caused by dams proves otherwise. Dams have forced an estimated 40 to 80 million people worldwide out of their homes. Millions more suffer downstream and upstream from dams, which suffocate more than half of the earth’s rivers. Communities are often brutalized by violent evictions to make way for dam construction.

The reservoirs created by dams are a significant source of methane and CO<sub>2</sub> due to decomposing vegetation, road building and habitat destruction. One study found the net release of CO<sub>2</sub> from large, shallow reservoirs in tropical regions can be higher than the greenhouse gas emissions of a coal plant producing the same quantity of energy. In addition, large dams consume huge quantities of steel and cement, which are highly CO<sub>2</sub>-intensive to produce.

Large dams are a substantial part of the reason why 20% of all freshwater species are now extinct and why many of the world’s freshwater fish stocks have collapsed. Even many “run-of-river” projects damage village infrastructure and groundwater. Rivers are destroyed in the diversion process through long tunnel-passages, which block river-flows with the excavated mud.

The CDM (see “Carbon Offsets”) is increasing subsidies to hydropower developers while allowing major fossil fuel emitters to carry on polluting. Hydro is now the most common “renewable energy” technology in the CDM, representing a quarter of all CDM projects. All of the large dams now angling for CDM certification have failed to comply with guidelines set forth by the European Union’s World Commission on Dams to ensure environmental and social equity. Like many other offset projects, most hydroelectric projects in the CDM were in the works long before they applied for carbon credits.

[www.internationalrivers.org](http://www.internationalrivers.org) • [www.wrm.org.uy](http://www.wrm.org.uy)



## **The threat to Madagascar from tar sands; a first hand account**

23 May 2011

Environmental campaigner Holly Rakotondralambo from Madagascar is visiting the UK this week to highlight the threat to her country from proposals to mine tar sands there. Here she tells WDM about the concerns of the local communities around the mining areas that she has visited and what we can do to help stop the threat of tar sands mining in her country.



### **Holly Rakotondralambo talks to Liz Murray of WDM in Scotland**

After the visit by the Canadian First Nations activists for RBS's AGM in April, WDM is this week hosting environmental campaigner Holly Rakotondralambo from Madagascar who is here to highlight the threat to her country from proposals to mine tar sands there. Holly is here on behalf of Alliance Voahary Gasy, a coalition of 28 Malagasy environmental and human rights organisations, all of whom are concerned about the impact that tar sands mining may have on

Madagascar if it is allowed to continue.

Holly will be speaking at public meetings in [Edinburgh, Glasgow and London](#) and to many journalists while she is here, calling on RBS not to finance Total's involvement in tar sands extraction, and for the UK Government to set environmental and ethical investment criteria for RBS. We were able to bring Holly to the UK as a result of individual donations from WDM supporters.

Holly spoke to Liz Murray at WDM's office in Edinburgh.

*Liz: what is the current situation with tar sands mining in Madagascar?*

Holly: There are two main areas that have been identified as containing deposits of tar sands. These are at Tsimiroro and Bemolanga, in the western region of Melaky in Madagascar. Madagascar Oil and French oil company Total have been exploring in these areas since 2008. Total has taken 130 core drills at Bemolanga. They have also built roads and offices there and have told us that they will decide next month whether or not to begin large scale exploitation of tar sands. The local people are very worried about what this might mean, and so are we.

*Liz: what are the specific concerns about tar sands mining?*

Holly: There is growing concern among local communities about the effects that tar sands mining might have on agricultural land, water sources and the unique biodiversity of Madagascar; particularly since we have seen the devastation that has occurred in the Canadian tar sands mining areas. There is great poverty in Madagascar. Many people in the tar sands areas in Madagascar are small scale subsistence farmers who have had their land passed down through their families. They are afraid that they will lose their land

or that it will get poisoned. There are also fears about the machinery and the huge lorries that will pass through this area to get to the mining sites.



There are also concerns that water supplies may be contaminated with toxic pollution in the same way that we have seen with the Athabasca river in Canada. There are very limited water supplies in this part of Madagascar and most people rely heavily on the rivers for all their water needs, including drinking, cooking and washing. Trees are also used to provide water, and local people make a kind of beer from this which they can sell to make some money. But to exploit the tar sands deposits, many trees may have to be cut down. And on top of this, the Malagasy government and people will [only get a tiny percentage](#), as little as 4%, of the profits from any tar sands extraction.

Of course we are also worried about the effect of tar sands extraction on climate change. We are part of the international network REDD, a United Nations collaborative programme working to reduce emissions from deforestation and forest degradation in developing countries. We don't have very much old growth forest in Madagascar, but what we do have is vital as a carbon sink and could also have value to our country on the carbon markets. But mining tar sands, which are such a dirty form of fossil fuel, will completely undermine and waste these efforts to reduce climate change.

*Liz: what interaction has Total had with the local communities?*

Holly: Total have had very little interaction with the local communities. My organisation held a public meeting in Bemolanga to let the local people know what the impacts of tar sands mining might be on them and also to help them work out what they could negotiate with Total that would benefit them. There was very low awareness and we were surprised to hear that Total had not yet given them any information. A week after our meeting, Total did come to the local communities and meet with them. Total has also paid for a community hall and a bridge for the main town in the district of Bemolanga, but the bridge is a little way up the river from the usual crossing point and so the local people are still using their boats to get across the river rather than the bridge.



*Liz: what is your message to us here in the UK?*

Holly: we would like you to do everything you can to stop the expansion of tar sands mining in Madagascar. There is still time to stop it. The Royal Bank of Scotland has financed Total, without concern for the impacts that Total's mining in Madagascar may have. But RBS is almost entirely owned by the UK government so they could stop this happening. We urge the UK public to contact their MPs and call on them to stop RBS from financing the companies that are mining for tar sands.

# **Stand together against the tar-sands scourge**

By **ROBERT REDFORD**



**Vancouver— From Monday's Globe and Mail**

**Published Monday, Nov. 21, 2011 2:00AM EST**

Working in Vancouver for the past several months has allowed me to spend fall in one of the most spectacular cities in the world, amid the natural splendour and wilderness wonder of British Columbia.

It's been a reminder to me of the close partnership Canadians and Americans have forged as neighbours, bound by geography, history and culture reaching back to our national beginnings. Over the generations, these bonds of common experience and identity have combined to create something even more important: the values we share around the need to stand up for the lands we treasure and love.

Today, together, we need to stand up once more, because the lands we treasure and love are imperilled by a threat we must meet as one.

In Alberta's great boreal forest, one of the last truly wild places on Earth, tar-sands producers have turned an area the size of Chicago into an industrial wasteland and international disgrace.

Where spruce and fir and birch trees once rose and waters ran fresh and clean, tar-sands production has left a lifeless scar visible from outer space, a vast repository of enduring pollution that threatens fish, birds, animals, public health and an entire way of life for native people.

And for every single barrel of oil produced, at least two tons of tar sands are excavated and tapped, a processing nightmare that generates three times more carbon pollution than is released to produce conventional North American domestic crude.

Not only is tar-sands production laying waste to Canada's forests, polluting waterways, air and land, but the resulting carbon emissions are threatening Canada's long-time commitment to reducing the greenhouse gases that are warming our planet and threatening us all.

This is unsustainable. It doesn't make any sense. It's another shameful example, frankly, of the oil industry doing whatever it takes to make a profit and leaving it for the rest of us to bear the costs and put up with the mess.

I want to be very clear that I'm not pointing a finger at the people of Canada; neither is any American I know. We're all in this together, and that's the only way we'll turn it around. We need to stand up, Canadians and Americans as one, to draw the line at tar sands.

The United States is the largest consumer of oil in the world. Americans are a big part of what's driving this scourge. That means we need to do more to reduce our demand.

Our oil consumption is down about 9 per cent since 2005. That's a good start, but we need to do more. We're pushing for cars that get better gas mileage, more efficient workplaces and homes. We're investing in wind, solar and other forms of renewable energy. And we're developing communities that give us more choice in how we live, shop and go to work.

Big Oil is fighting us every step of the way. In Washington alone, the oil and gas industry has spent more than \$400-million over just the past three years lobbying our elected officials.

They've put enormous pressure on President Barack Obama to support tar-sands production by approving the Keystone XL pipeline, which would carry tar-sands crude from Alberta to refineries and ports along the Gulf of Mexico.

Instead of caving in to the lobbyists, Mr. Obama stood up and put on the brakes. He wants to make sure his administration takes the time for a thorough review. Those of us who care about our future are using that time to let him know this is a bad idea that needs to be stopped.

The same is true, by the way, of the Northern Gateway pipeline being proposed to move Alberta tar sands crude to Canada's west coast for export by tanker. Crossing the territories of more than 50 first nations groups, slicing through rivers and streams that form one of the most important salmon habitats in the world and putting at risk the coastal ecosystem of British Columbia? Americans don't want to see that happen any more than Canadians do, and we'll stand by you to fight it.

"O Canada, our home and native land," Canadians sing in the national anthem. "The True North strong and free!" Like so many other Americans, I've looked northward much of my life and found inspiration here.

We've found it in the wealth of creativity and talent showcased each year at the Toronto International Film Festival, the steadfast commitment of a devoted ally and the political conscience of a people determined above all else to honour and defend perhaps the richest storehouse of natural resources of any country in the world.

Now we're looking to Canada once again, and searching for True North.

We need Canadians everywhere to join us in this fight. We need to call on the history and values we share and stand up, Canadians and Americans as one. We need to draw the line at tar sands. We need to reject the Keystone XL.

*During four decades of environmental advocacy, actor and filmmaker Robert Redford has received numerous honours, including the United Nations Global 500 award.*

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## **CLIMATE KILLER BANKS – Draft Briefing (Extract)**

**By urgewald, groundwork, Earthlife Africa & BankTrack**

### **Who is Financing Climate Change?**

We all know that climate change is happening. But do we know who is financing the dirty energy investments that are heating up the globe?

Until now, little was known about banks' role and responsibility for global warming. While most large commercial banks provide figures on their annual investments into renewable energy, they neither track nor publish their annual investments into fossil fuel projects. Many banks have made far-reaching statements on climate, but are they putting their money where their mouth is?

This briefing presents new research on the portfolios of 104 of the world's leading banks. It examines their lending for the coal industry, the prime source of global CO<sub>2</sub> emissions. It provides the first comprehensive climate ranking for financial institutions and identifies the top "climate killers" in the banking world.

By naming and shaming these banks, we hope to set the stage for a race to the top, where banks compete with each other to clean up their portfolios and stop financing investments which are pushing our climate over the brink. We want banks to act and we want them to act now.

This briefing was produced by the environment organization *urgewald* from Germany, the social and environmental justice organizations *groundWork* and *Earthlife Africa* from South Africa, and the international NGO network *BankTrack*.

### **The Heat is On**

According to the International Energy Agency (IEA), energy related carbon dioxide (CO<sub>2</sub>) emissions in 2010 were the highest in history. "This significant increase in CO<sub>2</sub> emissions and the locking in of future emissions due to infrastructure investments represent a serious setback to our hopes of limiting the global rise in temperature to no more than 2 degrees Celsius," says Dr. Faith Birol, Chief Economist at the IEA. Compared to the pre-industrial period, our planet has already warmed up by 0.74 degrees. If greenhouse gas emissions remain unchecked, global temperatures could rise as much as 6.4 degrees by the end of the century, leading to a global catastrophe of terrifying proportions.

The major culprit in this drama is coal. Coal-fired power plants are the biggest source of man-made CO<sub>2</sub> emissions. According to James Hansen, director of NASA's Goddard Space Institute, ending emissions from coal "is 80% of the solution to the global warming crisis." Hansen thus advocates a moratorium on new coal-fired power plants and a phase-out of the existing coal fleet.

The window of opportunity to act is now. The construction of each new coal-fired power plant locks in additional annual emissions of millions of tons of CO<sub>2</sub> over the next 30 – 40 years (the life time of these plants). Unfortunately, however, there is an abundance of plans to build new coal-

fired power plants. According to the World Development Report 2010, “if all coal-fired power plants scheduled to be built in the next 25 years come into operation, their lifetime CO<sub>2</sub> emissions would be equal to those of all coal burning activities since the begin of industrialization.”

So far, public policy responses to climate change have been inconsistent and woefully inadequate. The Kyoto Protocol is the only legally binding agreement, which limits CO<sub>2</sub> emissions and it is due to run out in 2012. As current negotiations stand, it seems unlikely that Governments will be able to come to an agreement, which effectively caps emissions from 2012 onwards. Action from other actors cannot wait until governments find the political will to effectively deal with the climate crisis. This is particularly true for actors that by nature of their business have large impacts on climate change.

## The Power of the Finance Sector

Through their lending, investment and other financial services, commercial banks play an indispensable role in mobilizing and allocating financial resources for the private sector. As such they are in a unique position to either further entrench energy production based on the burning of fossil fuels or to catalyze the necessary transition to a low carbon economy.

Coal-fired power plants are not cheap to build. Typically, a 600 Megawatt plant will cost around US\$ 2 billion and power producers therefore rely heavily on banks to provide and mobilize the necessary capital for such ventures. As much of this financing is indirect – delivered through corporate loans and bonds – banks have for the most part been successful in keeping these investments hidden from public scrutiny.

In order to lift this veil of secrecy and to be able to rank banks according to their negative climate impacts, we commissioned the research institute *Profundo* to investigate the contributions of 104 large international banks towards financing the coal industry since 2005.

## General Findings

In total, our research identified 1405 transactions involving 104 different banks. The total value of coal financing provided by these banks since 2005 (the year the Kyoto Protocol came into force) amounts to 232 billion Euros.

Type of transaction	Coal value in million Euro	Percentage of total financing
Project Finance	2,807	1.2%
Asset Management*	24,746	10.7%
Investment Banking	113,467	48.9%
Corporate Loans	90,878	39.1%
Other	190	0.1%
<b>Total</b>	<b>232,088</b>	<b>100%</b>

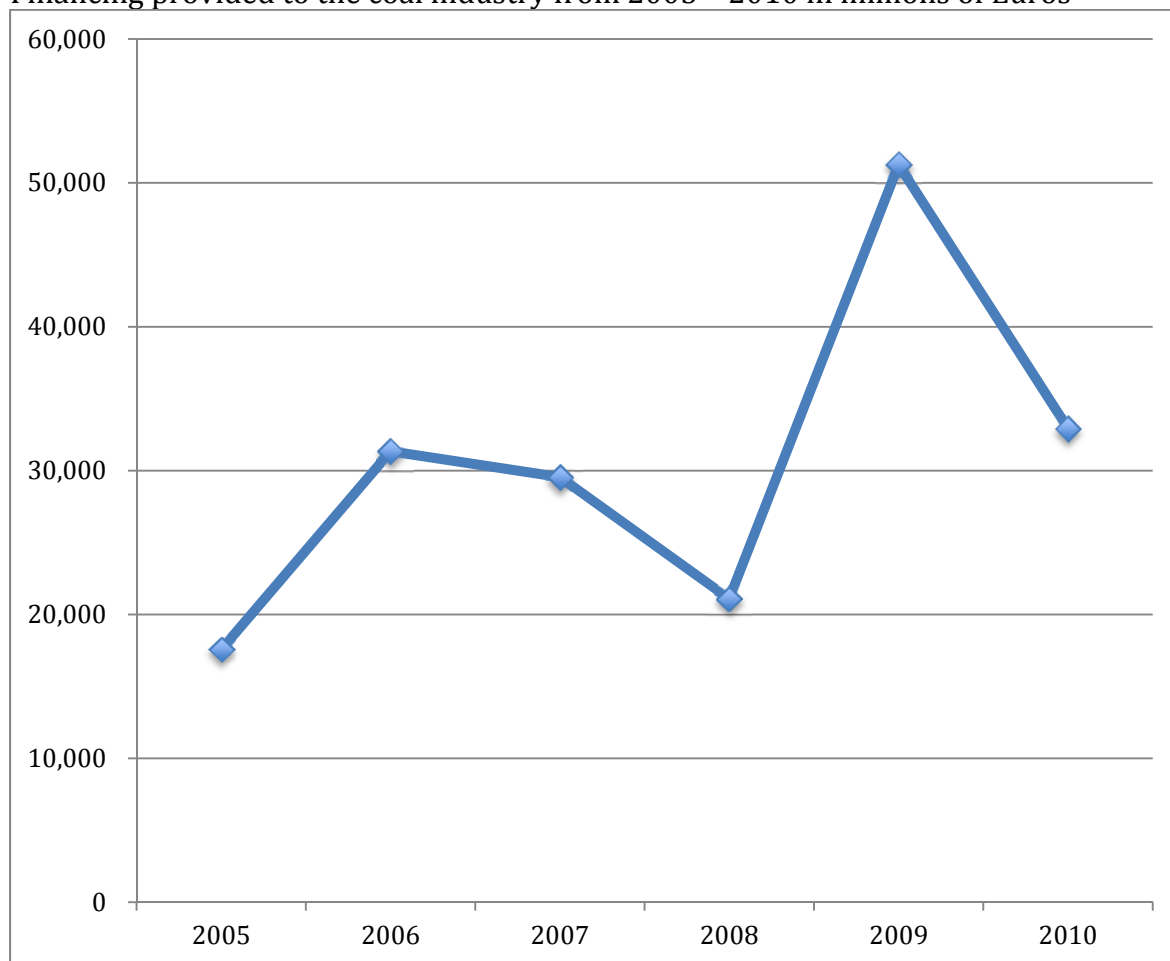
\* The asset management figures are based solely on data from 2011.



The results show that the bulk of coal financing is provided through investment banking (issuing of bonds and shares) and corporate loans. Taken together, these cover 88% of the mapped investments. While it is true that general corporate loans and bonds cannot be directly linked to specific investment projects, they are nonetheless the main vehicle through which coal mining companies and providers of coal-fired electricity raise capital for their investments. Project financing only plays a marginal role for the coal industry and accounted for 1% of the mapped investments. The remaining 11% reflect the bank's role as asset managers (holders of coal industry shares and bonds). In our study, the term "coal industry" encompasses both coal mining and the generation of electricity through coal-fired power plants.

We also asked ourselves, how financing for the coal industry has evolved since the Kyoto Protocol came into force. The following graph shows the development of coal finance provided by commercial banks between 2005 and 2010.

Financing provided to the coal industry from 2005 – 2010 in millions of Euros

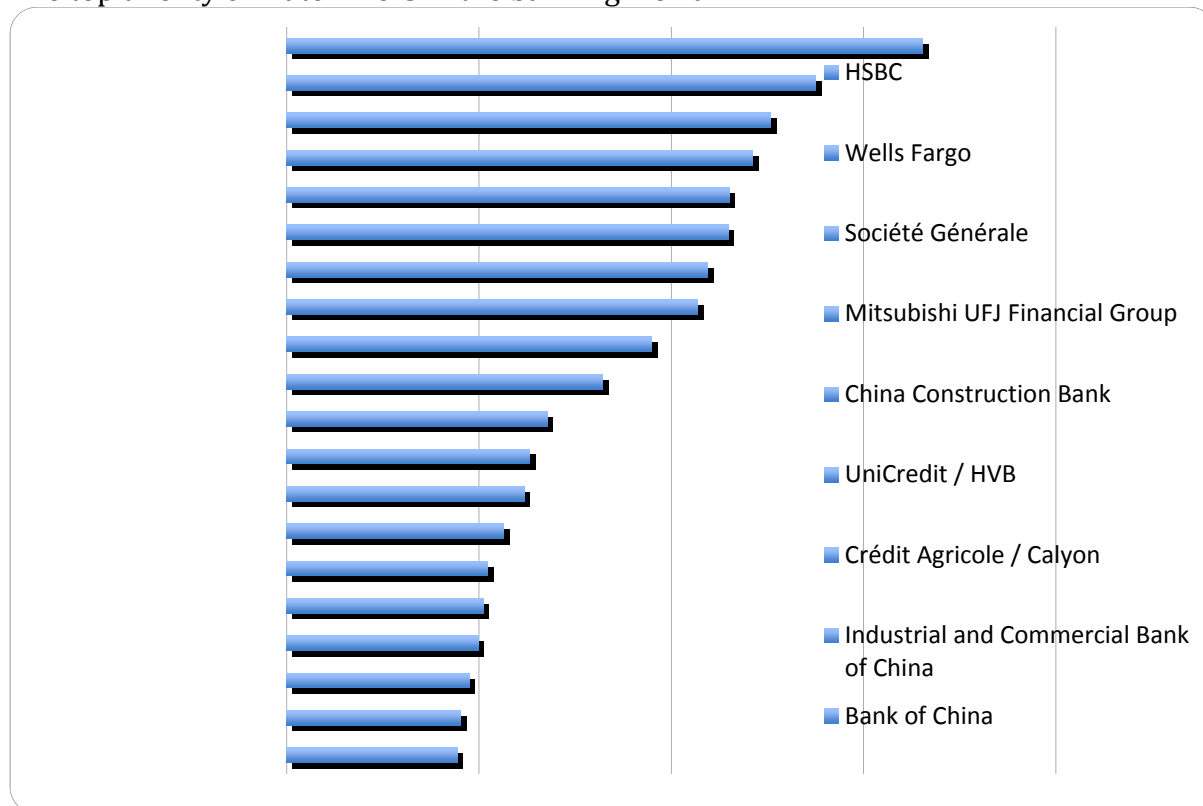


Although financing goes up and down from one year to the next, the overall trend shown in the graph is that bank's investments into the coal sector are on the rise. Even during the financial crisis in 2008, the annual total is still higher than our baseline in 2005. And in 2010, financing for the coal industry was almost twice as high as in 2005.

## II.1. The Top Twenty Climate Killer Banks

Together, the following 20 banks provided over 171 billion Euros to the coal industry since 2005. This is 74 percent of the total financing we identified in our study. For a full list of finance provided to the coal industry by all 104 banks included in our research, see the annex at the end of this briefing.

The top twenty climate killers in the banking world



Interestingly, almost all of the top twenty banks in our ranking have made far-reaching statements regarding their commitment to combating climate change. Here are short excerpts we compiled from the banks' individual websites, their environment statements and their Corporate Social Responsibility Reports. They show the complete "disconnect" between banks' portfolios and their words, when it comes to financing coal, the major contributor to climate change.

### Bank's Climate Commitments: Nothing but Hot Air

- **JPMorgan Chase:** "Helping the world transition to a low-carbon economy"
- **Citi:** "Most innovative bank in climate change"
- **Bank of America:** "The most formidable challenge we face is global climate change"
- **Morgan Stanley:** "(...) make your life greener and help tackle climate change."
- **Barclays:** "Managing the climate change risks of our operations and those of our clients"
- **Deutsche Bank:** "Climate change is the dominant environmental issue of our time and one where we can make a significant contribution."

- **Royal Bank of Scotland:** “As a financial services group our direct impact on the environment in terms of climate change (...) is limited”
- **BNP Paribas:** “A strong commitment to combating climate change”
- **Credit Suisse:** “Credit Suisse cares for climate”
- **UBS:** “Addressing climate change on a global scale will require an unprecedented mobilization of private sector investments”
- **Goldman Sachs:** “Goldman Sachs is very concerned by the threat to our natural environment, to humans and to the economy presented by climate change”
- **Bank of China:** “As a responsible corporate citizen with a global presence, we are committed to responding to the challenge of climate change”
- **Industrial and Commercial Bank of China:** “As an advocate and executor of “green banking”, the Bank is actively advocating a low-carbon way of living”
- **Credit Agricole:** “Combating climate change is central to our strategy”
- **UniCredit:** “The group reiterates its commitment to the achievement of the goals of the Kyoto Protocol in all countries where it has a presence”
- **China Construction Bank:** CCB’s strategic objective is to become a low carbon bank”
- **Mitsubishi Financial Group:** “We will channel our full capabilities into working toward the benefit of the environment and future generations”
- **Societe Generale:** “As a community of 135,000 employees, we are aiming to control and reduce our own carbon footprint”
- **Wells Fargo:** „We want to help our customers and nation transition to a cleaner, more sustainable lower-carbon economy”
- **HSBC:** “HSBC adopts a cautious approach to activities which contribute significantly to climate change”

**The New York Times** This is an article about the US pushing a lignite coal project in Kosovo- the dirtiest kind of energy!!

July 11, 2011

## U.S. on Both Sides of New Battle Over Assistance to 'Ugly' Coal-Fired Power Plant

By LISA FRIEDMAN of

Coal plants don't come much dirtier than than Kosovo A.

Situated in the village of Obilić (population 21,000) a few miles outside of Kosovo's capital city, Pristina, the Soviet-designed, 1960s-era plant spits out 2.5 tons of dust every hour. The plant and its nearby cousin, Kosovo B, serve as the country's two electricity generators. In Obilić alone, 30 percent of the town suffers from chronic respiratory diseases.

But the U.S.-backed solution -- shuttering Kosovo A and building a new, 600-megawatt lignite-fired power station financed through the World Bank -- has provoked outrage in the environmental community.

It also has sparked renewed consternation within the World Bank, which recently suffered a public relations nightmare for helping the South African utility Eskom build a 4,800-MW coal plant. Meanwhile, managers are scrambling to find support for a controversial new policy -- pushed upon it by the United States -- to phase out coal lending to middle-income countries.

"On the one hand, the U.S. is taking a very strong, and we think very positive, stance on coal lending in the World Bank. And then on the other hand, they are pushing the bank to invest in this coal project that is controversial within Kosovo and also directly contradicts what their own coal guidance says," said Justin Guay, with the Sierra Club's International Climate Program.

So nervous are World Bank officials about being -- in the words of one person with knowledge of the project -- "left hanging out to dry" that managers made clear they would need explicit [written support](#) (pdf) from the Obama administration before bringing it to the board.

"The World Bank itself doesn't want to do this project," Guay said. "They know they just had Eskom. They just had this bruising [board] fight around coal. Why have another fight over a project, especially one that is just so bad?"

The answer, sources say, lies in a complicated mix of geopolitics, a sincere desire to help a poor, energy-needy country with few export options, and entrenched bureaucratic interests in a project that began years before the United States seriously debated coal. Europe wants it, and for the World Bank, the plant represents a lending opportunity in a country with a small portfolio.

Kosovo regards former President Bill Clinton as a hero for launching NATO's air bombing campaign to drive Yugoslavian troops out of the Serbian province in 1999. Pristina boasts an 11-foot bronze statue in his honor. These facts have no small bearing on Secretary of State Hillary Rodham Clinton's agency's strong support for the project, several people involved with it said.

Plans for the power plant are marching quietly but steadily forward. Last week, the World Bank's executive director for Kosovo, Konstantin Huber, assured Kosovo's deputy prime minister that an agreement will come "very soon," according to the *Gazeta Express*.

Meanwhile, few officials in either the World Bank or the Obama administration are willing discuss the plant publicly. Said one World Bank source, "Everybody wants it, but they want it to go away at the same time."

### **Europe's poorest country needs more juice**

Everyone agrees that Kosovo needs help. Once the poorest region of the former Yugoslavia, Kosovo today is Europe's poorest country. Unemployment hovers around 45 percent. About as many people live on less than €45 per month. The country's largest export is scrap metal from abandoned cars.

Energy remains a particular challenge. While Kosovo A is outdated and the largest point source of air pollution in Europe, Kosovo B -- built in the 1980s -- is poorly maintained. Together, the plants have a combined installed capacity of 1,487 MW, but both are run far below installed capacity. Power outages are frequent, propelled by years of underinvestment, neglect and wartime damage to the country's transmission and distribution systems.

There are also what U.N. reports gently refer to as "non-technical losses": that is, meter tampering, widespread non-payment of bills, and rampant electricity theft through illegal connections to distribution networks.

Plans to address Kosovo's power situation began nearly 10 years ago and originally envisioned a 2,000-MW lignite plant that would allow the country to export energy to its neighbors. Over the years, political and investment setbacks caused the plant to be scaled back in size.

Representatives from the State Department and U.S. Agency for International Development, which are leading the energy work in Kosovo, declined to discuss the project. But a five-part State Department [strategy](#) (pdf) obtained by *ClimateWire* describes the plan as such: to close Kosovo A by 2017, rehabilitate Kosovo B to meet E.U. standards and develop a new 600-MW lignite-fired power plant.

It would also privatize the distribution system and assess the ability for alternative energy development in Kosovo. Not laid out in the strategy is another element: a new lignite strip mine.

The World Bank's role would be in providing partial risk guarantees for private-sector investments and financing of the power generation.

"We believe the World Bank engagement is needed to ensure implementation of a desperately-needed program for Kosovo to provide energy security and shut down a highly-polluting coal plant," said Natalie Wyeth, a spokeswoman from the U.S. Treasury, in a statement. Treasury is the only federal agency involved in the project to explain the U.S. interest in it.

Wyeth noted that the Communist-era electricity system and years of neglect have led to not only continued blackouts but the need to import pricey electricity from Serbia. "The lack of a reliable power supply not only creates a significant drain on the public budget but is also a major constraint to private investment and greater private sector-led growth. The project is essential for sustainable economic growth in Kosovo, which is Europe's poorest country and still dependent on donor support."

Meanwhile, she said, the project will have environmental benefits including the offsetting of CO2 emissions by shutting down Kosovo A and ending the use of about 150 MW of backup diesel generators throughout the country.

### **'No real alternative' to brown coal**

Yet to power the new plant, Treasury and World Bank officials say lignite coal is Kosovo's only option.

Often referred to as "brown coal," lignite is considered the dirtiest of all fossil fuels. And Kosovo has tons of it. More than 14,700 metric tons, in fact, the world's fifth-largest proven reserves.

"Of course, if you hear lignite, you think the Middle Ages. Why would we do this? The thing is, they [Kosovo] don't have money for anything," said one high-level World Bank official. When it comes to renewable energy, the official said, "these guys have nothing. I think they could cover 1 percent of their electricity needs with hydropower. Solar and wind? Forget it. ... But lignite? They're sitting on it."

Wyeth wrote that Kosovo went through a detailed process to determine that the proposal is the right approach for the country. While the World Bank's private investment arm is exploring hydropower development as part of the restructuring effort, she said analyses concluded that for now, Kosovo has "no real alternative" to lignite for needed baseload power.

Environmental groups don't believe it. At the very least, they argue, the State Department and World Bank have conducted insufficient studies to back up their claims that Kosovo is a renewable energy wasteland. Moreover, they maintain that end-use, industrial and transmission/distribution efficiency fixes deserve more attention than they are currently being given.

"Since World Bank has not yet done an alternatives study ... it is difficult to say what other sources can Kosovo utilize to develop alternative projects," said Nezir Sinani, who coordinates Kosovar and international nonprofit groups on energy issues. But, he noted, different private companies have found that wind and solar offer "a real opportunity" in Kosovo.

"Knowing this, we do believe that a study is necessary to be done before pushing forward the lignite-based power plant," Sinani said.

Added Guay, "This project has been going on for a long, long time. So it has all this momentum behind it. I think the [U.S.] government looks at it as a nation-building exercise, and that, I think, is what is trumping more than even the question of what type of energy is best." He argued, "The people pushing this have an outdated way of looking at the energy sector."

### **Green groups push for cancellation**

Environmental groups have urged the World Bank to allow Dan Kammen, who was hired with much fanfare last year to be the bank's chief technical specialist for renewable energy, to do a special assessment of Kosovo's options. That's something Kammen did successfully in Malaysia, which canceled a proposed coal-fired power plant after a team Kammen commissioned at the Malaysian government's request examined the country's alternative energy options.

Jakup Krasniqi, the president of Kosovo's Assembly, issued a [personal invitation](#) (pdf) to Kammen, citing his

"great knowledge and experience with renewable energy issues." But the World Bank [declined](#) (pdf) on Kammen's behalf, noting that many studies of hydropower and other alternatives in Kosovo have already been conducted. Their expert, they said, has "scheduling conflicts and other engagements."

In a statement to *ClimateWire*, a World Bank spokesman noted that the institution has not taken a decision on financing, and that an independent panel of experts is being tasked to determine if the project meets the bank's coal guidelines.

Those guidelines are at the heart of the fight. Currently, there is a standoff among members of the World Bank's board of directors over a proposal to eliminate coal financing for all middle-income countries. That insistence comes directly from the United States, which two years ago vowed to push the World Bank to phase out coal lending in light of climate change considerations.

Obama administration and World Bank officials point out that under the proposed energy strategy, coal lending is permitted for the poorest countries. Kosovo fits into that category. But while the coal plant might meet the letter of the energy strategy, many note it does not meet the spirit of it.

"It's an ugly project, and these are difficult choices," one World Bank source said. But, he noted, it comes down to a decision to provide Kosovo with an imperfect yet cleaner energy source or stand on principle regarding climate change. "That will be a tough choice for the owner governments, and it's a choice that the owner countries of this institution will have to make."

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This statement condemns the US pushing dirty coal plants in South Africa and India



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## **U.S. Government Financing of Massive South African Coal Plant Takes World One Step Closer to Climate Chaos**

As another round of global climate talks begin, questions again arise about the U.S. government's commitment to mitigate climate change. Despite U.S. government pledges to finance clean energy, one of the country's principal trade promotion agencies, the U.S. Export-Import Bank, recently financed two of the largest coal-fired power plants in the world: The 4,000 MW Sasan coal plant in India and the 4,800 MW Kusile power plant in South Africa. Kusile alone will spew over 30 million tonnes of CO<sub>2</sub> annually – more than the countries of Iceland, Latvia, and Luxembourg combined.



Greenpeace Africa Protests Kusile

### **Severe Health Impacts**

South African and international civil society organizations and medical experts strongly oppose U.S. government financing of Kusile due in part to the project's anticipated harm to human health. The area where Kusile is being built already exceeds permitted levels of hazardous air pollutants that create soot and smog. These and other pollutants can harm nervous, respiratory, and cardiovascular systems, leading to heart disease, cancer, stroke, and chronic lower respiratory diseases.

### **U.S. Government Support for Kusile Worsens Energy Access for Poor**

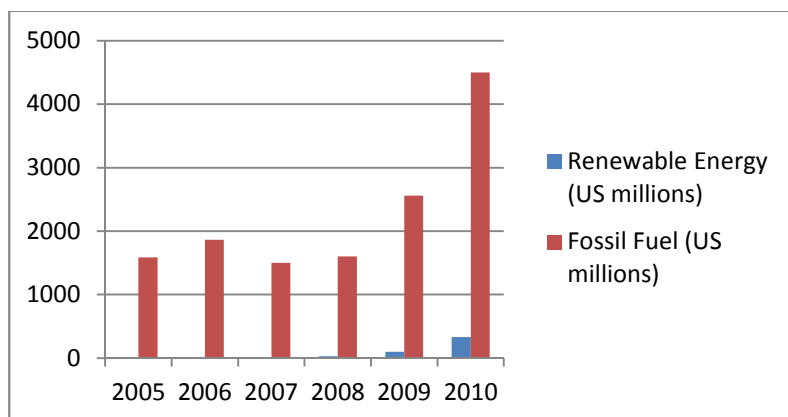
South Africa's apartheid-era "special pricing agreements" give large industrial users guaranteed low electricity rates, forcing the average South African household to pay higher rates for new coal projects like Kusile—while poorer people may not be able to pay at all. The South African state energy utility, Eskom, indicates that it will seek an additional 25% rate increase primarily to cover the cost of Kusile on top of electricity prices that have already gone up 137%, worsening energy access to the poor. Further, the plant will do nothing to provide electricity access to impoverished South Africans who aren't already connected to the grid.

### **U.S. Government Fossil Fuel Financing Fueling Climate Catastrophe**

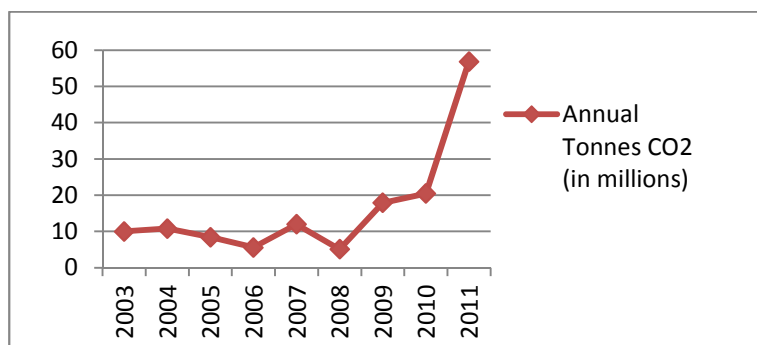
U.S. government financing for Kusile is symptomatic of larger U.S. fossil fuel subsidies—despite the Obama Administration's stated support for more renewable energy. Another example: Export-Import Bank's record-breaking US\$3 billion in financing for ExxonMobil's enormous Papua New Guinea Liquid Natural Gas fossil fuel project in December 2009—approved just as President Obama flew to Copenhagen for climate talks.



The following graph charts the U.S. Import-Export Bank's financing for fossil fuel projects and renewable energy projects between FY 2005 and FY 2010.



The following graph charts the U.S. Export-Import Bank's annual direct CO2 emissions from fossil fuel-related projects that the agency financed from Fiscal Years 2003 – 2010, and estimated emissions for 2011.



Source: Export-Import Bank Annual Reports and agency environmental records

### Financing a Clean Energy Future

The world community has a short window of time left to avoid locking in energy investments that guarantee the worst impacts of climate change. Recent U.S. government financing of enormous fossil fuel projects all but guarantees this bleak future. But another future is possible. Over the next decade, cumulative global investment totals for clean power generation technologies could reach nearly US\$1.7 trillion. This presents a tremendous opportunity for job growth both in the U.S. and abroad. The U.S. Export-Import Bank has reported a significant increase in financing of renewable energy in recent years, demonstrating the feasibility of rapid growth in this sector. Ironically, the U.S. government's financing for fossil fuel projects has resulted in skyrocketing emissions that counteract and undermine these gains. The U.S. Government should end subsidies to fossil fuel projects and redouble its efforts to promote renewable energy and energy efficiency.

# **BASIC countries show united front ahead of Durban meet**

By Ananth Krishnan

Published: November 1, 2011 23:45 IST | Updated: November 2, 2011 09:41 IST

**THE**  **HINDU**

India, China, Brazil and South Africa – the BASIC group of developing countries – on Tuesday sought to bridge their differences and strike a common position ahead of this month’s climate change conference in Durban, calling on the West to ensure the extension of the Kyoto Protocol as well as step up financial and technological assistance to developing countries.

The Durban conference, they said in a joint statement, “should achieve a comprehensive, fair and balanced outcome” and “clearly establish the second commitment period under the Kyoto Protocol,” which the statement described as “the cornerstone of the climate regime” and “the essential priority” for the summit’s success.

The meeting between the environment ministers of the BASIC countries – the last before Durban – has drawn attention amid reports of differences within the influential block of emerging nations.

South Africa has been seen as coming under particular pressure to strike a balance between the BASIC group’s position and the West under its additional responsibility as host of the summit and acting president of the Conference of Parties.

On Tuesday, however, South Africa’s lead climate negotiator, Alf Wills, sought to draw a line over reports that his country was moving away from the essential BASIC position that developing countries, unlike developed Annex-1 countries, would not accept legally binding emission reduction commitments.

"There has always been this misunderstanding that South Africa is advocating that developing countries take on these quantified emissions reduction objectives," he said. "That is untrue. We have always held the position that we will meet our legal obligation to take mitigation actions consistent with our respective common but differentiated responsibilities and our respective capabilities."

South Africa, he said, shared the view of the BASIC group that “the current Kyoto Protocol system, which elaborates those specific legal obligations that developed countries have in a multilateral rules-based system... provides the benchmark and cornerstone for any future climate change regime or system.”

"We don't want to risk losing 20 years of negotiating a comprehensive set of rules in the interests of allowing developed countries to take on weaker specific legal obligations," he added.

While South Africa did not appear to voice any disagreement with the BASIC position during meetings Tuesday, officials expressed the concern that once negotiations started in earnest in Durban, the country might face particular pressure as the host nation to dilute its stance.

"There is a fear that there will be attempts by the West to divide the BASIC group," an official said.

The BASIC countries – and China in particular – have come under increasing pressure from the West to agree to a road map on undertaking legally binding emission reduction targets. The European Union has said it preferred “a single global and comprehensive legally binding instrument,” although it was open, in the interim, to a second commitment period under the Kyoto Protocol on the condition that large emitters agree on a road map.

The BASIC statement also identified financing as “one of the pressing priorities” at the Durban conference, calling on developed countries to fulfil their commitment of providing US\$ 30 billion as fast-start funding.

Minister of Environment and Forests Jayanthi Natarajan said India was “completely committed to the stand of BASIC countries”.

The West, she said, had to come through with funding regardless of the current financial turmoil sweeping across Europe. “We are painfully conscious of their problems,” she said.

While the BASIC statement also urged developed countries to honour a commitment to provide US\$ 100 billion per year by 2020, officials accepted that was increasingly unlikely following the debt crisis and the recession, and emerging countries would perhaps have to settle for “millions and not billions.”

Xie Zhenhua, China's top climate official, did not rule out the possibility of bridging differences with the West despite EU insistence on developing countries taking on greater commitments.

"In a multilateral mechanism, a solution is something that everyone can accept even if no one is satisfied," he said. "For this, each individual must make a compromise, but the basis of the compromise is to stick to commitments and conventions agreed to in Copenhagen and Cancun."

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## **OIL POLITICS: Drilling in the dark**

**By Nnimmo Bassey**

May 5, 2011 02:12AM

NEXT News

The Nigerian oil sector must be one of the sectors that tolerates blatant disregard for transparency in the land. Being a mono-product economy and depending so much on foreign expertise, technology and dictates opens the sector to peculiar challenges than should be the case.

A reading of the 2005 Nigerian Extractive Industries Transparency Initiative's (NEITI) audit report reveals three interesting things. One of them is that the Niger Delta Development Commission (NNDC) claimed to have received more money than it was given. There must be more miracles lurking in the accounting books of the NNDC. Remember that in their 2010 budget, they had a chicken-change sum of N90m for staff marriages and bereavements! The commission defended the outrageous budgetary allocation on the grounds that it was dictated by emotional intelligence. Peculiar intelligence, one would say.

The second interesting matter that emerged from the NEITI audit was that the Nigerian National Petroleum Corporation still relies largely on paper-based accounting systems. This could be a possible reason why we keep receiving conflicting signals as to whether the corporation is solvent or insolvent. Besides cracking our brains over the incoherence that reigns in the chambers of the executive council, we should perhaps pardon ministers and big shots that have been shooting out those divergent messages. If you have to drill through all those piles of paper, with figures backed with endless zeroes, at the end of the day, you could end up at any end of the pipe. And, who knows, some rats may help themselves to some of those delicious crude covered accounting sheets. Some calculators were said to have become overheated during election figures collation simply because they were not given enough time to cool down before new figures were hammered in.

The third thing we will consider should receive the gold medal for crass impunity. The NEITI auditors reveal that Nigeria does not know exactly how much crude oil is being drilled from the many wells of the Niger Delta on a daily basis. The operators, the oil companies who often claim to be baking the national pie, would simply not provide such data to the auditors. But they do provide some sort of figures, don't they? Of course, they give figures of how much crude reaches the export terminals and other distribution points.

The question is: what happens between the pump heads and the terminal points? The massive leakage that occurs between those points is what the oil companies do not want us to know. That gaping hole is what the Nigerian government must plug. That sore gash is what the Nigerian people must demand an account of.

Reports are replete in the news media of petty oil thieves in the creeks of the Niger Delta who break pipes, siphon crude oil into drums and tanks and then refine them in rickety contraptions often referred to as illegal or bush refineries. While no one can deny the existence of these

pilferers, the truth must be told about where the bulk of Nigerian crude goes and into whose throats and pockets.

Why would the oil companies refuse to give figures of extracted oil measured at the well heads? Why is the Directorate of Petroleum Resources (DPR) unable to independently measure and provide such figures? Who are those raising brick walls against transparency? Why are we prostrate before the altars of these oil moguls? We have heard of offers being made to the DPR to acquire equipment as well as training for independent metering of production in the oil fields. What or who stopped the acceptance of that much-needed capacity boost?

The clear suspicion in all these is that the oil companies are complicit. There must be something to gain by hiding the figures. Pronouncements from public figures such as the outgoing Speaker of the House of Representatives and the governor of Delta State, among others, add up to mean that probably as much oil as is being officially exported daily is also being stolen.

Remember that a ship caught with stolen crude sprinted out of naval detention a couple of years ago. We perceive a matrix of high-powered players in the oil theft industry. This is far beyond pointing fingers at petty thieves who steal crude oil in buckets only to ferry them in crude barges to ships lurking off the coast. An international syndicate must be at play, with local fat cats keeping the machines well oiled, literally.

The NEITI Act empowers the body to prosecute any company or government official who refuses to give needed information, or who falsifies the information that may be needed in the furtherance of the pursuit of transparency in the sector. Not knowing exactly how much oil is being extracted daily raises a number of concerns. For one, we cannot reasonably be sure of how much Nigeria's oil reserves are if the amount being extracted is not known. Secondly, we cannot reasonably estimate how much crude oil is being stolen or lost into the environment.

Why no oil company or government official has been prosecuted for refusing to tell Nigeria how much crude oil is being drilled on a daily basis, is a question that needs an answer. We simply cannot keep on drilling in the dark.

Available online at: <http://234next.com/csp/cms/sites/Next/Home/5697853-146/story.csp#>



## 1. EXECUTIVE SUMMARY

The South African government announced its policy to provide free basic services to the poor in 2000 – the main areas of focus being free basic water, sanitation and energy. With regards to energy, government has focused mostly on electricity supply and in 2003 released the Free Basic Electricity Policy. The rationale of the Free Basic Electricity (FBE) Policy was to provide “electricity to all” through the provision of a ‘limited’ amount of free electricity to poor households. Subsequently, government decided on an amount of 50kWh per household per month.

On one hand, the policy has been lauded and welcomed as it represents a significant step toward acknowledging that electricity is an important aspect to alleviating poverty. On the other, the policy has led to debates on the amount of electricity being allocated and the method of rolling-out the free electricity. In addition, there have been numerous challenges including a lack of consistency in the way Eskom and local government are rolling-out the free allowance of electricity. For example, in some areas, such as the Ekurhuleni Metropolitan Municipality, 100kWh of free electricity (instead of the 50kWh proposed in the policy) is being provided to all households. Other areas require households to register for the free electricity allocation and therefore limited to a few households on the indigent list. Furthermore, Eskom's current CAPEX programme, rising tariff costs, and spiralling fossil fuel costs are causes for concern, as the rising costs of energy will leave poor households in a deepening cycle of poverty and increasing the danger of economic disconnections.

In response to these deep problems and future concerns, Earthlife Africa Johannesburg undertook this study to evaluate the Department of Energy's (DoE) policy on free basic electricity, focussing on the amount of free electricity being provided and the model to roll-out such a policy.





The report foregrounds the links between energy and poverty. Without access to energy, poor households are unable to access basic necessities including cooking, heating, studying, lighting, communication, etc. Thus the report is framed by the notion that energy should be a fundamental right - an aspect that is not covered completely in the Constitution. The legal and constitutional analysis, provided by the Socio-Economic Rights Institute, explores this in some detail and states that there is a strongly implied right to electricity in both international and South African domestic law.

Government has acknowledged the relationship between having energy and alleviating poverty, which led to the development of the Free Basic Electricity Policy. The Department of Minerals and Energy's (DME)<sup>1</sup> Guidelines for FBE states "the provision of electricity supply makes a direct contribution to the socio-economic well being of the poor, and has a particular incidence on women and female children who are mainly responsible for carrying firewood, and other energy carriers necessary to maintain a functional household." The main aspects of the policy as well as some of the challenges are discussed in brief, including the imposition of pre-paid meters, the lack of capacity in municipalities to roll-out free basic electricity and the lack of education and awareness on how to access free electricity.

A vital element of this study is the summary and findings of the community surveys and energy audits that were conducted over a number of days from 30 October 2009 to 30 November 2009. The energy audits were carried out by members of the Gender Committee on Energy and Climate Change. The audits involved thirty households in various parts of Gauteng. Three report-back workshops were held to monitor the research and to respond to any concerns or queries experienced by the gender forum in obtaining and understanding the data being collected.

The data obtained was then analysed and used to illustrate that 50kWh per household per month is insufficient. In addition, an assessment of what 50kWh can be used for and how long this could be used in a household was undertaken by Dr P Goyns of Enerkey<sup>2</sup>. These results suggest that households require more than 50kWh per household per month to meet the 'basic' needs in poor households. For example, 4 light bulbs of 60W used for four hours a day for a month will consume 20kWh, an electric stove that is used for one hour a day for a month uses 42kWh and boiling a kettle at least 30min a day for a month uses 21kWh.

Based on the findings in this report, Earthlife Africa Johannesburg proposes an amount of 200kWh per household per month. A funding model provides some insight into the cost of providing 200kWh to each household. In addition, it motivates for a stepped-block tariff as a way forward and as a means to partially finance Free Basic Electricity. The report proposes that other finance required for FBE should be obtained from levies, taxes and cross-subsidisation.

It is hoped that this research will be used not only to influence policy in both the Executive and Legislative Branches of National Government but also to adapt and support policy making in municipalities and Eskom, where it supplies electricity directly to households.

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<sup>1</sup> The DME was split after the national elections in 2009. Energy now falls under the Department of Energy

<sup>2</sup> The EnerKey project is a South African – German collaboration, which aims to develop and implement innovative pathways and projects in urban energy supply and use in order to improve the sustainability in the region of Gauteng, South Africa

## **Energy Sovereignty**

*Friends of the Earth International* supports energy sovereignty: a rights-based, people-centred, approach to sustainable energy generation, distribution and consumption.

**Energy Sovereignty** is the right for all people to have access to sufficient energy within ecological limits from appropriate sustainable sources for a dignified life. It is the decentralised control and management of energy by communities for communities

Friends of the Earth International believes the following conditions are required to achieve energy sovereignty:

Communities to be given the power to make decisions about their energy needs;

- Community to control of technologies and decentralisation of energy generation, supply, administration and management to avoid privatised technological dependency;
  - Government regulation of energy pricing and recognition of the social and environmental value of sustainable energy sources;
  - Local governments to be made responsible for providing sufficient sustainable renewable energy opportunities;
  - Recognition of custodial rights and responsibilities of Indigenous Peoples and traditional communities, and their protection in land rights and customary law.
- 

### ***OILWATCH***

#### **The Eighth Conference of Parties to the Framework Convention on Climate Change POSITION PAPER ON ENERGY SOVEREIGNTY**

New Delhi - October 2002

### **Introduction**

Oil and gas are the most frequently used sources of energy in the world. Petrochemical products - which presently number some 5 million - form the basis of globalisation and the present production and consumption model.

Hydrocarbon exports are also the most important sources of foreign income for several producing countries in the Third World.

At the same time, the extraction of oil and gas is directly responsible for the destruction of fragile ecosystems around the world, amongst which are tropical forests, mangrove swamps, coral reefs, the continental shelf, and arctic zones; the exploitation of oil has also destroyed innumerable indigenous cultures. Its consumption has put the entire planet in danger due to global-warming as well as producing health impacts in the local populations living in the oilfield zones.

The cost of energy generation based on fossil fuels has been reduced through destroying and exhausting invaluable natural resources. This has created a false picture of prosperity.



The extraction of these resources has led to destruction, loss of sovereignty, territories destroyed, cultures decimated or vanished. The real cost of oil and gas, makes them too expensive to continue to burn.

## **DEVELOPMENT IS MEASURED IN BARRELS OF PETROLEUM**

There is no doubt that thinking about energy, leads us to think about the sustainability of society and from there to a criticism of development.

Within the dominant paradigm, development and welfare could well be measured in barrels of oil . For example, in this context it could be said that the United States is the most developed country, consuming 20 million barrels of oil a day. On the other hand, the least developed peoples are the indigenous peoples who do not consume oil.

But this is not development, this is dependency, because one country sustains its economic model by extracting hydrocarbon resources from all corners of the world.

On the other hand, the peoples which have based their sustainability on resources they themselves control, have developed productive models that have endured throughout history without appropriating those of other populations or cultures. These are the sustainable alternatives we must support.

## **THE ROLE OF THE TRANSNATIONAL COMPANIES**

In the process of extracting, transporting and refining oil and gas, the transnational corporations, with their monopoly tendencies have been consolidating their power and creating mechanisms to exclude other actors, and hindering the development of other, less centralised, less polluting and locally controlled energy generation alternatives.

The oil transnationals have gained access to subsidies and other government benefits. In the United States alone, oil industry subsidies surpass 5 billion dollars a year. If oil subsidies for defence are included, in 1995 subsidies came to between 15,7 - 35,2 billion U.S dollars.

The multilateral financial agencies have favoured the model based on intensive extraction of oil, and in particular the operations of transnational corporations, while structural adjustment programmes force Third World countries to privatise their oil industries. At the same time the recent Johannesburg Implementation Plan suggests the use of the cleaner solid and gaseous fossil fuels, thus strengthening the dominant energy use model.

Now that the reality of climate change is unquestionable, the world will have to initiate an energy transition towards sources of renewable energy such as solar, water, and wind power. Various transnational corporations have begun work on renewable energy, especially in the areas of research and the development of technologies. These technologies are then patented by the

companies so that, as the demand grows for this type of energy, the same corporations will exercise the same control over renewable energies they now have over fossil fuels..

## **ALTERNATIVE ENERGY OR ENERGY SUSTAINABILITY**

The debate on energy sovereignty should not be limited to the development of alternative and renewable energy. We must rather talk of energy sovereignty, understood as the control of our energy sources, and the decentralisation and democratic access to those sources

Alternative energy technologies should therefore be proposed in a framework that contributes to the construction of sustainable social alternatives. This should be carried out with the population within an integrated process

- . Technologies should be within the reach of all sectors of society. The promotion of alternative technologies or energies should contribute to the construction of more democratic societies, and to a form of energy use that will keep both people and planet healthy.
- . Contribute to improving people's quality of life
- . Involve traditional authorities, local governments, social organisations, the universities or research centres.
- . Ensure the sustainability of resources and the conservation of the environment

An essential condition for sustainability is that energy resources once again become decentralised, autonomous, diversified, and adapted to their place of origin and local needs. Therefore, this is not a matter of a technological change over to alternative energy that will leave our communities once more dependent and indebted.

## **ENERGY: AN ISSUE OF JUSTICE**

No decision on energy can lead to social sustainability if the interest motivating these decisions is the profitability and gain of corporations; minority private interest groups or large and powerful political powers.

Energy is essential for life, it has an intimate relationship with life and with the means and strategies for the survival of the human race.

Access to energy is an issue of justice. Peoples and their communities have a right to access, in the same way that the farmers requires land and water for their livelihood. But access to energy for some must not mean the destruction of the resources of others, nor negative impacts on their lives.

It is therefore an issue of justice that the ability to maintain their livelihood be returned to all communities who have seen their resources destroyed in the process of generating energy for others

Energy, water, and air must be guaranteed for all inhabitants of the earth. these are services, not goods subject to appropriation. Citizens are the user of these services, not the clients of companies; however, through privatisation the idea of the client has been institutionalised. and large segments of the population deprived of these services.

## **THE ROAD TO ENERGY SOVEREIGNTY**

In order to achieve energy sovereignty it is not enough to ensure access to energy, it is also imperative to be able to decide what type of energy we want and to be able to control all the processes. This involves deciding how, from where and for what purposes we have energy.

This means that sovereign states should control the sources, price and distribution of energy

To initiate the transition towards energy sovereignty we must:

- 1). Halt the expansion of the oil frontier. There is already a precedent of a country, Costa Rica, which has been declared oil extraction free. For their part various indigenous communities and local populations have declared their territories to be oil extraction free zones or have declared moratoriums on the extraction of these resources.
- 2). Stop the promotion of the oil industry by states and the multilateral agencies. Disobey the impositions of agencies such as the International Monetary Fund and the World Bank, who attack energy sovereignty.
- 3). Eradicate the over consumption and excessive use of energy, and guarantee access to the resources necessary for the majority of the population, ensuring a dignity line, signifying the minimum necessary consumption, so all may lead a decent life.
- 4). Stop depending on oil as a source of foreign income which is normally used for the payment of an illegitimate foreign debt, a debt which has often been accumulated for the development of the oil industry itself.
- 5). Recognise those fight to stop the extraction of oil resources are offering a service to the planet.
- 6). Penalise the oil industry for the environmental and social impacts it has generated on the local and global level, and initiate legal proceedings so that degraded ecosystems can be restored and affected populations indemnified.
- 7). Democratically develop and use energy that is clean, decentralised, renewable, and low impact.

# POWER FOR THE PEOPLE

## PROPOSING A GLOBAL FUND FOR A CLEAN ENERGY ACCESS REVOLUTION

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An alternative energy model is necessary. The dominant centralised, fossil fuel-intensive energy model driven by big fossil fuel companies and some governments is leading the world to climate disaster. Extracting that energy has always been dirty and bloody. It is getting dirtier and more brutal as the easy-to-get oil runs dry. Such an energy future also puts billions of people out in the cold and leaves them to rely on dangerous and dirty fuels for cooking and heating. An alternative energy model must provide for people and be carbon free, decentralised and under democratic control. We set out such a future and show how we can get there.

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### THE CURRENT ENERGY MODEL IS FAILING PEOPLE AND THE PLANET

The global temperature rise is now about 0.85° Celsius above pre-industrial levels and this is already catastrophic for millions of people around the world. In 2010, people in Pakistan, China and West Africa lost their homes, livelihoods and even their lives to extraordinary floods while Russian people saw their crops burn during an intense heat wave. 2011 opened with unprecedented flooding in Australia and Brazil and continued with exceptional drought on the Mexico-US border and in East Africa. The human toll is highest where people are poorest.

The world's governments have agreed to aim at stabilising the global temperature at 2°C. There is no 'safe' level for rising temperatures and 2°C is a recipe for disaster. Moreover, governments are not doing what it takes to meet that target. They have all pledged to limit emissions of greenhouse gases but, even if they keep these promises, global temperatures will rise by over 5°C by the end of this century. Africa warms at about one and a half times the average



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rate, so that means a rise of 7 or 8°C and an unliveable climate. African countries will face unprecedented famines if emissions are not sharply reduced.

In fact, it is unlikely that governments will keep their promises. South Africa has already fiddled the figures on its pledge to give itself an extra 100 million tonnes a year emissions allowance. The reason is simple. Eskom, the national power corporation, is building two massive new coal fired power plants to provide electricity to energy hungry mines and industries. Just 36 corporations consume 45% of all electricity in South Africa and industry as a whole consumes around 70%. For the most part, they have got their power at below what it costs Eskom to produce it and the very biggest consumer – BHP Billiton's aluminium smelters – gets it at less than half the cost of production.

Residential electricity uses only 18% of the national total, and most of that is consumed by the richest 20% of South Africans. The poorest 20% do not get electricity. The 60% in between are wired up but many have a restricted supply which means they can only run some lights and maybe a kettle or an iron. Many are connected through pre-paid meters and they pay the highest rate for their electricity – five

or six times what Billiton pays. All are struggling to pay the bill or find money for the meter. When they run out they must go without or use paraffin, coal or wood for household energy.

These dirty energies are not only expensive but have a huge impact on the lives of the poor. Indoor air pollution is a leading cause of death in children. Indoor coal braziers or paraffin stoves also create fire hazards, particularly in crowded households where accidents are more likely. In densely packed shack settlements the fires spread rapidly and every year thousands of people lose everything.

In the five years to 2012, electricity tariffs will have risen by 140% (above inflation) and Eskom says it needs still more increases. The reason is simple. The big new power plants are extravagantly expensive. The World Bank gave power utility Eskom a loan to make sure they could build them. It is funding similar projects in other developing countries. Taken together, emissions from the all the coal, oil and gas projects supported by the Bank in 2008 will add up to over two billion tonnes a year. Despite this, the Bank has positioned itself as a leading source of climate finance. It even claims that its loans contribute to long-term mitigation.

Big fossil fuel plants are designed to last for 60 years or more. Unless they are shut down early at great cost, they will lock in carbon emissions for most of the coming century and will literally cost the earth. Environmentalists have been saying this for years. In its latest World Energy Outlook, the conservative International Energy Agency comes to the same conclusion: to meet even the 2°C target, all future 'carbon space' will be booked out in the next few years. Building new fossil fuel plant and infrastructure must stop.

The Bank's mission is to alleviate poverty. The Extractive Industry Review commissioned by the Bank in 2000 found that its fossil energy projects around the world had neither that intention nor effect. The primary intention of its oil and coal projects is to get the energy to 'the market' – which means to the rich world: 80% of the World Bank's oil extraction investment in Africa is for Northern consumption. The South African project is no different. The energy intensive industries export much of what they produce and the energy is embedded in those goods. They also export their profits to their shareholders in London, New York and Sydney.

The Bank and the South African government both claim that the power stations are necessary for 'energy access' – which means making electricity available to people. They also insist that the tariff increases are necessary to recover the costs and repay the loans but do not explain how poor people will find the money. BHP Billiton, by contrast, has a long-term supply contract and is exempt from the tariff increase. Its very significant share of the cost of the new power plants is transferred to all other consumers including the poor. Its shareholders benefit while more households are driven into poverty.

This is the pattern of a fossil-fuel dominated future. Under centralised elite management, it is dirty and driven





by profit and not by people's needs. It includes renewables but, particularly in the heavy industry zones of the global economy, renewables are simply added into an ever expanding energy mix.

Globally, big energy corporations are looking at ways of maintaining centralised control of energy production even as they expand into renewables. They are also trying to dominate the energy access agenda. Large dirty energy companies like Eskom (SA) and Duke Energy (USA) have been invited on to the UN Secretary General's High-level Panel for Sustainable Energy for All, and the E8 (the G8's biggest electricity utilities) are working closely with UN-Energy. There is no voice for those who are affected.

Having bailed out the banks during the financial crisis, national governments say there is no public money left for the climate. Unsurprisingly, the bailed out banks and the World Bank agree that private finance, leavened with carbon trading, is the only way to go. So Bank of America chairs the UN's High-level Panel while Deutsche Bank has produced a detailed energy access plan which focuses on 'de-risking' private investment and public-private partnerships. This means converting public funds into private profit while the state – or more accurately, the poor – bear the cost of the risk but don't enjoy the benefit. Any mention of affordability or safeguard is in relation to investors not people or the planet.

These responses entrench corporate power and social inequality. They remake the energy system to serve, once more, narrow political and economic interests. These interests are reinforced through an intellectual property regime that gives corporations control of society's technology choices. They will also profit as the carbon markets, pushed by the World Bank and others, hasten the flight of capital to Northern traders and financiers

and funds landgrabs in the name of responding to climate change. This is the agenda being taken to Rio de Janeiro on the twentieth anniversary of the 1992 Earth Summit: claiming to serve sustainable development, the new concept of the 'green economy' is a disguise to the drive corporate profit and narrow economic growth that endangers this planet and keeps power in the hands of the few.

## WHAT OUR NEW ENERGY MODEL MUST LOOK LIKE

Another energy model is achievable. Making it happen requires more than a partial shift to renewables within the regime of corporate control. We propose that a transition to a people's energy regime can start now by making use of instruments, technology and finance which, in principle, are already available. We emphasise that this is the beginning and not the map of a road which must be defined by people's actions. This beginning is composed of the following elements:

- A global fund will provide upfront financing from public sources for universal access to renewable electric power and non-electric energy services such as solar water heaters and biogas. The collection and dispersal of funds must take account of the climate debt owed by the North to the South and by the rich to the poor.
- Funding sources may include diverting fossil fuel subsidies, diverting military spending, imposing a levy on aviation and maritime fuels or imposing a financial transaction tax on speculative international money flows.
- This fund will initially be outside the control of the UNFCCC and governed by donor countries, recipient countries, technical experts and representatives of the billions without access to clean, affordable and reliable energy.
- A global commons technology regime similar to the open source initiatives in information technology: The current intellectual property rights regime for clean energy technologies under the World Trade Organisation must be suspended. In the second half of the 20<sup>th</sup> Century, the capacity for innovation was increasingly privatised. It is critical that it should find a home in public and democratic institutions.
- Community ownership and democratic control: In addition to community finance for renewable technology, the global fund guarantees payment for all renewable energy generated on-grid, off-grid or across a mini-grid, similar to a feed-in tariff (FiT). Thus far, FiTs have proven the most effective policy instrument at accelerating decentralised renewable energy and the principle of guaranteed payment for generation can be adapted to national circumstances. This covers the higher upfront investment costs of renewables and supports local community ownership and democratic control of the means of producing energy. In Europe, community ownership is already stimulating the revival of local economic and social life.
- Democratic participation at all scales: Local community groups must be involved in the conceptualisation and design of a national energy strategy, as well as its implementation on the ground. Through people's organisations and movements, they must also be involved in the design and management of the global fund to ensure that it remains focused on tackling energy poverty and climate change.

Addressing climate change requires that we reduce carbon emissions to almost nothing as quickly as possible. The dominant economic and political interests are more concerned with promoting the status quo than doing what is necessary. Realising a new future where energy generation does not drive climate change or energy poverty must start with the people's movements not just demanding but being empowered to deliver the alternative, proving it is possible at a local level to roll out globally. What is needed is a transformation in the relations of social power as much as a technology revolution.

We believe that this is a practical agenda. There is a precedent in the global governance system for each of the elements above. By bringing them together, we believe we can start building towards people's real energy sovereignty – an energy system under democratic control and hence designed to serve everyone equally without imposing environmental costs on those downwind or downstream or on our children down the years. This is a vision for clean energy which contributes to people's desire to live well with each other and with the earth.



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Bringing power to Tanzania: putting up new solar panels, Idodi Health Center

**Friends of the Earth England, Wales and Northern Ireland is part of Friends of the Earth International** - the world's largest grassroots environmental network, uniting 76 diverse national member groups and some 5,000 local activist groups on every continent. With over two million members and supporters around the world, we campaign on today's most urgent environmental and social issues.



**Friends of the Earth**

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Formed in 1999, groundWork is recognised as the leading South African Environmental Justice NGO. For the past twelve years groundWork has worked mainly on industrial pollution issues with its focus being on providing support to communities faced with environmental threats, building community and supporting solidarity between communities. It supports communities by providing or brokering strategic and technical advice and information.

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**groundWork**



## **Campaign for One Million Climate Jobs – South Africa**

The One Million Climate Jobs Campaign is an alliance of about 40 labour, social movements and other civil society organisations in South Africa that recognise the value of a collective approach to the crises of unemployment and climate change. It is based on well-researched solutions for how South Africa can immediately begin a just transition to a low carbon economy.

Climate change will exacerbate inequality and poverty in South Africa because it reduces access to food, water, energy and housing. Therefore the One Million Climate Jobs Campaign is mobilising thousands of South Africans around real solutions to slow down climate change and promote the protection and enhancement of human quality of life and the natural environment.

We are facing a global environmental crisis and a global economic crisis. We need solutions to both – now.

South Africa has one of the highest levels of unemployment levels in the world. This severe crisis underpins a more generalised social crisis of extreme poverty, hunger, crime, substance abuse, and domestic violence. This in turn affects our health and education system. Women and children pay the heaviest price, for all of this. Climate change will exacerbate poverty in our country because, at the very least, it will reduce water availability and food security, and increase general insecurity through floods, droughts, and forced migration.

Trade unions, social movements and environmental organisations in South Africa have formed an alliance to campaign for a million climate jobs, now, to jointly address the crises of climate change and unemployment. We believe that it is feasible and affordable for government to directly create or oversees the creation of at least one million climate jobs.

Our campaign has two starting points. First, we need work. We paid a heavy price for the global economic crises through job loss and lost state revenue, and there is no end in sight for this crisis – we expect more job losses. There are already more than seven million unemployed people in South Africa, more than six million people in the informal sector, and millions more who have given up looking for work or who are involved in survivalist activities such as begging.

Our second starting point is that we have to stop the advance of climate change and build our defences against its impacts. South Africa is the 12<sup>th</sup> biggest carbon polluter in the world and the largest in Africa. To prevent climate change becoming an even greater catastrophe, we urgently need to reduce our carbon pollution, as must other big polluters across the world. This, together with building our defences against the impacts of climate change will require that we do many things.

We must use our wealth in natural resources in a climate friendly way to create jobs and livelihoods.

We can and must

- Produce our electricity from wind and sun in a way that is driven by the energy needs of all people, and protects nature.
- Park private cars and get onto our feet, bicycles, trains, taxis and busses.
- Convert our homes and public buildings so that they use less energy and use water more efficiently

- Grow enough food for all people through techniques such as agro ecology that are labour intensive, low in carbon emissions, protects soil and water, and provides healthy food.
- Protect our natural resources, especially water, soil and biodiversity, to make sure that we can continue to meet the basic needs of all people.
- Provide basic services such as water, electricity and sanitation so that we address the legacies of apartheid and build the resilience of our people to withstand the effects of climate change.

This will take government regulation and international agreement. It will also take a great deal of work, and this means many new jobs.

Addressing climate change unavoidably demands that we reduce our use of fossil fuels, and it is possible to do this without compromising our quality of life – throughout our history, industry and society have always changed in response to new technologies and environmental conditions.

But shifting away from fossil fuels will eventually result in unavoidable job losses, particularly in energy intensive industries and mining. This will worsen a situation where we already see severe job losses in these industries, particularly in coal mining, as a result of mining becoming more capital intensive. These job losses must be handled in a way that protects workers. Markets cannot be relied on for the solutions, or workers will pay the price.

The One Million Climate Jobs Campaign is premised on the now well-established truth that real solutions to climate change will create millions of new jobs. This will counter both future job losses and the current crisis of unemployment. There must be measures in place to make sure that workers who lose their jobs in energy intensive industries are retrained and employed in new climate-friendly industries.

A million climate jobs is not nearly enough but it will go some way to reducing poverty and restoring dignity. Moreover, it will stimulate important economic sectors, which, in turn, would stimulate employment growth. This gives effect to the long-standing strategy of trade union movements to stimulate sustainable development and growth through redistribution.

We know that South Africa alone cannot stop climate change, but by creating a million climate jobs in our country, we will offer a model for genuine responses to climate change. This is more and more important given the repeated failure of the global elites to secure a binding agreement to slow down climate change through cutting carbon pollution.

Finally, in making these proposals for fighting to slow down climate change, we have no illusions that this comes easy. We face the opposition of powerful vested interests who make super profits from the existing mining and energy intensive system in South Africa. It is the foundation upon which the capitalist economy in South Africa was built and continues to develop. Our campaign will succeed only through the mass mobilisation of millions of people - workers, unemployed people and activists.

Furthermore we are clear that in the long-term, climate change requires a massive change in how we live, how we produce and consume, and how we relate to nature and each other. We need systems change. But we need a bridge between where we are now and this vital but longer-term outcome. The One Million Climate Jobs Campaign offers such a bridge.