Carbon Trading, New Enclosures and Eco-Social Contestation: The politics of emissions markets, ‘climate debt’, and World Bank energy financing

Our objective is to advance socio-economic and environmental justice by developing critical knowledge about, for and in dialogue with civil society through teaching, research and publishing.

Presented to the Hallsworth Conference on Financialisation and Environment - The Implications for Environmental Governance of the Global Financial Crisis 15 April, 2010 University of Manchester

Cartoons by Zapiro
POOR SERVICE IS WHAT WE HATE
WHERE IS THE PROPER POLICE ACTION?
Sandton Convention Centre, Johannesburg: UN World Summit on Sustainable Development 31 August 2002

masses versus neoliberal environmental governance

OUR OBJECTIVE IS TO ADVANCE SOCIO-ECONOMIC AND ENVIRONMENTAL JUSTICE BY DEVELOPING CRITICAL KNOWLEDGE ABOUT, FOR AND IN DIALOGUE WITH CIVIL SOCIETY THROUGH TEACHING, RESEARCH AND PUBLISHING.

South Africa's 'Social Movements United' march from Alexandra Township to the World Summit on Sustainable Development in Sandton, 31 August 2002.
A GIFT FROM THE CORPORATE WORLD!

SUSTAINABLE DEVELOPMENT

Profit
Self Regulation
Unfair Trade

johannesburg World Summit 2002
A Timetable to Reduce Emissions?! 

...Not until there's more evidence of global climate change!
Context: US economy as core site of overaccumulation and financialisation

‘Shifting’, ‘stalling’, ‘stealing’ as displacement strategies: the spatial fix, temporal fix and accumulation by dispossession

Source: John Bellamy Foster and Fred Magdoff, 2009
Root ‘overaccumulation’ process: source of declining US profits during globalisation era

US corporate profits derived much less from manufacturing products; much greater sources of profits came from abroad; profits also came more from returns on financial assets.

Source: Gerard Dumenil and Dominique Levy

Rest of the world: (-----); Financial sector: (-----); Manufacturing: (-------)

Profits are measured before profit taxes. The rest of the world corresponds to the excess of profits made on US investments abroad over the profits made by the rest of the world on foreign direct investment in the US. (These profits may remain in the country where the investment is made.) Trade, Construction, Public Utilities, Transportation and Communications, and services are not represented.

Source: NIPA (BEA).
Ugandan Marxist Dani Nabudere’s thesis vindicated

The Crash of International Finance Capital
and
The Rise and Fall of Money Capital
Little/ no progress with global governance: Top-down failures in economics, politics, environment

- Montreal Protocol on CFCs, 1996 (ozone hole)

but since then:

- World Bank, IMF Annual Meetings: trivial reforms
- Post-Washington Consensus: rhetoric since 1998
- UN MDGs, 2000: ‘Maximum Distraction Gimmicks’
- WTO Doha Agenda 2001: failure
- Monterrey 2002 Financing for Development and G20 global financial reregulation 2008-09: failure
- renewed war in S.Asia, Middle East, 2001-?
- UN Security Council Reform 2005: nothing
- G8 promises on aid, NEPAD/ APRM, Gleneagles: ?
- Kyoto Protocol, Copenhagen, Cancun: nothing
Little/no progress with global governance:
Top-down failures in economics, politics, environment

Core reason for blockages: practical fusion of neolib-neocon geopolitical interests and circuits of financial-commercial plus petro-military capital
The ‘impeccable’ logic of pollution trade

DATE: December 12, 1991
TO: Distribution
FR: Lawrence H. Summers

... I think the economic logic behind dumping a load of toxic waste in the lowest wage country is impeccable and we should face up to that... I've always thought that under-populated countries in Africa are vastly UNDER-polluted.

(full memo at www.whirledbank.org)
Al Gore helped develop emissions trade, in exchange for promised (undelivered) US support for Kyoto:

“The European Union has adopted this U.S. innovation and is making it work effectively there.”

(Gore, An Inconvenient Truth, p. 252)
“The European Union... is making it work effectively”

Reality: five major crashes, 2006-09
Third World carbon trading: Clean Development Mechanisms and voluntary offsets

Plantar, Brazil’s ‘green desert’ timber plantation

trees become charcoal, pig-iron for auto industry
South Africa’s $15m CDM pilot: methane-to-electricity at environmentally-racist Bisasar Rd dump (Africa’s largest landfill) - in apartheid-era black residential suburb of Durban - via World Bank Prototype Carbon Fund credits
Sajida Khan (1952-2007) though felled by cancer from dump, her EIA challenge to methane flaring rebuffed the World Bank PCF, 2005

Durban found private investors
Durban Group for Climate Justice

- October 2004 initiative
- Analysis in *Carbon Trading*, compiled by Larry Lohmann
- Driven by grassroots activists in India, Brazil, Thailand, South Africa, etc
- Largest signator: Friends of the Earth International
- Key sites: The Cornerhouse, FERN, SEEN, CarbonTrade Watch, CDM Watch, Dartmouth Univ Environmental Studies, UKZN Centre for Civil Society
- With CJN!, collaboration on 9-minute film in Annie Leonard’s series, watched 400,000 times during Copenhagen Summit: www.storyofcapandtrade.org
US as carbon market laggard

“What I’ve said is that we would put a cap and trade system in place that is as aggressive, if not more aggressive, than anybody else’s out there... So if somebody wants to build a coal-powered plant, they can; it’s just that it will bankrupt them because they’re going to be charged a huge sum for all that greenhouse gas that’s being emitted. That will also generate billions of dollars that we can invest in solar, wind, biodiesel and other alternative energy approaches.” – Barack Obama, 17/1/08, San Francisco Chronicle

But Obama’s Waxman-Markey legislation only auctions 15% of carbon credits, destroys the Clean Air Act, and allows massive offsets (so no US emissions reduction until 2030)
But isn’t carbon trading now dead?

‘The concept is in wide disrepute… Obama dropped all mention of cap and trade from his current budget. And the sponsors of a Senate climate bill likely to be introduced in April, now that Congress is moving past health care, dare not speak its name… Why did cap and trade die? The short answer is that it was done in by the weak economy, the Wall Street meltdown, determined industry opposition and its own complexity’ – New York Times, 26/3/10
But isn’t carbon trading now dead?

Senator Maria Cantwell (D-Washington State): cap and trade ‘discredited by the Wall Street crisis, the Enron scandal and the rocky start to a carbon credits trading system in Europe that has been subject to dizzying price fluctuations and widespread fraud.’

Latest frauds: Hungarian government’s resale of carbon credits, which when exposed recently, drove the price of a tonne from €12 down to €1 and crashed two emissions exchanges; and $6.75 bn ‘carousel’ trading scam.
But no serious Capitol Hill alternative

- Cantwell and Sue Collins (R-Maine): ‘Carbon Limits and Energy for America’s Renewal Act’
- endorsed by 350.org
- CLEAR’s **low cuts** are an unacceptable insult to the rest of the world: 8% down from 1990-2020
- CLEAR fails to mention repaying victims of climate change the ‘**climate debt**’ owed them by the US.
- ‘**offset-like projects**’ in CLEAR, promotion of unproven or dangerous techie fixes (carbon capture and storage, and oil or gas reinjection), and a **too-narrow carbon pricing band range** (see critique by Maggie Zhou).
But no serious Capitol Hill alternative

• A genuine climate bill would strengthen command-and-control regulatory mandates for the Environmental Protection Agency, utility boards and planning commissions.

• Proper mandate for profound economic transformation so as to generate (and fund) new production, consumption, transport, energy and disposal systems.

• If CLEAR passes Senate, House conference negotiators will destroy it with Waxman-Markey pork (private offsets, carbon trading, oil/nuke/agro subsidies, EPA neutering, etc).

• Most likely result: gridlock! … (good!)
“I can’t understand why there aren’t rings of young people blocking bulldozers and preventing them from constructing coal-fired power plants.”

- Al Gore speaking privately, August 2007
RALLY TO OPPOSE CARBON TRADING

THURSDAY APRIL 15
12-2PM

at the
SAN FRANCISCO MARRIOT MARQUIS
[55 FOURTH ST, SF]

to protest a major carbon trading conference
attended by bankers, executives, financial speculators,
and big environmental groups, happening right here in SF!

ACTFORCLIMATEJUSTICE.ORG/WEST

No to False Climate Solutions!
No Rip-Offs!
Stop the Carbon Trading Scam!

In order to respond to the present climate emergency in a just and equitable way, the rich countries of the world must take a lead in reducing greenhouse gas pollution that is threatening global climate catastrophe. But corporations and rich developed nations are pushing for policies that would allow them to “reduce” emissions by purchasing carbon “credits.” Unfortunately, carbon credits can be created through offset projects which supposedly reduce emissions in developing countries so corporations in developed countries don’t have to. The problem is that these projects are difficult to monitor, often increase emissions, and compensate corporations for actions they should be required to take anyway.

For example, the Nigerian government has stated its intention to participate in carbon trading and several oil companies are attempting to receive emissions credits. If this goes unchecked, Chevron will be allowed to receive emissions reductions credits for ending the illegal and immoral practice of gas flaring in Nigeria. Under carbon trading proposals being considered in the US Congress, Chevron could keep polluting at home, like at its refinery in Richmond, the biggest single source of greenhouse gas emissions in CA. It’s almost like a bully demanding a ransom to stop beating you up.

JOIN US!
THURSDAY, APRIL 15
12-2PM
San Francisco Marriott Marquis
55 Fourth Street, San Francisco
(near Powell St BART)

ACTFORCLIMATEJUSTICE.ORG/WEST

REAL CARBON REDUCTIONS & CLIMATE JUSTICE NOW!
Instead of Capitol Hill, direct action

• March 18 Washington protest by Mountain Top Removal activists against EPA, including blockage of hq – within two weeks EPA announced a near-ban on MTR

• Movement for Climate Justice-West target carbon trading conference in SF, April 15, and Chevron remains in activist sights.

• Rainforest Action Network Tax Day (April 15) protests against coal financier Chase Bank.

• Global movement coordination in late April, Cochabamba, invited by Bolivian government.

• Preparations for Cancun blockade, especially by Mexican red-green activists

• support South African groups against World Bank/Eskom to ‘keep the coal in the hole’
at global scale, new network: Climate Justice Now! Bali, December 2007

• Carbon Trade Watch (a project of the Transnational Institute);
• Center for Environmental Concerns;
• Focus on the Global South;
• Freedom from Debt Coalition, Philippines;
• Friends of the Earth International;
• Women for Climate Justice;
• Global Forest Coalition;
• Global Justice Ecology Project;
• International Forum on Globalization;
• Kalikasan-Peoples Network for the Environment;
• La Vía Campesina;
• Durban Group for Climate Justice;
• Oilwatch;
• Pacific Indigenous Peoples Environment Coalition;
• Sustainable Energy and Economy Network (Institute for Policy Studies);
• Indigenous Environmental Network;
• Third World Network;
• Indonesia Civil Society Organizations Forum on Climate Justice;
• World Rainforest Movement.
Climate Justice Now!
Bali, December 2007
Movement demands:

• reduced consumption;
• huge financial transfers from North to South based on historical responsibility and ecological debt for adaptation and mitigation costs paid for by redirecting military budgets, innovative taxes and debt cancellation;
• leaving fossil fuels in the ground and investing in appropriate energy-efficiency and safe, clean and community-led renewable energy;
• rights-based resource conservation that enforces Indigenous land rights and promotes peoples’ sovereignty over energy, forests, land and water; and
• sustainable family farming and peoples’ food sovereignty.
Instead of emissions markets as vehicle for mitigation/adaptation finance: *rise of ‘Climate Debt!’*

*Bond chapter in Upsetting the Offset*

Accion Ecologica: ecological debt is ‘the debt accumulated by Northern, industrial countries toward Third World countries on account of resource plundering, environmental damages, and the free occupation of environmental space to deposit wastes, such as greenhouse gases, from the industrial countries.’
Types of ecological debt
(Joan Martinez-Alier):

- renewable resources that have been exported;
- future lack of availability of destroyed resources;
- damages produced by exports (smelter sulphur dioxide, mine tailings, water pollution by mining);
- profits from stolen genetic resources (‘biopiracy’);
- imports of solid or liquid toxic waste; and
- disproportionate use of ‘Environmental Space’, e.g. (unpaid) costs of free disposal of gas residues (carbon dioxide, CFCs, etc) assuming equal rights to sinks and reservoirs.
Examples of biopiracy in Africa

2005 study by Edmonds Institute, African Centre for Biosafety:
* diabetes drug produced by a Kenyan microbe;
* antibiotics from Gambian termite hill and West African snails;
  * antifungal from Namibian giraffe and nematocidal fungi from Burkina Faso;
  * infection-fighting amoeba from Mauritius;
* Congo (Brazzaville) treatment for impotence;
  * vaccines from Egyptian microbes;
* SA and Namibian indigenous appetite suppressant Hoodia;
* drug addiction treatments, multipurpose kombo butter from Central, W.Africa;
  * beauty, healing treatment from Okoumé resin in Central Africa;
* skin and hair care from the argan tree in Morocco, etc etc
The debt of nations and the distribution of ecological impacts from human activities


aPacific Ecoinformatics and Computational Ecology Laboratory, Berkeley, CA 94703; bEnergy and Resources Group, 310 Barrows Hall, University of California, Berkeley, CA 94720-3050; cDepartment of Environmental Science, Policy, and Management, University of California, Berkeley, CA 94720-3114; dAmerican Meteorological Society, 1120 G Street NW, Washington, DC 20005-3826; and eSea Around Us Project, Fisheries Centre, University of British Columbia, Vancouver, BC, Canada V6T 1Z4

As human impacts to the environment accelerate, disparities in the distribution of damages between rich and poor nations mount. Globally, environmental change is dramatically affecting the flow of ecosystem services, but the distribution of ecological damages and their driving forces has not been estimated. Here, we conservatively estimate the environmental costs of human activities over 1951–2000 in six major categories (climate change, stratospheric ozone depletion, agricultural intensification and expansion, deforestation, overfishing, and mangrove conversion), quantitatively connecting costs borne by poor, middle-income, and rich nations to specific activities by each of these groups. Adjusting impact valuations for different standards of living across the groups as commonly practiced, we find striking imbalances. Climate change and ozone depletion impacts predicted for low-income nations have been overwhelmingly driven by emissions from the other two groups, a pattern also observed for overfishing damages indirectly driven by the consumption of fishery products. Indeed, through disproportionate emissions of greenhouse gases alone, the rich group may have imposed climate damages on the poor group greater than the latter’s current foreign debt. Our analysis provides prima facie evidence for an uneven distribution pattern of damages across income groups. Moreover, our estimates of each group’s share in various damaging activities are independent from controversies in environmental valuation methods. In a world increasingly connected ecologically and economically, our analysis is thus an early step toward reframing issues of environmental responsibility, development, and globalization in accordance with ecological costs.
World Bank method for adjusting savings to account for a country’s tangible wealth and resource depletion: The case of Ghana, 2000 (per capita US$ measure) *(Where is the Wealth of Nations?, 2006)*

<table>
<thead>
<tr>
<th>Tangible wealth</th>
<th>Adjusted net saving</th>
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<tbody>
<tr>
<td>Subsoil assets</td>
<td>Gross National Saving 40</td>
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<td>Timber resources</td>
<td>Education expenditure 7</td>
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<td>NTFR</td>
<td>Consumption fixed capital 19</td>
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<td>Protected areas</td>
<td>Energy depletion 0</td>
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<td>Cropland</td>
<td>Mineral depletion 4</td>
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<td>Pastureland</td>
<td>Net forest depletion 8</td>
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<td>Produced capital</td>
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<table>
<thead>
<tr>
<th>Total tangible wealth</th>
<th>Adjusted net saving</th>
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<tr>
<td>2022</td>
<td>16</td>
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<table>
<thead>
<tr>
<th>Population growth</th>
<th>Δ Wealth per capita</th>
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</thead>
<tbody>
<tr>
<td>1.7%</td>
<td>-18</td>
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*Note: Data for 2000. NTFR: nontimber forest resources.*
Where is Africa’s wealth? World Bank recording of African countries’ adjusted national wealth gap, 2000

(World Bank, *Where is the Wealth of Nations?*, 2006)

<table>
<thead>
<tr>
<th>Country</th>
<th>GNI per capita</th>
<th>Population growth rate (%)</th>
<th>Adjusted net saving per capita</th>
<th>Change in wealth per capita</th>
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<tbody>
<tr>
<td>Benin</td>
<td>360</td>
<td>2.6</td>
<td>14</td>
<td>-42</td>
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<tr>
<td>Botswana</td>
<td>2925</td>
<td>1.7</td>
<td>1021</td>
<td>814</td>
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<tr>
<td>Burkina Faso</td>
<td>230</td>
<td>2.5</td>
<td>15</td>
<td>-36</td>
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<td>Burundi</td>
<td>97</td>
<td>1.9</td>
<td>-10</td>
<td>-37</td>
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<td>Cameroon</td>
<td>548</td>
<td>2.2</td>
<td>-8</td>
<td>-152</td>
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<td>Cape Verde</td>
<td>1195</td>
<td>2.7</td>
<td>43</td>
<td>-81</td>
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<td>Chad</td>
<td>174</td>
<td>3.1</td>
<td>-8</td>
<td>-74</td>
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<td>Comoros</td>
<td>367</td>
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<td>Congo, Rep. of</td>
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<td>3.2</td>
<td>-227</td>
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<td>Côte d’Ivoire</td>
<td>625</td>
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<td>-5</td>
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<td>Ghana</td>
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<td>-29</td>
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<td>Mali</td>
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<td>Niger</td>
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<td>Rwanda</td>
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<td>Senegal</td>
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<td>Zambia</td>
<td>312</td>
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<td>Zimbabwe</td>
<td>550</td>
<td>2.0</td>
<td>53</td>
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Note: All dollars at nominal exchange rates.
Crucial battle:

African leaders demand $67/bn year

Ethiopian PM Meles Zenawi on 3 September 2009 threatening Copenhagen Summit (reminiscent of Seattle WTO 1999, Cancun 2003):

‘If need be we are prepared to walk out of any negotiations that threatens to be another rape of our continent.’
African leadership folded on 18 Dec. (but got $100 bn/year commitment by 2020 for global adaptation fund)

Zenawi and Jacob Zuma signed on to ‘Copenhagen Accord’ - inadequate on emissions cuts, climate debt and carbon markets

What should be the vehicle for climate debt??

recognised $400 bn/year climate costs (but US denies it owes ‘climate debt’)
African ‘environmentalism of the poor’ defines terrain of ‘enclosure’ resistance, future eco-debt struggles

• activists fighting Monsanto’s GM drive from the US to South Africa to several African countries;
• blood-diamonds victims from Sierra Leone, Angola, Botswana and Zimbabwe continue to build pressure after failure of Kimberley Process;
• victims of SA mining capital - platinum in Limpopo and titanium on the Wild Coast - successfully protest extraction;
• Lesotho peasants objecting to displacement during construction of the continent’s largest dam system (solely to quench Johannesburg’s irrational and hedonistic thirst);
• Ugandans similarly threatened at the overly expensive, corruption-ridden Bujagali dam, Mozambicans fighting the Mpande Nkua dam on the Zambizi, and Ethiopians opposed to the Gibe dam;
• Ghanaian, South African and other activists fight water privatization;
• a growing network questioning Liberia’s long exploitation by Firestone;
• Chadian and Cameroonian activists pressuring the World Bank not to continue funding their repression and environmental degradation; and
• Oil Watch linkages of Nigerian Delta activists such as those who signed the Ogoni Bill of Rights and many other Gulf of Guinea communities.
Ogoni Bill of Rights (1990)

We, the people of Ogoni (Babbe, Gokana, Ken Khana, Nyo Khan and Tai) numbering about 500,000, being a separate and distinct ethnic nationality within the Federal Republic of Nigeria, wish to draw the attention of the Government and people of Nigeria to the under mentioned facts:

… that oil was struck and produced in commercial quantities on our land in 1958…

that in over 30 years of oil mining, the Ogoni nationality have provided the Nigerian nation with a total revenue estimated at over 40 billion Naira (N40 billion) or 30 billion dollars.

that in return for the above contribution, the Ogoni people have received NOTHING…

that the search for oil has caused severe land and food shortages in Ogoni - one of the most densely populated areas of Africa (average: 1,500 per square mile; national average: 300 per square mile.)

that neglectful environmental pollution laws and sub-standard inspection techniques of the Federal authorities have led to the complete degradation of the Ogoni environment, turning our homeland into an ecological disaster.

that the Ogoni people lack education, health and other social facilities.

that it is intolerable that one of the richest areas of Nigeria should wallow in abject poverty and destitution…

Adopted by general acclaim of the Ogoni people on the 26th day of August, 1990, at Bori, Rivers State
Petro-mineral resources: Leave the oil in the soil Leave the coal in the hole

- women of the Niger Delta, Environmental Rights Action, Movement for the Emancipation of the Niger Delta
- Australian *Rising Tide v* Newcastle coal exports
- British Climate Camp
- Attac, Norway
- Alberta, Canada tar sands green & indigenous activists
- Alaska wilderness and California offshore drilling campaigners
- Oil Watch
- South Durban Community Environmental Alliance against new pipeline that will double petrol flow to Johannesburg, and then catalyst of Eskom no-coal loan campaign
- Ecuadoran indigenous activists and Accion Ecologica demand from Rafael Correa that Ecuador’s main oil reserve (Ishpingo-Tiputini-Tambococha, in Yasuní National Park) should stay in the ground, to be financed by climate debt (Germany 2009)
South Africa seeks a $3.75 bn loan from the World Bank to finance Eskom’s coal-fired power. Can we still block it?

Eskom and World Bank Sowing Seeds of Destruction
Medupi is in Limpopo Province, the second poorest, near Lephalale.

The largest electricity consumers are smelters in Richards Bay and the Vaal.
Ten reasons to block Medupi – world’s 4th biggest coal-fired power plant:

- climate destruction
- local ecologies, health
- no participation in (belated) WB process
- poor people pay excessive prices
- disconnections, social strife and oppression
- multinational corps. get ultra-cheap power
- profit outflow to MNCs
- increased foreign debt
- privatisation
- ANC corruption
- WB's apartheid (and post-apartheid) history
Ten reasons to reject Medupi

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• climate destruction: Medupi alone will emit 25 mn CO2 tonnes/year, more than 115 countries; SA emits vast quantities of GHG/capita/GDP
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- local ecologies: Medupi has no scrubbers due to ‘relative lack of pollution’ nearby... yet ambient SO2 standards are already exceeded, the area is dry, 40 new mines will open, and mining areas suffer extreme water degradation
Ten reasons to reject Medupi

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- no civic participation in (belated) WB process: 12/09 consultation had no attendees from affected areas; WB procurement rules were clearly violated due to in-progress financing
Ten reasons to reject Medupi

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• price increases: 25%/year price rise for next three years; in real terms, 127% increase from 2008-12;
widespread opposition including promised national labour strike
Eskom
Ten reasons to reject Medupi

• climate destruction
• local ecologies, health
• no participation in (belated) WB process
• poor people pay excessive prices
• disconnections, social strife and oppression
• multinational corps. get ultra-cheap power
• profit outflow to MNCs
• increased foreign debt
• privatisation
• ANC corruption
• WB's apartheid (and post-apartheid) history

• disconnections: approximately 1/3 of Eskom’s four million customers record zero consumption – as they were disconnected and hence many have illegally reconnected
Upsurge of protest against electricity disconnections, price increases, WB loan
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• multinational corp sweetheart deals: multi-decade ‘Special Pricing Agreements’ made during late apartheid give BHP Billiton and Anglo American $0.01/kWh electricity, seven times cheaper than households pay
Eskom's residential customers cannot afford higher-priced electricity and poor people are disconnected by the millions each year.

SA offers world’s cheapest electricity, but mainly to a few metals/mining houses.

2009 International electricity cost comparison

<table>
<thead>
<tr>
<th>Country</th>
<th>Cost per kWh</th>
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<tr>
<td>Italy</td>
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<td>Australia</td>
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<td>South Africa</td>
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</tbody>
</table>

The survey is based on prices as of 1 June 2009 for the supply of 1 000kW for a site with a monthly usage of 450 000kWh. All prices are in US cents per kilowatt hour and exclude VAT. Where there is more than a single supplier, an unweighted average of available prices was used. Where available in each country and widely used by the consuming public, deregulated or liberalised contract pricing was used in this survey.

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• profit outflow: BHP Billiton, Anglo, Arcelor Mittal, Xstrata and most other beneficiaries of Eskom largesse are headquartered abroad, hence putting extreme pressure on current account (SA judged world’s riskiest emerging market, 2009)
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• foreign debt: already at dangerous levels ($75bn), with very high repayment costs on Medupi loan, when R/$ rate falls – 5 crashes since 1996 (borrowing should be localised)
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• privatisation of electricity generation is underway with this loan, especially renewable component – to be increased for next plant (Kusile) to up to 49% private ownership; unions will fight hard to maintain full public supply
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ANC corruption: the ruling party investment arm, Chancellor House, will earn R1 bn ($135 mn) pure profit from Eskom contracts in a conflict-of-interest tender deemed ‘improper’ by a state agency in March 2010
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- from 1951 (3 years after apartheid began) to 1966 (when SA became ‘upper-middle income’), loans to Eskom of $100 mn gave no electricity to black townships or rural areas
Opposition to Medupi, Eskom pricing and privatisation, and World Bank loan Conservation plus electricity-as-a-right? (So 2002 Joburg WSSD does not repeat)
Sign-on opposition to Medupi, Eskom pricing and privatisation, and World Bank loan (Feb-March 2010)
What do movements want?

1) Redirect power from smelters to households: more ‘Free Basic Electricity’ (50kWh/ household/ month is tokenistic)

- ‘African National Congress-led local government will provide all residents with a free basic amount of water, electricity and other municipal services, so as to help the poor. Those who use more than the basic amounts will pay for the extra they use.’ (ANC campaign promise, 2000 municipal elections)

- 100 kWh/ person/ month should be free for all SA residents, paid for with cross-subsidies, in order to promote gender equity, respiratory disease prevention, education, local enterprises, services-desegregation and other ‘merit goods’
  - block tariff implemented with credit meters (impossible to implement rising block tariff with prepaids)
What do movements want?

2) No new coal/nuke energy; instead, a coherent transformation strategy - for solar, wind and wave power, and new extraction, production, transport, consumption, disposal (zero-waste) and economic systems

3) ‘Just Transition’ and green jobs for metalworkers and mineworkers who suffer job losses (e.g. solar hot water heaters)
What do movements want?

Jubilee SA demands:

4) An end to neoliberal advice, World Bank ‘knowledge banking’ and sector/project loans

5) Reparations for apartheid interest received by the World Bank, and for failed advice on structural adjustment programming (1996 Growth, Employment and Redistribution)
What do movements want? World Bank out of climate politics!

Letter to US Members of Congress defending Eskom loan

I also hope that cooperation on this project might help the United States with its larger climate change negotiating strategy. I guided the U.S. negotiators who reached the United Nations Framework Agreement on Climate Change in Rio de Janeiro in 1992. I worked closely with a wide range of countries – developing and developed – as well as with the UNFCCC, in the run-up to the Copenhagen meeting. I could see clearly that if developing countries conclude that developed countries will use their influence to block power development for developing countries that are pursuing lower carbon growth strategies, then the United States and others will lose the support from developing countries that is critical for any effective climate accord.

In other words, business as usual, hiding behind North-South elite politics

Zoellick’s experience is revealing:

G.Bush Treasury deregulator, Fannie Mae #2, Enron advisor, Capital Alliance board, James Baker assistant in Florida vote recount, Project for a New American Century signatory, US Trade Representative, G.W.Bush State Dep’t #2, Goldman Sachs top int’l officer, then replacement for Paul Wolfowitz
Derivatives now have a bad name. This is understandable when one remembers AIG. But derivatives are used by farmers in the American Midwest to protect against volatility in grain prices. Mexico used energy options to lock in a price for the oil that pays for much of the government’s budget.

The World Bank pioneered currency swaps, and uses swaps to protect against foreign exchange and interest rate risk. Our loans offer hedging opportunities to protect borrowers from foreign exchange or interest rate risk and even other risks such as droughts and catastrophes. By helping to develop local currency borrowing, linked to global markets, we helped shelter developing countries from the financial tidal waves of the recent crisis.

Financial innovation, when used and supervised prudently, has brought efficiency gains and protected against risk: the World Bank has pioneered livestock insurance for Mongolian herders; a Malawi weather derivative against drought; and the Caribbean catastrophe insurance pool. The latter gave Haiti an immediate $8 million in January when its earthquake struck – faster money than from any other outside source.
What solidarity do we need?  
Should the North invest in the World Bank?

• During South African apartheid, we asked this question: **who reaps economic benefits of oppression?**
• Jubilee SA, Brazil’s Movement of the Landless and many others asked same question in 2000: at a time of worsening global apartheid, **is it morally acceptable to earn profits from World Bank bonds?**
• same ? for **climate, poverty, privatization, corruption**
• ‘World Bank Bonds Boycott’ began in April 2000 with commitments not to purchase another Bank bond
• the Bank gets **80% of its funding by issuing bonds**;
• when enough investors endorse the campaign, the Bank’s bond rating will decline, so it will be fiduciarily irresponsible to invest in Bank bonds -- a real threat...
• between 2000-05, scores of major investors joined, including **municipalities, pensions, universities, churches, socially-responsible funds and individuals**
It is time to revive the WB Bonds Boycott against climate destruction, poverty, privatization, corruption

PARTIAL LIST
TIAA-CREF (world’s largest pension) sold its WB bonds
- Univ. of New Mexico
- Unitarian Church
- Global Greengrants Fund
- Ben and Jerry’s Foundation
- Calvert Group
- Progressive Assets Management
- Trillium Assets Management
- PLUS many US cities (e.g., San Francisco, Boulder, Milwaukee, Oakland, Berkeley, Cambridge, Richmond, CA)

- Major union pension/investment funds (e.g., Teamsters, Postal Workers, Service Employees International, American Federation of Government Employees, Longshoremen, Communication Workers of America, United Electrical Workers)

JOIN US!
Otherwise, institutions with World Bank bonds profit from global apartheid and climate chaos.
fields of Climate Justice activism

1) at **global scale**, work in solidarity to block major climate-destructive projects, continue to make demands - albeit unwinnable in the foreseeable future given the adverse balance of forces in the UN and G8/G20 - for
   - 1) huge emissions cuts (for First World, by **2020, 45%** below 1990),
   - 2) Climate Debt payments (scaling up to $400 billion/year by 2020),
   - 3) carbon market decommissioning;

2) at **national scale**, continue to make demands - also unwinnable in most settings, where due to adverse power balances, unacceptable legislation and/or gridlock are most likely - for
   - industrialised countries to make 45% emissions cuts, Climate Debt payments and carbon market decommissioning, **plus massive state investments in transformed, decentralized energy systems, transport and infrastructure**, and
   - semi-industrialised economies (e.g. especially BASIC) to make cuts based upon reversing their growing fossil fuel addictions, and in some cases (e.g. South Africa) pay a climate debt to poorer neighbours, and reject CDMs and offsets;
3) at **national scale** where environmental regulatory agencies exist, challenge the institutions to restrict greenhouse gas emissions as **dangerous pollutants** (for example, as in the US after lawsuits and direct action protests against the EPA);

4) at **regional/provincial/state/municipal scales**, engage **public utility commissions and planning boards** to block climate-destructive practices and projects; and

5) at **local scales**, target **point sources of major greenhouse gas emissions**, **power consumption or excessive transport**, and raise consciousness and the cost of business-as-usual through **direct action and other pressure techniques**.
For more information:
http://www.youtube.com/watch?v=yk991CVPLNc&feature=channel_page

CCS book available on request: pbond@mail.ngo.za