

The Carbon Mafia

In June 2002, the Dutch Government and nine companies including oil and energy companies from Japan and Norway joined the World Bank's Prototype Carbon Fund (PCF). Ken Newcombe, the Manager of the PCF said then, "There was so much enthusiasm that more capital was offered than could be absorbed forcing the Fund to resort to an allocation system among the contributors".

The "success" of the PCF in raising new funds for the World Bank's operations has prompted the World Bank to start a new "Carbon Department" with the addition of two more carbon funds called Community Development Carbon Fund (CDCF) and the BioCarbon Fund (BCF). The PCF has US\$180 million - one could say that with the issue of climate change, the World Bank has found new ways of raising finances for its destructive projects. While the PCF is perhaps the only public-private partnership fund, other pooled funds to trade in carbon emission credits from companies are emerging. A US\$400 million fund is to be launched by Credit Lyonnais and Arthur Anderson. There already exists smaller funds such as the US\$150 million DexiaFonElec Energy Efficiency and Emissions Reduction Fund and the upcoming \$65 million Union Bank of Switzerland (UBS) fund.

One thing is clear: whether communities at the world at large succeed in dealing effectively with the irreversible effects on climate, there is an emerging Carbon Mafia ready to make money in the name of carbon emissions reduction and carbon trading.

Already at COP 8 in New Delhi, The GEF has faced strong criticism for not only painting a rosy picture but also charging exorbitant fees for project approvals. The United Nations Development Programme (UNDP), which forms part of the GEF's administration, admitted to the

criticism saying that it was due to the "project approval culture" where the amount of money pushed plays a greater role in criteria than the number and quality of projects.



Therefore these new funds such as PCF, CDCF and the BCF will still have the World Bank's genetically inherent infirmity of grabbing funds and

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COP 8 to reveal initiative on Prototype Diamond Fund (PDF) for global governance

A group of developing countries lead by Argentina and comprising the Pacific Island countries is putting together a Prototype Diamond Fund (PDF) to address issues of global governance relating to climate change. The group spokesperson (who wished to remain anonymous) said that taxing unsustainable oil and mining operations would fund the PDF, but the modalities and criteria are still being worked out. Since almost 100 per cent of the oil and mineral extraction process is "unsustainable", the PDF could have a very substantial amount of money, she added. The framework for the PDF's implementation to support global governance on climate change is currently being finalised.

The World Bank, (not surprisingly, since there may be huge amounts of money involved), has immediately expressed interest in managing the fund. CHA will keep you updated on further developments.

Welcome to the World Bank's environmental masquerade

Zoe Young explains how the World Bank-operated Global Environment Facility (GEF), one of the funding mechanisms for climate change-related projects, is merely a green façade for the World Bank to continue imposing neo-liberal economic policies to exploit natural resources for commercial profits while increasing ecological destruction and the indebtedness of southern countries.

The Global Environment Facility (GEF) remains the operating entity of the interim financial mechanism (aid) for the United Nations Framework Convention on Climate Change Convention (UNFCCC) for the 'incremental costs' of implementing certain UN environmental conventions in eligible countries. Nearly half the GEF's funds have gone to support projects designed to inform about, build capacity for and mitigate International Panel on Climate Change (IPCC) predicted climate change; that is, activities subject to the guidance of the UNFCCC.

The month after the Earth Summit's resounding success in sustaining global 'business as usual' in Johannesburg in September 2002, governments met quietly in Beijing to rubber stamp another two and a half billion taxpayers' dollars for the institution supposed to save 'global' nature from the heart of the United States (US) - led New World Order.

So far little known and less understood, the Global Environment Facility (GEF) is the institution charged by governments since 1991 with averting climate change and conserving biodiversity, international waters and the ozone layer, and more recently, preventing land degradation and the spread of persistent organic pollutants. However, some of GEF's project-affected peoples call for its abolition, with critics speaking of 'an enormous con', 'greenwash' and 'sweetener' for World Bank lending (and thus, third world debt).

Since the GEF began paying the costs of implementing UN environmental agreements, cultures and ecosystems worldwide have been ever more exposed to rampant capital through the conditions put on international trade and debt by

unaccountable bodies like the World Bank, International Monetary Fund (IMF) and World Trade Organisation (WTO). GEF was also designed not to challenge damaging economic policies nor powerful interest groups, thus to keep environmental action within political bounds. The GEF has also helped to put prices on nature while opening up resources in Southern countries and markets to international experts and investors.

GEF's funds attach to development projects happening in the poorer countries of the South; they are also devised and run mostly from the World Bank in Washington, DC.

Meanwhile, lacking any democratic mandate but claiming to speak for 'civil society', many of the biggest environmental campaigning organisations are keener to gain access to GEF's funding than to publicly challenge its source and function. Bank economists promising participation in global capital's evolution towards sustainability accept outside advice within strict limits, so (actual and potential) critics become consultants, often working for nothing in the hope of later reward. Bringing in environmental NGOs as advisors and consultants, even implementers, GEF's operations often distract them from protest against the wider impact of World Bank projects and policies.

The GEF entered operation the same year that the US President George Bush Sr. announced a US-led New World Order. The GEF is hence a strategic response on the part of global power-brokers to the rise of environmental movements as a geo-political force. With professional greens' skills and passion used in GEF processes to inform and extend the reach of corporate capital and culture, they are distracted from the global movement for justice and an end to the neo-liberal policies enforced by the World Bank.

If fully implemented as planned, the UN environmental treaties' provisions could fundamentally reorient global development away from the exploitative frenzy of capitalism towards a greener world with environmental costs and

benefits more fairly distributed. Afraid of the consequences for their own treasuries, Western governments moved to ensure that through the GEF, the World Bank took on funding the Conventions on Climate Change and Biodiversity. With the only new aid promised at Rio under the auspices of the World Bank, which they financially control, they could ensure that actions financed under the new treaties would not threaten their own and allied interests.

In its first ten years, GEF donors channelled US\$4.1 billion of taxpayers' money to over a thousand environmental projects in more than 150 Southern and former communist countries. Most often, the GEF projects have faced criticism for being massive and top-down, run with foreign expertise and neglectful of local skills and needs. People have lost land and livelihoods, and sometimes GEF projects have resulted in financing a small forest reserve as part of a massive World Bank forestry project that was wiping out the rest of the forest – a tactic generally agreed not to be the most effective approach to global conservation. In addition, GEF appears to lack the means or the motivation to learn from failure.

One of GEF's claims to success is the additional investment it can draw into projects with its 'green subsidies' to development projects in the South – 'catalysing' around three times the sum of its own investment. Using 'concessional' funds to sweeten the terms, GEF 'leverages' new loans to already highly-indebted governments which might not otherwise take on new debt. Then, since the GEF offers grant aid only for initiatives that would not be financed in profit-led global money markets, these investments are unlikely to generate the foreign currency that borrowing governments need to repay resulting debt. And the more international debt a government has, the more power the World Bank and IMF have to impose neo-liberal economic policies as a condition of its relief.

In addition, scientific data on Southern landscapes and ecologies entered into geographical information systems in GEF projects feeds global electronic information databases including those used by the US military to inform their operations 'in theatre' – rebels often hide in the wildernesses where little known species also grow. In this light, the GEF can perhaps be seen as a bribe for Southern governments to take on new loans while giving up a

new degree of sovereignty over resources found within their territory to professional armies of globalising environmental economists, experts and investors.

Zoe Young is an UK-based author of a forthcoming book on the GEF and producer of "Suits and Savages", a documentary film about the disastrous impacts of GEF-funded eco-development projects in India.

Dramatic increase in people affected by global warming in island states

The UN representative from Samoa, a group of islands in the Pacific Ocean located about half-way from Hawaii to New Zealand, said his country was facing serious impacts due to global warming especially over the last few years.

He cited from an international report titled World Disasters Report that although the number of natural disasters such as droughts and typhoons have remained constant, the impacts of climate change have increased dramatically.

For example, the number of people affected by droughts was 71,000 in the 1970s; the number had risen to 13 million people in the late 1990s. Similarly, there was a 18-fold increase in the number of cyclone-affected people while incidences of floods and landslides are now nine times more than in the previous few decades.

The natural disasters translate into economic impacts that place a severe burden on the national economy. For example, the Samoan delegate pointed out that the impacts of weather-related risks are becoming uninsurable. This results in rising prices especially in the fishing, tourism and farming industries while the Samoan government has very limited resources to intervene and assist the affected communities, he said.

Apart from fishing and tourism, Samoa depends mainly on agriculture that employs two-thirds of the labor force, and furnishes 90% of exports, featuring coconut cream, coconut oil, and copra

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"managing" them more through public relations than any measurable indicators for ensuring accountability.

This is also a logical development, because from Rio onwards, the politically and economically more powerful do not want, at any cost, the 'politics of the environment' and citizens' concerns to translate into actions for genuine change. The institutions like the World Bank and the GEF - and their carbon mafia - work to ensure that the rich and powerful still control the 'environmental discourse' while continuing to wreck any meaningful multilateral processes to address climate change.

*We are being exploited
We are at the mercy of the
contractors,
The mine owners, who gave us
wages
They tell us how much can we eat
How much we can wear
How to live
They teach us culture
They give us identity
They discriminate
They teach us to discriminate
against them*

*Our children hate the diku
(outsider)
Our children hide
When the contractors come to
village
Why?
The children see them as evil
spirits
They see them as destroyers of
our identity.*

Samil Ekka, of Kuntra, Orissa

Voices of the Adivasis/
Indigenous Peoples of India
Edited and published by AICFAIP, New Delhi

More carbon dumps Norwegian companies in Uganda

Northern corporations are going ahead with massive tree plantation projects as "carbon sinks" in Africa as governments are prone to accept dubious projects because of the promise of cash.

Plantation projects using tree monocultures to sequester carbon are being implemented in Uganda by Norwegian firms. The Norwegian company Tree Farms established in Uganda in 1996 has an afforestation project that is setting up between 80,000 and 100,000 hectares of plantations of pines and eucalyptus. The scheme is similar to that adopted by the Dutch foundation FACE in the Ecuadorian Andes.

The project has resulted in the eviction of about 8,000 people - mainly farmers and fisherfolk - from 13 villages from their lands now taken over by the company. Local farmers even have to pay for the agricultural use of their own lands under a "taungya" system where local people can continue to use the lands in the initial period before the trees mature. The company thus exploits the local communities by not paying for the labour of the communities who still have to weed and manage the trees on the land. Uganda's sovereignty is also under siege since for the period of 50 years, the country will not be allowed to use these carbon sinks for its own carbon accounts.

Tree Farms has also announced a project to plant fast-growing pine and eucalyptus trees on 150 square kilometers of grassland plains in neighbouring Tanzania. Tanzanian officials have expressed the need to take into account not only forestry in itself, but also the welfare of the local communities.

courtesy World Rainforest Movement (WRM)

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