Editorial

Clean Carbon Communism

Worried about the corrosive pressure of blind competition in mid-1800's society, the French political essayist Louis J.J.C. Blanc (1811 – 1882) wrote "à chacun selon ses besoins, de chacun selon ses faculties," a phrase that was later recast and made popular by the political philosopher Karl H. Marx (1818 – 1883) in his influential *Critique of the Gotha Program* as "*From each according to his ability, to each according to his needs!*" The circumstances that provoked Marx to write the popular phrase in the city of Gotha, Germany in 1875 are not far-fetched from the events that took place more than a century later in the city of Kyoto, Japan that led to the controversial essence of the Kyoto Protocol¹. This essay is not a *Critique of the Kyoto Program*, but it is time to evaluate the trajectory of certain provisions of the protocol if we are to avoid the fate of extinction that continues to dog the communist ideology. The implications of such failure are especially dire for the downtrodden masses in the most vulnerable societies.

Earlier this month (May 7th 2008), the Carbon Finance Unit of the World Bank issued a press release in Cologne, Germany, summarizing the situation of carbon emissions trading. The title of the report is portentous for developing countries: "STATE AND TRENDS OF THE CARBON MARKET 2008: *Booming market momentum is tempered by future challenges and mixed signals to the developing world*²." So far, only five African countries have opted to have no position on the Kyoto protocol whereas all the others have signed and ratified the agreement (Figure 1). It is not easy to explain the reluctance of the people of Central African Republic, Chad, Somalia, Western Sahara, and Zimbabwe in signing up, but the reasons are likely related to domestic regime survival issues, *unlike* the notorious economic reasons(s) given by the United States of America for signing, but declining to ratify the Kyoto Protocol (KP).

There have been several critical assessments of the Kyoto agreement and of the prospects of its success. In particular, the implementation of emissions trading and the incentive of technology exchange through the "Clean Development Mechanisms" (CDM, defined in article 12 of KP) were anticipated with a certain level of suspicion. The data are now emerging, and it is appropriate to initiate the evaluation stage. For example, Daniel Tanuro, speaking at the March 2008 conference on the future of greenhouse gas emissions trading in the European Union outlined five fundamental reasons for the inadequacy of carbon trading for contributing to climate change mitigation³. Among the challenges he raised is that carbon trading has become exceedingly profitable for polluting corporations, while they invest very little in low carbon emissions technologies. Further, carbon trading has engendered a new opportunity to widen the gap between industrialized countries of the Northern hemisphere and the developing countries of the South. How are African countries fairing in this trade?

According to the most recent data from the World Bank, the global market more than doubled in a single year, between 2006 and 2007 when it reached a substantial \$64 billion in trade and investment. But the participation of developing countries remained abysmal. Overall, sixty eight developing countries participate in the CDMs. Less than ten African countries are represented with projects mostly involving recovery of natural gas that would ordinarily be flared from petroleum mining sites or from landfills. Other projects involve energy resource conversion (Tables 1 – 7). Together, African participation represented about 5% of the CDM trade. China's role is dominant with about 73% share of the volume (Figure 2). On 12 February 2007, the CDM registered its 500th project, an important milestone. The 499th project provided electricity to rural parts of Uganda with the participation of Finland and the Netherlands⁴. Now, in 2008, there are more than 1000 CDM projects, but the remains a shocking paucity of participation in Africa as evinced by the project distribution map (Figure 3). To discuss these challenging issues on how best to catalyze the CDM program in Africa, a carbon forum is planned for Dakar, Senegal between 3rd and 5th September 2008.

http://climateandcapitalism.com/?p=377. Accessed on 10 May 2008.

¹ United Nations Framework Convention on Climate Change (UNFCCC), Kyoto Protocol: <u>http://unfccc.int/kyoto_protocol/items/2830.php</u>. Accessed on 10 May 2008.

² World Bank Carbon Finance Unit. <u>http://www.carbonfinance.org/</u>. Accessed on 10 May 2008.

³ Tanuro, D. 2008. Fundamental Inadequacies of Carbon Trading for the Struggle Against Climate Change.

⁴ United Nations Press Release. Clean Development Mechanism Passes Milestone. http://www.scoop.co.nz/stories/WO0702/S00197.htm. Accessed on 10 May 2008.

Hopefully, participants in the upcoming African Carbon Forum will have had sufficient time to think through the diagnosis of the problem and will come up with tangible solutions. One can interpret the slow rate of participation to imply that African countries are already "clean" because emissions are relatively low, and the low level of industrial development means that there are very few "corrective" actions upon which CDM projects can be built. But this interpretation misses the point of catalyzing industrial development in Africa without taking the path of pollution that brought us to this unfortunate point, globally. The *framing* of Kyoto Protocol and the Clean Development Mechanisms programs must be reconsidered to address the peculiar situation in Africa. Several ideas will be bounced around before the forum in Dakar. One of them should be to recast the aphorism of Louis Blanc and Karl Marx: *From each according to their requirement for carbon emissions reduction, to each according to their need for economic development!*



Figure 1. Status of nations in ratification of the Kyoto Protocol as of January 2008. Nations colored green have fully ratified the protocol. Nations in yellow are in the process of ratification. Nations in red have declined to ratify the protocol. Nations in grey have not expressed a position. Source: http://en.wikipedia.org/wiki/Image:Kyoto Protocol participation map 2005.png. Accessed on 10 May 2008





Figure 3. The global distribution of projects under the Clean Development Mechanism program shows a glaring gap in participation by African countries. Deliberate exercises in framing the CDM domain to appeal to African entrepreneurs and governments must be done to improve participation. An interactive version of the map is available at http://cdm.unfccc.int/Projects/MapApp/index.html

| Table 1. Clean Development Mechanism Project in EGYPT: Project 0508 : Onyx Alexandria Landfill |
|--|
| Gas Capture and Flaring Project |

| Project title | Onyx Alexandria Landfill Gas Capture and Flaring Project |
|----------------------------------|---|
| Host Parties | Egypt Authorized Participants: Onyx Alexandria |
| Other Parties Involved | France, involved indirectly: Authorized Participants: Veolia Propreté |
| Bilateral and Multilateral Funds | Spain , involved directly: Spanish Carbon Fund Managing company: World bank |
| Activity Category | Waste handling and disposal |
| Activity Scale | LARGE |
| Methodologies Used | - Consolidated methodology for landfill gas project activities |
| Amount of Reductions | 370,903 metric tonnes CO ₂ equivalent per annum |
| Fee level | USD 72680.6 |
| Registration Date | 15 Dec 06 |
| Crediting Period | 15 Dec 06 - 14 Dec 16 (Fixed) |

Additional data are available: http://cdm.unfccc.int/Projects/DB/SGS-UKL1152286575.05/view

 Table 2. Clean Development Mechanism Project in LIBYA: Project 1295 : 10 MW biomass based power project of Ind Power limited

| Project title | 10 MW biomass based power project of Ind Power limited |
|------------------------|---|
| Host Parties | India, involved indirectly |
| | Authorized Participants: Ind Power Limited (IPL) (Private entity) |
| Other Parties Involved | n/a |
| Sectoral scopes | 1 : Energy industries (renewable - / non-renewable sources) |
| Activity Scale | SMALL |
| Methodologies Used | Grid connected renewable electricity generation |
| Amount of Reductions | 34,129 metric tonnes CO2 equivalent per annum |
| Fee level | USD 5325.8 |
| Registration Date | 26 Nov 07 |
| Crediting Period | 26 Nov 07 - 25 Nov 17 (Fixed) |
| | |

Additional data are available: http://cdm.unfccc.int/Projects/DB/SGS-UKL1187359571.24/view

Table 3. Clean Development Mechanism Project in MOROCCO: Project 0030 : Essaouira wind power project

| Project title | Essaouira wind power project |
|------------------------|---|
| Host Parties | Morocco: Authorized Participants: ONE (Office Nationale d'Electricité) |
| Other Parties Involved | France, involved indirectly. Authorized Participants: European Carbon Fund |
| Activity Category | 1 Energy Industries |
| Activity Scale | LARGE |
| Methodologies Used | Consolidated methodology for grid-connected electricity generation from renewable sources |
| Amount of Reductions | 156,026 metric tonnes CO ₂ equivalent per annum |
| Fee level | USD 20000 |
| Registration Date | 29 Oct 05 |
| Crediting Period | 01 Jan 07 - 31 Dec 16 (Fixed) |

Additional data are available: http://cdm.unfccc.int/Projects/DB/DNV-CUK1114607705.27/view

 Table 4. Clean Development Mechanism Project in NIGERIA: Project 0553 : Recovery of associated gas that would otherwise be flared at Kwale oil-gas processing plant, Nigeria

| Project title | Recovery of associated gas that would otherwise be flared at Kwale oil-gas processing plant, Nigeria | |
|------------------------|--|--|
| Host Parties | Authorized Participants: Nigerian Agip Oil Company Ltd (NAOC) – Eni S.p.A Div. E&P | |
| Other Parties Involved | Italy, involved indirectly | |
| Activity Category | Fugitive emissions from fuels (solid, oil and gas) | |
| Activity Scale | LARGE | |
| Methodologies Used | Recovery and utilization of gas from oil wells that would otherwise be flared | |
| Amount of Reductions | 1,496,934 metric tonnes CO ₂ equivalent per annum | |
| Fee level | USD 297886.8 | |
| Registration Date | 09 Nov 06 | |
| Crediting Period | 09 Nov 06 - 08 Nov 16 (Fixed) | |

Additional data are available: <u>http://cdm.unfccc.int/Projects/DB/DNV-CUK1155130395.3/view</u>

| Table 5. | Clean Development Mechanism Project in SOUTH AFRICA: Project 0966 : Mondi Richards |
|-------------|--|
| Bay Biomass | Project |

| Project title | Mondi Richards Bay Biomass Project |
|---------------------------|---|
| Host Parties | South Africa, involved indirectly Authorized Participants: Mondi Business Paper South Africa |
| Other Parties Involved | n/a |
| Sectoral scopes | 1 : Energy industries (renewable - / non-renewable sources) 4 : Manufacturing industries |
| Activity Scale | LARGE |
| Methodologies Used | Fuel switch from fossil fuels to biomass residues in boilers for heat generation |
| Amount of Reductions | 184,633 metric tonnes CO2 equivalent per annum |
| Fee level | USD 35426.6 |
| Registration Date | 20 May 07 |
| Crediting Period | 01 Oct 05 - 30 Sep 15 (Fixed) |

Additional data are available: <u>http://cdm.unfccc.int/Projects/DB/SGS-UKL1172139189.07/view</u>

 Table 6. Clean Development Mechanism Project in TANZANIA: Project 0908 : Landfill gas recovery and electricity generation at "Mtoni Dumpsite", Dar Es Salaam, Tanzania

| Project title | Landfill gas recovery and electricity generation at "Mtoni Dumpsite", Dar Es Salaam, Tanzania |
|--------------------------|---|
| Host Parties | United Republic of Tanzania , involved indirectly Authorized Participants: Dar es Salaam City Council; Consorzio Stabile Globus |
| Other Parties Involved | n/a |
| Sectoral scopes | 13 : Waste handling and disposal |
| Activity Scale | LARGE |
| Methodologies Used | Consolidated methodology for landfill gas project activities |
| Amount of Reductions | 202,271 metric tonnes CO2 equivalent per annum |
| Fee level | USD 38954.2 |
| Registration Date | 02 Jun 07 |
| Crediting Period | 01 Jul 07 - 30 Jun 17 (Fixed) |

Additional data are available: http://cdm.unfccc.int/Projects/DB/DNV-CUK1169853184.14/view

 Table 7. Clean Development Mechanism Project in TUNISIA: Project 0487 : Djebel Chekir Landfill Gas Recovery and Flaring Project – Tunisia

| Project title | Djebel Chekir Landfill Gas Recovery and Flaring Project – Tunisia |
|----------------------------------|---|
| Host Parties | Tunisia Authorized Participants: Agence Nationale de Gestion des Déchets(ANGED) |
| Other Parties Involved | n/a |
| Bilateral and Multilateral Funds | Italian Carbon Fund (ICF) Managing company: International Bank for Reconstruction and Development (IBRD) Italy, involved directly |
| Activity Category(ies) | Waste handling and disposal |
| Activity Scale | LARGE |
| Methodologies Used | Consolidated methodology for landfill gas project activities |
| Amount of Reductions | 369,664 metric tonnes CO2 equivalent per annum |
| Fee level | USD 72432.8 |
| Registration Date | 06 Oct 06 |
| Crediting Period | 01 Jan 07 - 31 Dec 16 (Fixed) |

Additional data are available: http://cdm.unfccc.int/Projects/DB/DNV-CUK1151885381.07/view

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