

Statement on agriculture and carbon emissions trading

17th UNFCCC Conference of the Parties: Durban, South Africa

2 December 2011

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President Jacob Zuma has committed the South African presidency of the CoP to producing a decision to start an agricultural work program as a Durban "deliverable". What will Africa get for helping to engineer this decision, if it is agreed to by the CoP?

Developing countries have asked repeatedly for money to adapt to climate change. Yet just 5 percent of all climate finance goes to adaptation projects. The 95 percent goes to projects to reduce greenhouse gases.¹ Many of these mitigation projects produce carbon emissions offset credits to be sold to developed countries to allow them to comply with an emissions caps.

But by buying offset credits, rich country companies then won't actually have to reduce their emissions. The climate becomes harsher and Africa will have an even more urgent need for money to adapt.

In Kenya, the World Bank will pay 60,000 farmers about U.S. \$24 each over the 20 year life of a project to reduce greenhouse gases. That's a little over one dollar a year per farmer. The project has other benefits, particularly for food security. But why doesn't the Bank spend more money on adaptation, rather than spending to create offset credits to sell on the African Carbon Exchange and other financial markets? Teresa Anderson, who visited the project in the field, will tell you more about it.

An African minister of finance is rumored to have said, "carbon revenues are like a gift from heaven." We understand that African finance ministers are in desperate need of hard currency. But carbon prices in the European Union's Emissions Trading Scheme are crashing. A November 18 headline in *Point Carbon*, the carbon market's paper of

¹ Barbara Buchner et al., "The Climate Finance Landscape," Climate Policy Initiative, October 27, 2011, 6.

record, said that the market is 'evaporating'.

What planet is the African finance minister living on to believe that carbon revenues are heaven sent? The Bank discounts the value of soil carbon emissions credits by 60 percent because the science is so uncertain about how much carbon can, be captured in soil. With so much uncertainty and the EU market refusing to accept soil carbon credits, we view soil carbon not as a heaven-sent gift but as a toxic resource curse.

Not only will African soil carbon credits generate tiny revenues for farmers, but the soil carbon projects will allow the biggest polluters to continue to pollute. African communities, among the most vulnerable to climate change, will suffer from the continued failure of rich countries and companies to finance adaptation projects, particularly for agriculture, the main source of African livelihoods. If that isn't a curse, I don't know what is.