

To: African Agriculture and Environment Ministers
Date: November 22, 2011
Subject: Durban COP17, agriculture and soil carbon markets

We, the undersigned civil society organisations from Africa and around the world, strongly object to a decision in Durban for an agriculture work programme focused on mitigation, which would lead to agricultural soils and agroecological practices being turned into commodities to be sold on carbon markets, or used as sinks to enable industrialised countries to continue to avoid reducing emissions.

African ministers have been urged by the World Bank to endorse this approach, coined as “climate smart” agriculture. Yet legitimizing soil carbon offsets through a mitigation-based agriculture work programme will further destabilize the climate, fail to tackle the real causes of agriculture emissions, present a major distraction from the need to generate public finance, and exacerbate social injustice by shifting the burden of mitigation onto developing countries - especially their small producers. Soil carbon offsets also have the potential to drive a new speculative land grab, further undermining food sovereignty and the right to food.

At the Durban COP17 negotiations, African and other developing country leaders must:

- 1) **Reject** soil carbon markets and an agriculture work programme that is framed within discussions on mitigation.
- 2) **Demand** that Annex 1 countries show political will and honour their legal obligations to new and additional finance to developing countries, for example with direct, annual contributions to the Adaptation Fund, instead of wasting public finances on propping up carbon markets that are doomed to fail.
- 3) **Demand** innovative sources of finance such as a Financial Transaction Tax (to draw a tiny percentage from international financial transactions) or use of Special Drawing Rights (SDRs, issued by the International Monetary Fund). These could generate billions of dollars for developing countries to address adaptation challenges in Africa and elsewhere.

Soil Carbon Markets will fail our climate, small producers and developing country governments:

- The difficulty in measuring carbon sequestered in soil means that numbers must be largely based on assumptions instead of being scientifically verified. The complication and high cost of developing systems for the monitoring, reporting and verification (MRV) of soil carbon will chiefly benefit carbon consultants and companies in North America and Europe – and not the smallholder farmers and herders in Africa and elsewhere. Creating the complex infrastructure for soil carbon mechanisms is an expensive and **dangerous diversion from directly financing the well-documented adaptation needs of small-scale agriculture.**
- Corporations, governments and industrial agricultural production systems in Annex 1 countries are allowed to continue emitting greenhouse gases while supposedly meeting their mitigation targets through offsets. This reliance on offsets not only shifts the responsibility for addressing climate change onto developing country governments and small producers, but also distracts from the priority of addressing the serious adaptation challenges resulting from climate change.

- COP17 approval of such a work programme could pave the way for costly and unproven technological fixes such as genetically modified organisms (GMOs) and other patented technologies and practices as solutions for “climate smart” agriculture. These technologies are not only prohibitively costly for developing countries, but also create new forms of corporate control over agricultural plant and animal genetic resources.¹ Their safety is in doubt, and environmental, social and economic harm has already occurred from their use. They threaten to hinder rather than enhance agricultural adaptation to climate change.

Second, African ministers and other developing countries are falsely being promised agriculture and climate finance through carbon markets. Yet carbon markets are in crisis, and are clearly failing to generate finance or benefits for developing countries:

- Carbon markets are an over-hyped, unreliable, volatile and inequitable source of funding for Africa. In spite of the vast volumes of money currently associated with carbon markets, only a tiny fraction of this goes to projects on the ground. In 2009, out of a total global carbon market volume of \$144 billion, just 0.2% of this was for project-based transactions². The remaining 99.8% was captured by large consultants’ fees and profits for commodity speculators, who trade carbon on international commodity markets like any other financialised product.
- Communities and governments’ public funds are expected to bear the huge implementation and pre-financing costs of projects. The implementation costs of land management methods are many times higher than the returns from the carbon market, while, to judge by Kenya’s pilot soil carbon market project, half of the projected returns are needed to cover transaction costs such as administration. The financial returns from offsets will barely trickle down to farmers, if at all. Such projects are therefore either financially unviable, or will continue to need public funding to survive.
- Carbon markets suffer from structural weaknesses that make them highly susceptible to fraud and manipulation, thereby making them unreliable for climate finance and development planning.
- The global price of carbon is already too low and volatile to deliver reliable finance to projects. Analysts predict that with commodity markets facing turmoil, and carbon markets facing a likely flood of new offset products, the price of carbon will only go down. This makes them a disastrous solution for food sovereignty, improved rural livelihoods and the agriculture adaptation needs of small producers.
- Given the technical challenges and scientific uncertainties about the actual sequestration of carbon in soil, this makes for a poor “tradable asset”. Given these uncertainties, soil carbon offset credits are ineligible for the European Emissions Trading Scheme – representing 97% of the global compliance market - until at least 2020.

¹ Seventy-five percent of patent applications worldwide on so-called “climate genes” are held by transnational seed and agrochemical companies such as Monsanto, BASF, DuPont and Syngenta.

² World Bank, State and trends of the carbon market 2010. Project transactions include the CDM, JI and voluntary carbon market

Soil carbon and other agriculture offsets will not bring adequate, predictable, additional or reliable finance for adaptation or mitigation in Africa and elsewhere. Instead these quasi-markets will require massive public funds for pre-financing, and serve mostly to generate profits for commodity speculators in the North.

The focus on carbon markets also provides a distraction from urgent conversations on how to generate public finance to help developing countries to confront climate change. In 2009, developed countries committed to generate \$100 billion per year for adaptation and mitigation in developing countries from public and private sources. To date, political energy has mostly focused attention on ways to generate and leverage private finance – usually by using public funds to prop up failing carbon markets. At the same time, developed countries have largely ignored the potential of numerous approaches that could be used to generate public finance (such as a tiny tax on financial transactions, or levies in the shipping and aviation sectors) which could go in part to support smallholder farmers and agricultural systems in developing countries.

The Kenya Project on Agricultural Carbon is not replicable without public funds:

The World Bank and SIDA-supported pilot project in Kenya is being used to convince African governments that this is a workable solution for agriculture investment. Yet even the project proponents admit that farmers will not benefit from carbon payments: they are only likely to earn between \$5 and \$1 per year. The World Bank has bankrolled the payment of carbon consultants to develop a “simplified” carbon methodology with the intent to duplicate it elsewhere, while SIDA funding is making up the difference. The project suffers from high transaction costs (up to half of the estimated revenue), low returns to farmers and uncertain environmental benefits due to the problems with soil carbon measurement. Without the World Bank’s support of guaranteed minimum carbon price and SIDA’s pre-financing, the huge required investment and low returns mean that this model is not replicable for other African countries.

We believe that agroecological practices are a key strategy for adaptation, mitigation and increased yields for African farmers. But these approaches cannot come packaged with, or be structured for, carbon offset credits. The critical issues of agriculture, food security and climate change have in fact been assessed at length in the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD). Ministers should consider whether IAASTD policy options on climate change and food security, approved by more than 50 governments in Johannesburg in April 2008, are suitable for adoption in their countries. The UN Committee on World Food Security (CFS) is also charged with addressing the linkages of climate change and food security in the coming year. The CFS process is inclusive and allows space for genuine civil society input.

The right to food must be at the heart of any discussions related to agriculture and climate change. Launching a mitigation-based framework on agriculture and climate change is therefore premature and short sighted.

Sincerely,

ActionAid International
African Biodiversity Network
The Gaia Foundation (UK)
Institute for Agriculture & Trade Policy (USA)

Signatories

International Organizations

BiofuelWatch

ETC Group - International

Friends of the Earth International

Global Forest Coalition

Global Justice Ecology Project

International Food Security Network (IFSN), ActionAid International

Third World Network

Africa

Pan African Climate Justice Alliance (PACJA), on behalf of its 300 member organizations

350.org Durban, South Africa

Adnan Bashir Productions, South Africa

African Centre for Biosafety, South Africa

Adventist Development and Relief Agency, Tanzania

Bernadette Lubozhya, Landgrab Activist, Zambia

Biowatch South Africa, South Africa

Brainforest, Gabon

CVM/APA, Tanzania

Earthlife Africa eThekweni, South Africa

Earthlife Africa Joburg, South Africa

Eastern and Southern Africa Small Scale Farmers Forum (ESAFF),

ESAFF--Burundi

ESAFF--South Africa

ESAFF--Uganda

ECOPEACE, South Africa

Espoir Pour Tous, Democratic Republic of Congo

Fathers 4 Justice, South Africa

FOE Mauritius, Mauritius

Forum for Social Studies (FSS), Ethiopia

Forum pour la gouvernance et les droits de l'homme (FGDH), Democratic Republic of Congo

Greenpeace Africa, Democratic Republic of Congo

Guinee Ecologie, Republic of Guinea

Human Rights Network, South Africa

Improved Stoves Association of Kenya

Inades Formation/Burkina, Burkina Faso

Isis - Informal Settlement in Struggle, South Africa

KUTA-Security, South Africa

Le Réseau des communicateurs de l'environnement (RCEN), Democratic Republic of Congo

Les Amis de la Nature et des Jardins (ANJ), Democratic Republic of Congo

Lymbai Institute of Development, Zambia

Maendeleo Endelevu Action Program (MEAP), Kenya

Manenbers Social Ideology Collective, South Africa

Noordhoek Environmental Action Group (NEAG), South Africa

Rescope Programme, Malawi

Safe Food Coalition, South Africa

South Durban Community Environmental Alliance, South Africa
Surplus People Project, South Africa
Swissaid Tanzania
tanCert, Tanzania
Tanzania Organic Agriculture Movement, Tanzania
The Living Ghoen, South Africa
The Sustainable Development Institute / Friends of the Earth Liberia
Timberwatch Coalition, South Africa

Asia

Jubilee South Asia/Pacific Movement on Debt & Development
Beyond Copenhagen Coalition (a collective of 42 organisations), India
Focus on the Global South, Thailand
HuMa (Association for Community and Ecology-based Law Reform), Indonesia
Taiwan Environmental Protection Union, Taiwan

Latin America

Centro Ecológico, Brazil
COEKOCEIBA-Friends of the Earth Costa Rica, Costa Rica
Plataforma Boliviana Frente al Cambio Climático / Bolivian Climate Change Platform
Sobrevivencia, Paraguay

North America

Biomass Accountability Project, United States
Farmworker Association of Florida, United States
Indigenous Environmental Network, United States
Mangrove Action Project, United States
PLANT (Partners for the Land & Agricultural Needs of Traditional Peoples), United States
Susila Dharma International Association, Canada
Sustainable Energy and Economy Network, Institute for Policy Studies, United States

Europe

Africa Europe Faith & Justice Network (AEFJN), Belgium
AEFJN Antenne Madrid, Spain
Antenne Italienne AEFJN, Italy
Netzwerk Afrika Deutschland (NAD), AEFJN, Germany
Africa-Europe Network, Netherlands
Agrar Koordination, Germany
Arbeitsgemeinschaft Regenwald und Artenschutz (ARA), Germany
CDM Watch, Belgium
Centre International pour les Initiatives, les Etudes et la Liaison (CIIEL)
ClientEarth, United Kingdom
Committee for the Abolition of Third World Debt, Belgium
CONGOACTIF, France
Corporate Europe Observatory, Belgium
Development Alternatives, United Kingdom
Ecologistas en Acción, Spain
EcoNexus, United Kingdom
FERN
Garden Organic, United Kingdom

IBIS, Denmark
Institute for Ecology and Action Anthropology (INFOE), Germany
Les Amis de la Terre, France
Message from the Grassroots, Denmark
Naturland, Germany
NOAH - Friends of the Earth Denmark
ÖBV-Via Campesina Austria
Permanent Forum of European Civil Society, Belgium
Practical Action, United Kingdom
Pro Natura - Friends of the Earth Switzerland
Pro REGENWALD, Germany
Rettet den Regenwald e.V., Germany
Salva la Selva, Spain
Society for Conservation and Protection of Environment (SCOPE), United Kingdom
SONIA (Society for New Initiatives and Activities) for a Just New World, Italy
SWISSAID, Switzerland
Terra Reversa, Belgium
The Development Fund, Norway
The Irish Missionary Union, Ireland
World Development Movement, United Kingdom
Youth Food Movement UK, United Kingdom

Oceania

Climate Justice Aotearoa, New Zealand
Sustainable Population, Australia