The Carbon Emissions Market Bottoms Out in One South African Community

Rachael Moshman

Follow this and additional works at: http://digitalcommons.wcl.american.edu/sdlp
Part of the Environmental Law Commons, and the International Law Commons

Recommended Citation
Members of the Durban, South Africa community are not celebrating the most recent international solution for addressing climate change. The Kyoto Protocol, an international agreement to reduce greenhouse gas emissions, went into effect in early 2005 with some optimism for what a carbon emissions-based market could do for preventing climate change. For the citizens of Durban, however, the carbon emissions market is contributing to a future of continuing health concerns and life next to a toxic landfill.

Through Flexible Mechanisms in the Kyoto Protocol, countries and private companies are able to buy credits for carbon emissions reduced in other countries to compensate for the carbon emissions they are not reducing themselves.1 The Clean Development Mechanism (“CDM”) encourages developed countries and private companies to invest in emission reduction projects in developing countries in exchange for carbon credits that will be counted as a reduction in the funder’s overall carbon emissions output.2

The funding of carbon emission reduction projects for the developing world is an attempt to address the inequitable impact that developing countries experience from climate change. The developed world has been contributing to climate degradation since the first days of industrialization. Since 1850, 80 percent of all carbon dioxide emissions have come from developed countries, and developed countries will continue to contribute far more than developing countries for some time to come.3 Meanwhile, although climate change is caused disproportionately by the industrialized world,4 developing countries are more susceptible to natural disasters brought on by climate change.5

Apparently recognizing the unequal impact of climate change on developing countries, the World Bank approved the creation of the Prototype Carbon Fund (“PCF”) on July 20, 1999.6 The PCF aims to reduce climate change and promote the World Bank’s goals for sustainable development.7 While PCF projects are meant to attract investments in developing countries under the CDM,8 it is possible the World Bank also recognized an opportunity for profit in a burgeoning carbon emissions market. The World Bank has established itself as a broker of carbon emission trading between the North and the South, for which it will charge a commission of eight to ten percent.9 Though the World Bank claims it charges the commission only to cover costs, a memo leaked from the World Bank in 1999 estimates that the bank saw its involvement as brokers bringing a potential profit earning of $100 million in just the first year.10

In the meantime, complaints about PCF projects, which have now been established all over the developing world,11 have been surfacing from the communities that are supposed to be benefiting from these projects. Durban, South Africa, a community predominantly populated by people of color,12 is home to the Bisasar Road landfill, which was established during apartheid.13 The South African Government used the landfill to deposit toxic waste coming from mostly white communities.14 Once an area full of beautiful biological diversity, Durban has become a toxic, foul-smelling wasteland suffering from increased cancer clusters in the immediate vicinity of the landfill.15

* Rachael Moshman is a J.D. and M.A. (International Affairs) candidate, 2006, at American University, Washington College of Law and the School of International Service.
Durban received election-time assurances from the African National Congress that the site would be closed. However, in 2002 the World Bank promised profits for the mayor of Durban in exchange for implementing a project that would capture methane gas escaping from the landfill and convert it into electricity. The World Bank receives $15 million dollars for the Durban Landfill Gas to Energy project from funders looking to trade in carbon credits. While the World Bank promises that the project positively affects local groundwater and air quality, creates a small increase in skilled local jobs, and brings profit for the municipality, the quality of life of people living near the landfill continues to be debilitated. Cancer remains a threat, and now the power plants that generate electricity from the landfill’s captured methane produce noise and toxic gases, such as benzene and formaldehyde.

With the World Bank choice to fund PCF projects such as the Durban site, which represents relatively profitable pickings when compared to projects that could bring real sustainable change to the developing world, the developing world will continue to suffer disproportionately from climate change. Today, the people of Durban are suffering twofold from the passing of the Kyoto Protocol. Not only is this added suffering legally sanctioned by the Kyoto Protocol, but the developed world can continue to emit carbon dioxide because it has been granted that right by the funding of a harmful project.

ENDNOTES:


5 See *Global Warming, supra* note 2, listing the following factors: large numbers of people are living in disaster prone areas (low-lying coastal areas and small island states), heavy reliance on natural resource based economic activity, poor infrastructure, lack of economic resources for disaster readiness and rehabilitation.


7 *Id.*

8 *Preparing the Birth of the Carbon Economy*, Det Norse Veritas, Oct. 2003, available at http://www.dnv.com/publications/dnv_forum/by_sub-ject/certification/Preparingthebirthofthecarboneconomy.asp (last visited Mar. 13, 2005). Ken Newcombe, manager of the PCF, said, “It is a key role for the World Bank to help the developing world benefit from the enormous investments required by the developed countries to combat the climate change problem. Our mission is to pioneer the market for project-based greenhouse gas emission reductions within the framework of the Kyoto Protocol and to contribute to sustainable development.”


10 *Id.* The role of broker by the World Bank appears to be a unilateral appointment, not requested by the signatories of the U.N. Climate Convention, the Kyoto Protocol, and even discouraged by US Treasury officials recognizing a potential conflict of interests.


14 *Id.*

15 *Id.*

16 Vedantam, *supra* note 12.


18 PCF Projects, *supra* note 11.
