



# The Potential Impact of a Climate Agreement on Food Security, the Right to Food and Climate Change

## Is the United Nations becoming a Framework Convention on Carbon Credits?

By Robert Jordan – IFOAM Advocacy Manager – 29 November 2010

Note: The following analysis is informed by the [IFOAM CoP16 Background Briefing Paper](#) which reviews the status of the UNFCCC ahead of Cancun.

The 'United Nations Framework Convention on Carbon Credits' is well on the way to being formed. Long pushed for by leading GHG polluting developed countries with increasingly uncompetitive economies it could be finally endorsed in Cancun. The 'UN Carbon Market' will be formed if the Copenhagen Accord is finally merged with the market mechanisms of the Kyoto Protocol under the umbrella text of the Long-term Cooperative Action. The UN Carbon Market will enable developed countries to avoid their historical responsibility and grow their economies through the mass creation of markets in developing countries for their GHG 'abating' technologies and innovative financial services – all under the guise of fighting climate change.

The UN is establishing linked Technology and Finance Mechanisms that will facilitate the mass transfer of products and services from the North to the South that are aligned with the inventories of Nationally Appropriate Mitigation Actions (NAMAs). Models of how such technology transfer may work in practice already exist. [Large agribusiness interests](#) already have public-private partnerships (PPPs) with national governments in Africa that blur the boundaries between public policy and private investment and which facilitate massive market penetration.

A new category of 'rights' (e.g. carbon rights) will be developed for protecting the investments of project developers and financiers which will effectively expand the stranglehold of multi-national corporations on the control and manipulation of the developing worlds natural resources (land, water, ecosystems, genes etc). The groundwork facilitating this control has already been largely done by the economic restructuring work carried out by the World Bank Group over the last decade to facilitate foreign direct investment (FDI) – particularly in Africa.

If an agreement is reached within the UN process or, if after Cancun the only surviving international agreement or process is the Copenhagen Accord (signed onto by 140 of the 194 signatories to the UNFCCC), the essence will be very much as outlined above. The international response that the world was expecting in Copenhagen, only one year ago, will be reduced to a giant carbon market mechanism driven by developed countries that exploit the high mitigation potential of the South to establish new low cost manufacturing bases for the generation of carbon credits and commodities. Any adaptation benefits will be purely incidental 'co-benefits'.

For more information on [IFOAM](#) and what we strive for check out our [Declaration of Living Change](#), our [Principles](#) and [Definition](#), our [Advocacy Priorities](#) and why [certification is only a small part of what we do](#). For more information on how ecological and participatory based farming systems can **REDUCE** rather than **INCREASE** GHG emissions by 32% per year check out the IFOAM guide to [High Sequestration Low Emission Food Secure Farming](#).



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## The Impact of Carbon Credit Mechanisms

### *Background to agriculture in the talks*

Agriculture has been included in both the Convention and its legally binding protocol (The Kyoto Protocol (KP)) from their inception. It is only recently that it has come to the fore within the UNFCCC and is now in both the negotiating tracks (long term cooperation action (LCA) track and the KP) connected with determining the future of the framework post 2012. Previously agriculture was placed in the 'too hard basket' especially in terms of how to ensure permanence of carbon sequestration. Many felt that such issues of measurement and permanence of carbon sequestration in the forest sector should first be resolved before tackling the more difficult agriculture sector. Forestry is now well developed within the negotiations, with REDD+ being fast-tracked for approval in Cancun.

The prominence of agriculture within the UNFCCC mirrors its status now as a key international issue due to the renewed focus on food security that was prompted by higher than normal international food prices in 2008. Since then food prices have remained volatile due to increased demand for meat in developing countries, increased demand for bio-fuels, increased investment and speculation in agricultural land and commodities and of course the increasing severity and frequency of incidents associated with climate change (droughts, floods, storms, high & low temperatures etc). However as a global community we have had a food crisis for a long time. Since the late 1960's the number of hungry people hasn't dropped below 750 million and peaked in 2009 at just over 1 billion. The number of malnourished people in 2010 is estimated by the FAO to be 925 million. Land grabbing has also become a major issue in recent years with approximately 50 million hectares of farm land in developing countries (especially Africa) passing into the control or ownership of private or governments from more developed countries.

The ongoing credit and economic crises the governments of developed nations are now pulling back on their responsibility to compensate poor countries for the impact that global warming has caused. They are reluctant to enforce emission reductions on their domestic industrial sectors in fear of making them less competitive. Instead they are looking to outsource emission reduction to the developed world. With stagnant economic growth developed nations are building on the concept of the CDM which allowed Annex 1 signatories to the KP to invest in emission reduction projects in developing countries as a means of reaching their emission reduction targets in a more cost effective manner. Not only does this avoid costly changes to polluting infrastructure in their domestic economies it also provides new markets for their 'clean' technologies.

### *Soil carbon – the new commodity*

Developed countries now see soil carbon sequestration potential as a cheap method of earning credits to offset / avoid their own emissions and as a huge market opportunity to transfer their agricultural technologies and knowledge (consultancy services) to produce commodities in the South – including the new commodity of carbon credits. Carbon market proponents argue that creating a global market will allocate capital to the most cost-effective emissions reductions. This increases the burden on the South to mitigate the emissions of the North and creates a powerful market mechanism that may overwhelm developing countries and further expose their economies to external interests.



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While the developing nations are looking for policies based on survival, the developed countries are looking at the climate negotiations from a business case perspective only. They look for win – wins in which mitigation is a business opportunity. It is not surprising that developed countries are scrambling to identify where the mitigation potential lies within the developing world. According to the IPCC 4<sup>th</sup> Assessment Report 70% of the technical mitigation potential of agriculture is in developing countries and of this 89% is believed to be due to the soil carbon sequestration potential of agricultural soils.

#### *Nationally Appropriate Mitigation Actions (NAMAs)*

The establishment of NAMAs encourages developing nations to identify ‘whole of country’ and ‘sector specific’ mitigation actions. These are now linked to the funds pledged under the Copenhagen Accord. Already under the guise of food security powerful agribusiness corporations’ backed by their governments are pushing governments in the developing world, particularly in Africa, to enter into Public Private Partnerships (PPPs). NAMAs will be targeted by such corporations in order to increase the markets for their technologies on a national scale and as a mechanism to systematically exploit the mitigation potential of developing nations. It is unfortunately ironic that industrial agriculture which causes up to 32% of all annual GHG emissions maybe rewarded and incentivized by the UNFCCC and its advisory bodies.

Already fertilizer and pesticide manufacturers through PPPs are trying to push their products onto poor farmers on a massive scale (referred to as bottom of pyramid (BoP) marketing). Rather than build the resilience of the actual farm and the community the use of costly carbon (fossil fuel) intensive external inputs puts poor farmers into debt perhaps for the first time and makes them reliant on these inputs. NAMAs will ‘legitimize’ the transfer of these technologies and an expanded carbon market will make it even more financially attractive by generating carbon credits. Under an expanded and simplified carbon market fossil fuel intensive fertilizers will earn credits for any savings that their suppliers can demonstrate against normal (bad) practice. For instance Clean Development Mechanism (CDM) type methodologies that can demonstrate reduced emissions from fossil fuel intensive fertilizers whether in their manufacture or application will be rewarded even though they cause significantly more emissions in their production, distribution and utilization than locally sourced organic inputs.

#### *Incentivizing ‘economies of scale of pollution’*

Bad or even worst practice is already rewarded in the agriculture sector for specific projects under the current CDM. Intensive livestock operations (ILOs), in which thousands of animals are concentrated in feeding lots, generate methane and nitrous oxide emissions on a huge scale. They also rely upon the import of grains from developing nations that drives deforestation and carbon emissions and diverts grains away from human consumption. The CDM rewards this practice by issuing carbon credits from the capture of the GHGs from the massive levels of pollution that is generated. The scale of these operations results in ‘**economies of scale of pollution**’ which makes their capture financially viable and attractive – CDM methodologies and the carbon market are designed to reward such practices and turn emissions into yet more products (e.g. biogas). There is much less interest in cutting real emissions.

The carbon market therefore incentivizes the production of GHGs. Industrial agricultural practices that are the most successful at generating large quantities of GHGs and concentrating them in one place (captured) where they can be easily, accurately and cost effectively measured



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and then captured will ‘earn’ credits as a by-product. Carbon markets in agriculture will drive the production and capture of GHGs - it will not incentivize emission reductions at their core - emissions will increase not decrease. It will also subsidize the high capital costs associated with industrial agriculture that rely upon scale and intensification to be viable.

Ecological based farming systems, on the other hand, are [high sequestration, low emission and food secure](#). They have much lower emissions due to the avoidance of fossil fuel intensive inputs; they actively include rather than actively exclude carbon rich biodiversity and ecosystems and increase carbon sequestration in soil by 500 to 1000kg per hectare per year MORE than industrial systems without the need for carbon credits. Ecological based farming systems affordably and effectively build the actual resilience of the farm rather than outsourcing resilience and productivity to costly, price sensitive, polluting and finite chemical inputs.

Carbon markets under the UN will insist on onerous Monitoring, Reporting and Verification (MRV) requirements which place developing countries, small farms and complex / diverse farming systems at a disadvantage (small producers from any sector – not just farming). Developing countries will require consultants to help them build capacity in accessing carbon markets and meeting MRV requirements. The same consulting firms will use their access to nations in the developing world to sell carbon credit generating projects to present packages of technologies and finance partners to implement NAMA programs. Rather than encouraging a shift toward affordable and sustainable ecosystem-based farming that increases food accessibility for the world’s poor, policies will favor industrial scale inputs, practices and operations. The transaction costs involved in generating and selling carbon credits, including project development and project implementation including MRV, are proportionally much higher for small farms than large farms and for diverse systems than monoculture-based systems. Proponents of industrial systems will use the generation of carbon credits to justify (green-wash) their operations.

Acting as a catalyst the finance industry will drive the development of agricultural projects that maximize financial returns through the combination of industrial commodity production and carbon credits. The inclusion of agriculture in market-lead or market influenced mechanisms (e.g. CDM) and policies (e.g. NAMAs) will overwhelm small producers. This is particularly serious in food production as small producers produce approximately 70% of the world’s food. The proliferation of industrial agriculture will accelerate ecosystem destruction and hunger as small holders are pushed from their land to make way for carbon market projects.

**not just CARBON**

Food production is essential. Farming must not be reduced to carbon alone. It must not primarily become a mitigation tool. Farming’s major goal must be to provide sufficient healthy food that is accessible to all people. The primary focus of agriculture within the UN Climate Framework should be on adaptation, supporting the Right to Food and halting agricultural practices that result in massive GHG emissions. In agriculture climate mitigation is being hijacked and green-washed by carbon sequestration rather than emission reduction. This will reward farmers for captures while ignoring and failing to address emissions. In fact it will encourage the continuation of bad practice as it creates a smokescreen that hides the detrimental impacts of industrial agriculture.



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The recommendations of the IAASTD report are clear that ‘business-as-usual agriculture’ is not an option if we are to feed the world. Systems that provide high and affordable adaptation potential and which prohibit the destruction of primary ecosystems must be prioritized by the UN rather than those which can more cost effectively generate carbon credits – regardless of overall impacts. UN climate policies, mechanisms and funding must first ‘do no harm’ and therefore not weaken smallholders nor must they do anything that accelerates the destruction of the world’s ecosystems that are essential for climate regulation. Instead the UN can do the opposite by ensuring policies and mechanisms strengthen smallholder farming through capacity building in ecological intensification.

Organic agriculture prohibits the clearance of primary ecosystems and offers an affordable means to effectively adapt to climate change. Rather than outsourcing or ‘buying-in’ resilience and productivity in the form of expensive input products organic practices build the resilience and productivity of the actual farm. Organic farming minimizes emissions and maximizes sequestration. Above all it enables affordable, highly resilient and productive farming systems that reduce hunger by increasing access to food through improving rather than destroying rural livelihoods. Organic farming puts the needs of people before commodities and provides multiple benefits - **not just carbon**.

**Achim Steiner –Executive Director of the UN Environment Program (UNEP)**

*“We need to challenge the view that the only road to agricultural intensification, and therefore higher yields, is through artificial inputs from fertilizers to hybrid seeds. We surveyed African subsistence farmers and when they moved to intensive organic agriculture their yields increased 50%, 80%, even 100%.” – [Oct 2010](#)*

**Olivier De Schutter - the United Nations Special Rapporteur on the Right to Food**

*The industrial approaches which are currently promoted make food production increasingly dependent on fossil fuels, oil and gas, at the very same moment that the extraction of these resources is nearing its peak. Agriculture choosing this path is agriculture committing suicide. This can change. We can improve the resilience of agriculture to climate change by combining diverse crops on the same farm, by planting more trees, and by developing water harvesting techniques to moisture the soil. The classic "green revolution" approaches should be fundamentally rethought to achieve this - [October 2010](#)*

**Olivier De Schutter - the United Nations Special Rapporteur on the Right to Food**

*Agriculture is already directly responsible for 14 percent of man-made greenhouse gas emissions – and up to one third if we include the carbon dioxide produced by deforestation for the expansion of cultivation or pastures. Keeping blindly on the track of industrial agriculture is clearly unsustainable and also detrimental to the right to food of millions of small-holder farmers and other vulnerable communities - [November 2010](#)*



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