

Gangster Squad, the FCPF and the Carbon Fund

Chris Lang

<http://redd-monitor.org>

August 2014

“Don't shoot where it is, son. Shoot where it's gonna be.”



What is the FCPF is really trying to achieve?

The FCPF is the World Bank's vehicle for developing a functioning and credible carbon market for REDD, to be included in the post 2020 climate regime.



“The facility’s ultimate goal is to jump-start a forest carbon market that tips the economic balance in favor of conserving forests.”

Benoit Bosquet, World Bank senior natural resources management specialist, 2007

<http://go.worldbank.org/1ELJCN2F60>

Why it is trying to achieve this?

The World Bank has a blind faith in carbon trading. While several companies and commercial banks have closed their carbon desks, the World Bank employs 200 full-time staff working on carbon markets.

Building the Next Generation of Carbon Markets:

- [Carbon Partnership Facility](#)
- [Forest Carbon Partnership Facility](#)
- [Partnership for Market Readiness](#)
- [Carbon Initiative for Development](#)
- [BioCarbon Fund Tranche 3: Initiative for Sustainable Forest Landscapes](#)

Kyoto Funds and Facilities:

- [Prototype Carbon Fund](#)
- [Community Development Carbon Fund](#)
- [BioCarbon Fund](#) Tranche 1 | Tranche 2
- [Netherlands CDM Facility](#).
- [Netherlands European Carbon Facility](#)
- [Italian Carbon Fund](#)
- [Danish Carbon Fund](#)
- [Spanish Carbon Fund](#)
- [Carbon Fund for Europe](#)
- Umbrella Carbon Facility - [Tranche 1](#) | [Tranche 2](#)

Shaping the Next Generation of Carbon Markets...

The PMR is a forum for collective innovation and action and a fund to support capacity building to scale up climate mitigation.

[Read More »](#)



PMR Participants: Learn about the efforts countries are making to reduce greenhouse gas emissions using market-based mechanisms. [Read More >>](#)



PMR Meetings & Workshops: See materials from PMR Partnership Assembly meetings and technical workshops. [Read More >>](#)



PMR Knowledge Center: Access knowledge tools for carbon pricing policy development and implementation. [Read More >>](#)

Photo Gallery

Stepping Up to the Challenge: Domestic Climate Action & Carbon Pricing Instruments



Events

- ▶ [Partnership Assembly Meeting \(PA10\): Santiago Nov 03, 2014 to Nov 04, 2014](#)
- ▶ [Preparing for Carbon Pricing Policies: A Business-Government Dialogue \(May 2014\) May 27, 2014](#)
- ▶ [Partnership Assembly Meeting \(PA9\): Cologne May 25, 2014 to May 27, 2014](#)



News



Una alianza internacional para reducir las emisiones del planeta



Australia and China

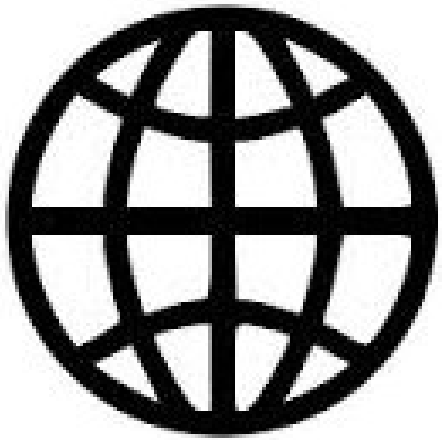
What is driving it?

The argument goes like this: To cut emissions from forests in half by 2030, we need US\$17-33 billion each year. To get this sort of money, we need private sector financing, in addition to government investment. The private sector doesn't just hand out cash - therefore we need carbon markets.

What implications does this have for what the FCPF claims it is doing?

Earlier this year, having raised around US\$0.5 billion for the FCPF and Carbon Fund, the Bank started to look at the price of REDD credits. And decided that they would cost less than US\$5, because countries weren't willing to pay any more. This isn't enough to make REDD work, but that doesn't matter to the Bank, because the Bank's aim is to create a functioning REDD carbon market.

Two of the problems with the FCPF:



1. The World Bank



2. Carbon trading





“There are clearly risks to REDD and specifically risks to Indigenous Peoples and we are well aware of these risks. But from our point of view there are also opportunities. Otherwise obviously we wouldn’t be doing this. I mean we’re not that mean.”

Benoit Bosquet, 2009 (<http://wp.me/pl198-w3>)



“We built a big dam in Laos. We relocated 5,000 Indigenous Peoples but with their full agreement. So just please understand that institutions evolve and we are doing our best and we want your help and advice and tell us where we are not doing well and we will do our best. Thank you.”

Navin Rai, Lead Social Development Specialist and Coordinator for Indigenous Peoples, World Bank, 2009



Nam Theun 2 dam

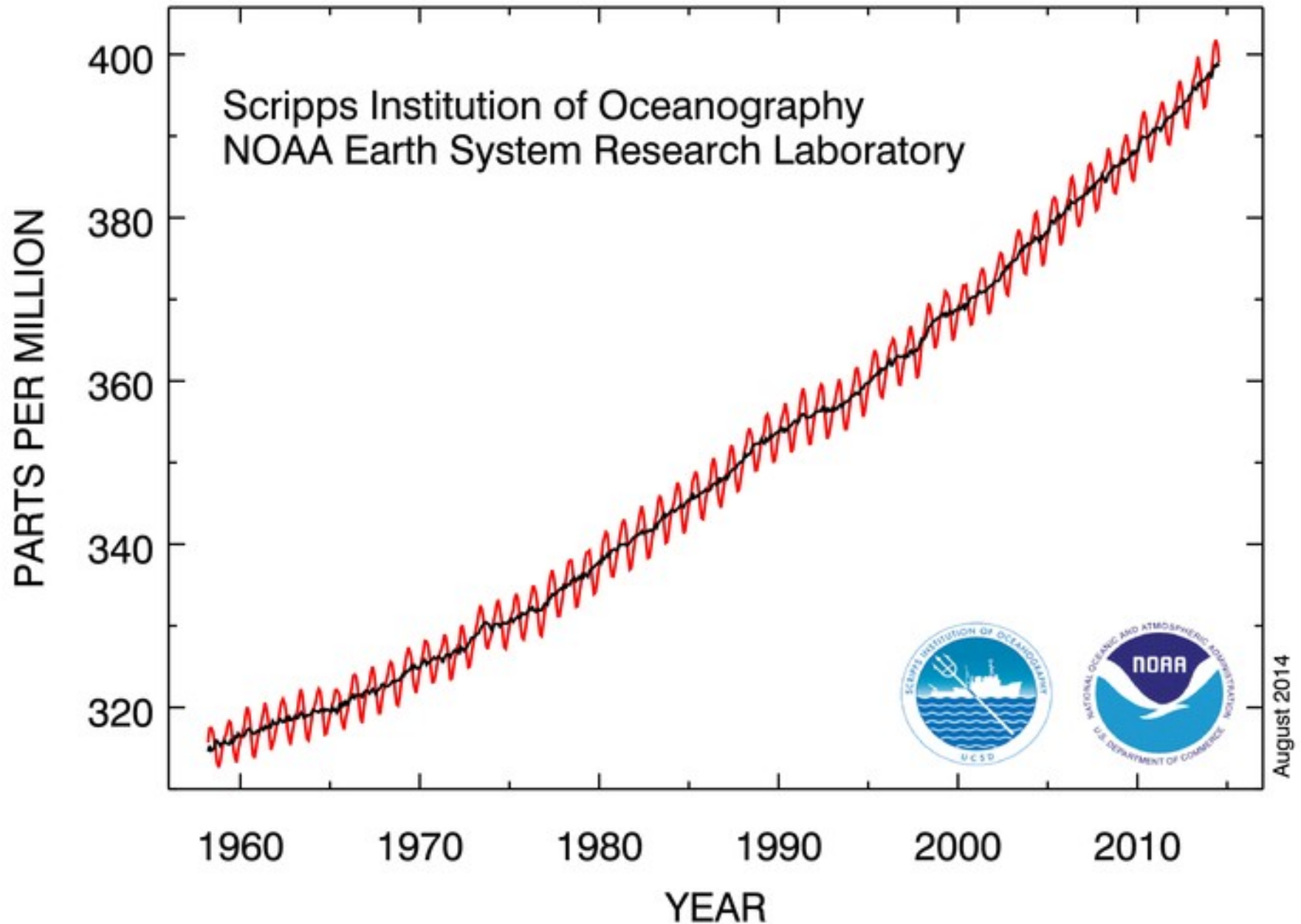
- Reservoir area 450 km², US\$1.25 billion, 1070 MW.
- 6,300 people were evicted. For more than a decade, BPKP, a Lao military logging company, cleared the forests on the Nakai Plateau.
- The Bank's “consultation” took place several years after logging had started.
- Laos is a single party totalitarian nominally communist regime.



“After the day-long sessions of PowerPoint presentations of maps, schemes, and diagrams, she interviewed the attendees – forest dwellers who had been brought down to the town to fill the consultation. She learned that a high percentage of them had absolutely no idea what the meeting was about.”

Michael Goldman, “The birth of a discipline: Producing authoritative green knowledge, World Bank-style”, *Ethnography*, Vol 2(2): 191–217, 2001.

Atmospheric CO₂ at Mauna Loa Observatory



“The Kyoto Protocol has made virtually no difference whatsoever to the growth of global emissions. Back in 1990 they were going up at about two parts per million, they’re now going up at about three (parts per million).”

Dieter Helm, Professor of Energy Policy at Oxford University, November 2012





*Through May 27, 2014.

Source: Thomson Reuters Point Carbon



“Having created a market based mechanism to cut carbon, a lot of people seem to expect it to behave in a non-market way and to deliver poverty alleviation, deliver sustainable development co-benefits. But fundamentally, create a market, it’s behaving the way that markets do. It chases where are the most cost effective things, where can they make the most profits. And anyone who didn’t expect a market instrument to behave in that way didn’t understand what they were doing.”

Professor Michael Grubb, Senior Research Associate,
Faculty of Economics, University of Cambridge, December
2011 (<http://bit.ly/rtDfhl>)



“There is \$10bn coming in from palm oil, \$4bn from pulp and paper, and the people who work in these concessions are many, so we cannot just stop it all or the IMF will collapse us as an economy. So please be wise about this, who will pay for that? Europe and the US has a financial crisis and who is going to help us just for the sake of climate change? Nobody.”

Hadi Daryanto, secretary-general of the Ministry of Forestry, Indonesia, October 2010 (<http://bit.ly/igO1nT>)



“REDD didn’t create an incentive to save forests, because anyone who responded to purely economic incentives would opt for palm oil. What REDD did create was a financing mechanism that might make it possible for people who wanted to save the forest to do so.”

Steve Zwick, Ecosystem Marketplace, July 2014
(<https://archive.today/xBuCx>)



“It seems to me that the real political task in a society such as ours is to criticise the workings of institutions, which appear to be both neutral and independent; to criticise and attack them in such a manner that the political violence which has always exercised itself obscurely through them will be unmasked, so that one can fight against them.”

Michel Foucault, 1971 (<http://archive.is/FjQNz>)