

Research calls for a major shake-up of carbon markets

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Research from the University of East Anglia and University of Sussex calls for a major shake-up of carbon markets

A panel of experts will meet ahead of the Durban [climate summit](#) to discuss a new report from the University of East Anglia and University of Sussex which calls for an overhaul of how markets in [carbon emissions](#) are governed.

Environmental, economic and development experts will debate whether the commitment to carbon markets is the right approach to tackle climate change at the public event 'Carbon Markets for the Poor – A Contradiction in Terms?' on November 15 at UEA London.

The event will launch a new research briefing paper which calls for a major shake-up of the way the Kyoto Protocol's Clean Development Mechanism (CDM) is governed - to promote transparency and accountability, create channels for greater public input, and ultimately ensure the benefits of sustainable development are passed to poor communities.

The paper, entitled 'Governing Clean Development: what have we learnt?' is the third in a series published as part of the Governance of Clean Development project at UEA.

The three-year Economic and Social Research Council (ESRC) funded research programme was set up to explore the politics and governance of

clean development in the energy sector.

It investigates which actors, institutions and policy-making processes involved in clean development are resulting in effective climate action and development benefits, which are not, and why.

The findings show why the CDM falls short on its promise to provide sustainable development benefits in developing countries.

The paper has been authored by Prof Peter Newell, from the University of Sussex (formerly of UEA) and Jon Phillips, from UEA's School of International Development.

Key findings:

- Stronger and more effective institutions from local to international level are required to steer the CDM toward climate and development goals.
- Local communities and the public have few opportunities to directly engage with CDM procedures and little political influence over CDM policy. Improved access to information is important but it does not do away with the need for representation of stakeholders.
- The CDM's potential to reach citizens bypassed by other forms of finance can be enhanced by aligning the mechanism with national policies and coordinated donor initiatives.
- Crucially, the political barriers to the uptake of clean technologies run deeper than carbon markets and the scope of technocratic reform programmes that have been proposed to date. Wider political changes are required in the way institutions function and politics are conducted to reward the winners from a low carbon energy economy as well as address the potential

losers.

Prof Newell said: "Our research shows that important aspects of the politics and governance of clean development are performing badly, resulting in poor outcomes for both the climate and for development. Reform is vital if the CDM is to credibly position itself as a 'win-win' mechanism for climate change mitigation and sustainable development.

"These twin goals of the CDM are undermined by poor governance and the political realities of overcoming vested interests in the energy sector. We have found a strong link between who takes the decisions and who benefits. There is a real danger that the CDM could become a 'rich man's club' of project developers, emissions verifiers and government officials, in roles that overlap and lack transparency."

Jon Phillips added: "The potential of the CDM lies in reaching sectors, regions and people that are unlikely to benefit from other forms of carbon finance. Better public engagement coordinated planning and accessibility for poor communities is needed to ensure the mechanism benefits the majority of people."

The paper will be launched and discussed at the event by leading actors and specialists in the field, including Prof Newell, who will speak about the project's findings and open a public debate on the role of carbon markets in climate policy.

The panel will be made up of leading carbon market specialists – including Adrian Rimmer, chief executive of the Gold Standard Foundation - a certification body which aims to improve the pro-poor outcomes of CDM projects, Cambridge University's Prof Michael Grubb, who is also editor in chief of the journal Climate Policy, Craig Bennett, director of Policy and Campaigns at Friends of the Earth and Dr Emily Boyd, Reader in Environmental Change and Human

Communities at the University of Reading.

The UK government's Martin Hession, chair of the CDM Executive Board, will provide reflections on key messages at the end of the debate and Simon Maxwell, a Senior Research Associate at the Overseas Development Institute (ODI) in London and chair of the [Climate Change](#) and Development Knowledge Network (CDKN), will chair the panel.

Provided by University of East Anglia

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