Carbon markets, geoengineering and other false solutions: What’s at stake at the current climate talks?

June 5, 2024

*Guest article by **Tamra Gilbertson**, Indigenous Environmental Network, and **Coraina de la Plaza**, Hands Off Mother Earth Alliance*

As global temperature records continue to be broken at unprecedented rates, delegates are gathering again in Bonn, Germany, for the 60th sessions of the Subsidiary Bodies of the United Nations Framework Convention on Climate Change (UNFCCC SB60). Over this week and next headline talks will focus on, among other things, climate finance, lessons learned from the first Global Stocktake (GST), agriculture and fleshing out the implementation of Nationally Determined Contributions (NDCs).

However, the often overlooked but crucial negotiations on Article 6 of the Paris Agreement will also be taking place. Negotiators are now racing towards the 29th Conference of the Parties (COP29)—in November this year—as the deadline for concluding key aspects of the talks, in the hope that pilot projects can be launched in 2025. Article 6 largely deals with market-based approaches to mitigating climate change—carbon pricing, carbon trading and carbon offsets—and aims to create a kind of climate stock market which will inevitably allow some companies to continue to pollute whilst others (often the same ones) make money from the sale of carbon credits.

The negotiations on this issue have been particularly challenging, and climate justice movements have continuously raised concerns over the wider human rights implications of the proposals currently on the table. In particular, Articles 6.2 and 6.4 are glaring attempts to continue to legitimise false climate solutions. Rather than reducing emissions at source, carbon offsetting ignores the root causes of climate change and is designed to delay and distract from real climate action, allowing big polluters and governments to continue with business as usual. This shifts the burden of mitigation away from those most responsible for the climate crisis, and constitutes a form of carbon colonialism.

Article 6.4 attempts to replace the failed Clean Development Mechanism (CDM) with another trading platform, sometimes referred to as the Sustainable Development Mechanism (SDM) or euphemistically as the ‘mechanism database’. To add more fuel to the fire, the CDM’s junk carbon credits continue to be traded based on a decision taken at the 28th Conference of the Parties (COP28) last December to keep the CDM rolling for a few more years. The CDM, as with every other carbon offset market, has structural flaws meaning that a large proportion of the credits being traded come from projects that do not actually reduce greenhouse gas emissions. For instance, a few years ago research found that *"85% of the offset projects used by the EU under the UN's Clean Development Mechanism (CDM) failed to reduce emissions"*. More recently, a broader body of research found even more CDM projects that were selling junk credits, including credits sold through the Teles Pires hydropower dam project in Brazil, which had damaged Indigenous and traditional communities and harmed biodiversity and fisheries.

The Teles Pires dam project is by no means unique, and many projects selling credits through established carbon markets have caused numerous human rights violations including violating the rights of Indigenous Peoples. The inherent flaws in market-based approaches to climate mitigation also tend to further entrench the inequality faced by underrepresented groups such as Indigenous Peoples and women, and favour those who have economic power.

Outside the UNFCCC negotiating rooms, we are already witnessing how carbon markets are acting as a magnet for other false climate solutions like geoengineering, which refers to large-scale technological interventions to manipulate the Earth's oceans, land and atmosphere, to "fix" the climate. Geoengineering schemes range from spraying aerosols into the stratosphere to block sunlight from reaching the Earth (Solar Radiation Management), to sucking carbon dioxide out of the atmosphere or capturing it from industrial pollution sites (Carbon Dioxide Removal (CDR)). Under current proposals, many CDR projects would be eligible for support under Article 6.4 and, in an attempt to force the large-scale roll-out of geoengineering technologies, industry and some governments are lobbying hard to include as many schemes as possible in the new carbon market structures.

Using carbon credits generated by CDR projects to offset emissions in other sectors would undermine the importance of phasing out fossil fuels and it is no surprise that this is being pushed by the fossil fuel industry in order to allow it to continue polluting. One of the many things that carbon markets and geoengineering have in common is that they are often portrayed as viable solutions to the climate crisis, but are in fact just a facade that is used to divert attention away from the urgent systemic changes that are required.

For example, Bioenergy with Carbon Capture and Storage (BECCS) is a (potentially very harmful) example of a CDR technology that is likely to be eligible for support under Article 6.4. BECCS is a technofix based on burning wood and other biogenic carbon fuels instead of fossil fuels, and is often portrayed as renewable energy that is capable of delivering "negative emissions" based on the idea that plants and trees will regrow to reabsorb the carbon that has been emitted. However, new BECCS projects will only compound the existing impacts of large-scale bioenergy generation, as exemplified by the fact that the world's largest biomass power station recently had its application for a BECCS project approved, despite continuing to source trees from clear cut old growth forests.

We are also witnessing a proliferation of open-ocean geoengineering experiments that are marketed as CDR strategies, many of which are already selling carbon offsets despite the serious risks they pose to marine environments and lack of evidence that they can safely sequester carbon long-term. For instance, Running Tides claims to be able to store carbon in the deep sea for hundreds of years and recently sank 1,000 seaweed-covered buoys into the deep ocean in exchange for carbon credits it sold to the tech company Shopify.

These geoengineering schemes do nothing to tackle the root causes of climate change; rather, reliance on speculative technofixes delays vital action to cut greenhouse gases. None have been able to demonstrate they can effectively sequester carbon or store it with any permanence, while efforts to cool the climate by increasing the Earth's reflectivity are inherently unpredictable and risk further destabilising an already destabilised climate system.

Within the UN, the Oceans Dialogue has become another entry point for geoengineering proponents to legitimise marine geoengineering. The first Ocean and Climate Change Dialogue took place at COP25, and SB60 will host the fourth dialogue, which will focus on marine biodiversity conservation and coastal resilience, and technology for the ocean. It is no coincidence that we have seen an increase in the number of pro-geoengineering events in UN spaces in recent years, including more than 40 events on marine geoengineering at COP28 last year in Dubai.

While it may seem that there is widespread support for carbon markets and the geoengineering schemes they are incentivising, there is growing resistance to these false solutions and the destruction that they are causing—and likely to cause in future—to communities and ecosystems globally. Indigenous Peoples' Organisations, civil society groups and NGOs are coming together more and more to ramp up efforts to stop carbon markets and geoengineering schemes in their tracks. Just last month, during the UN Permanent Forum on Indigenous Issues (UNPFII), the Indigenous Environment Network called for a permanent end to carbon markets. It denounced them as being an ineffective tool for mitigating climate change that harms, exploits and divides Indigenous Peoples around the world.

With Article 6 negotiations reaching a critical stage at SB60 it is more crucial than ever to make every effort to stop these false solutions once and for all.

Keep up-to-date with the HOME! Alliance's campaigns at SB60 here and by following on X/Twitter and Linkedin.