Realizing Pro-poor Development in the Carbon Commodity Chain: Understanding the ‘Value’ of the Carbon Asset at Multiple Scales

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Carbon commodities.

Examples.

Implications.
How do values in the carbon commodity affect the ability to bring the social back into carbon finance?
Pro-development labels may influence project outcomes, but the unveiling of the commodity is not enough; better information on political economic processes and agency is needed to complement specific project/technology types.

Commodities create opportunities, but political economy trumps
Carbon finance creates commodities.
Developed countries

Money

Developing countries

Carbon Credits

Local use value of the project;
global exchange value of the commodity
‘Veiled’ commodities: the global doesn’t see the local
Commodities

Pro-local development standards attempting to improve local benefits

[Image with various commodities and the text "tCO₂e"]

[Logo for The Gold Standard: Premium quality carbon credits]

[Logo for CCB Standards: The Climate, Community & Biodiversity Alliance]
Local in the global; to what extent & with what outcomes?
Examples.
Example1 : Hydro CDM
Benefits, but uneven.

Structure/agency interplay.
<table>
<thead>
<tr>
<th>Community</th>
<th>Benefits</th>
<th>Importance for access to site</th>
<th>Importance as workers</th>
<th>Importance for watershed</th>
<th>Level of Community organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>85% Electrified</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>#2</td>
<td>54-85% Electrified</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>#3</td>
<td>0% electrified (previously)</td>
<td>High</td>
<td>Low</td>
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**Re-labeling:**
Start to see change in global exchange value *(carbon price increase)*

Not in use value *(uneven development not reworked)*

Local agency and political economy more important
Example 2: Improved Cookstoves
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“integrated carbon-development’

Scalable benefits, but hard to commodify.
Example 2: Improved Cookstoves

Local use + effective monitoring of use = opportunities?
## Example 2: Improved Cookstoves

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<th>Standard</th>
<th>Projects in pipeline</th>
<th>Scale of project / carbon reductions</th>
<th>Stove Projects registered</th>
<th>Example countries</th>
<th>Projected volume of credits from existing and pipeline projects</th>
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<td>CDM</td>
<td>4 (0.08% of total projects in CDM pipeline)</td>
<td>Only small-scale possible</td>
<td>1</td>
<td>Nigeria (registered); Nepal (pipeline), Bangladesh, Mexico, Guatemala (CDM PoA pipeline)</td>
<td>113,100 t/CO2e CERs</td>
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<td>Gold Standard</td>
<td>9 (18.75% of total projects listed on the Gold Standard)</td>
<td>Large scale possible</td>
<td>3</td>
<td>Uganda, Ghana, Mali (registered); Africa as regional focus (pipeline)</td>
<td>1.1 million t/CO2e VERs</td>
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Data March 2010; Simon, Bumpus and Mann, *Global Environmental Change*, 2011
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Re-labeling:
Not so important: stoves are easily labeled because of their ‘integrated carbon development’

Specifics of technology affect global/local inclusion
Implications.
Local political economy, agency and technological requirements important to connect local to the carbon economy

Q1: ‘Wiring’ projects into the wider carbon economy

Q2: Shifting local use values by changing global exchange values

Unveiling of the commodity does not necessarily change local conditions, but provides some movement to include the social
Policy implications

Ensuring interaction from local people at a systemic and integral way is important for ‘ethical’ carbon to work

Political economy with an agency-oriented approach at micro–meso–macro levels is important in fostering pro-social effects
Policy implications

Better information on processes is useful

Implications for: climate finance, MRV, REDD+, NAMAs
Policy implications

Interconnectivity between actors, space and time are important and should be **facilitated by policy** for carbon & climate finance connections

But, acknowledge limitations of the market & commodity
OUR GOAL IS TO WRITE BUG-FREE SOFTWARE. I'LL PAY A TEN-DOLLAR BONUS FOR EVERY BUG YOU FIND AND FIX.

YAHOO! WE'RE RICH YES!!!

I HOPE THIS DRIVES THE RIGHT BEHAVIOR.

I'M GONNA WRITE ME A NEW MINIVAN THIS AFTERNOON!
Major transformation requires:

**information on asymmetries**;

**inclusion** at systemic levels; and understanding on how **interconnections** are mediated by social relations.

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