

## CTW documentary makes the front page of Scottish newspaper

by The Scotsman  
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On July 7, The Scotsman newspaper had a front page story on The Carbon Connection, a forthcoming documentary by Carbon Trade Watch. The article examines the connection between a community in Scotland living on the fence line of a BP oil refinery, and a community in Brazil whose water resources are being drained by a eucalyptus plantation that had applied for carbon funding

The Carbon Connection will be officially released and available in September.

If you would like to receive more information about its release, email [kevin@carbontradewatch.org](mailto:kevin@carbontradewatch.org).

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A gift from Scotland to Brazil: drought and despair

By Ian Johnston

The Scotsman, 07/07/07

SEU Dodo walks through the lush Brazilian woodland he knows well, picking out medicinal plants: lobera for diabetes, one known as "the king of medicines" for the menopause, another he claims can cure flu in a day.

But the search for the plants is getting harder and harder. "A lot of our medicinal plants died this year because of the lack of water," he says ruefully.

According to Seu Dodo and others living near the village of Sao Jose do Buriti, springs that once watered the natural forest are being sucked dry by vast tracts of fast-growing eucalyptus trees used in the production of iron at a local company.

Six thousand miles away, the flames leap from one of the chimneys at the Grangemouth oil refinery on the banks of the Firth of Forth. The orange haze from the massive plant lights up the night sky as thousands of barrels of oil are refined into petrol, diesel and other products for the motor industry. The flares from the chimneys belch carbon dioxide into the sky.

Brazil-Scotland; refinery-rainforest. At first glance, the two places seem totally unconnected. But Grangemouth and Sao Jose do Buriti are tied by a single thread: carbon trading.

For, according to a new investigation, the eucalyptus trees causing such damage in Brazil were part-funded by the money from the former owners of the Grangemouth complex, BP .

BP wanted to offset the emissions it was producing from Grangemouth. So it paid money into a scheme created by the World Bank which would "offset" these emissions by funding schemes elsewhere in the world that would reduce emissions by the same amount.

If the scheme works well, so the theory goes, the net emissions will be zero.

But the World Bank chose to invest some of the Â£90 million paid into its Prototype Carbon Fund by BP and other companies in a eucalyptus-planting scheme in Brazil.

An iron foundry company, Plantar, threatened to stop using charcoal from eucalyptus trees and turn to coal - a change which would massively increase the company's emissions.

The World Bank agreed to fund an expansion of the eucalyptus plantations to ensure the firm did not make the switch.

Charcoal has less effect on the amount of greenhouse gas in the atmosphere as the next crop of eucalyptus will soak up carbon.

But according to local people, interviewed for a documentary, The Carbon Connection - which had its premiere in Edinburgh last month - the scheme had a dreadful environmental cost.

Standing in a bone-dry river bed in Sao Jose do Buriti, Synara de Fatima Almedia Thomas made her own video diary for the documentary. She said: "Local people say they used to fish here. You can see that it was a really big stream, but today during the rainy season there is not a drop of water."

She explains how one-third of the local area - 100,000 acres - is covered with eucalyptus trees owned by Plantar and other firms. "They pollute there in the north and we here in the south are obliged to clean up because there are more green areas."

The documentary also filmed people concerned about the pollution in Grangemouth, 6,000 miles away.

Norman Philip, 38, who was born and raised in the area, tells how the sky regularly lights up as flares burn off excess gas at the refinery complex, where his father used to work.

Now an activist for Friends of the Earth, he is concerned at the levels of sulphur dioxide, nitrogen dioxide and tiny particles - which can cause asthma attacks and other respiratory problems and carry a long-term risk of cancer - in the emissions from the plant. Those emissions might have been cut, Mr Philip argues, if oil giant BP had not "offset" them by paying into the World Bank's scheme.

BP still has a presence at Grangemouth, and a source confirmed the company paid into the Prototype Carbon Fund, but said the World Bank determined how the money was spent.

The scheme's problems have been recognised by experts. Dr Axel Michaelowa, one of the world's leading authorities on carbon offsetting, said: "The World Bank was very eager to get to the market very early. The bank did some things that probably were not very good. The Plantar project had some serious problems."

Dr Michaelowa said he was pleased campaign groups were highlighting problems with carbon offsetting where they existed. "It's clear, especially given the gold-rush feeling in the global carbon market, there should be some watchdogs that try to separate the black from the white sheep," he said.

"Overall, the mechanism is working nicely. [But] anything which becomes a big success in a short time has some problems and one should try and eliminate those problems."

In the documentary, one Brazilian woman explains: "In this game of buying and selling carbon credits, the World Bank doesn't factor in the problems caused by eucalyptus monoculture in this region. We tried to tell them, but they don't listen."

"Meanwhile, the company continues destroying our community, destroying our citizens, destroying our fauna, destroying our flora, and nobody does anything."

A spokesman for the World Bank said it had looked into claims about the scheme.

"An independent verifier and the World Bank have looked into this matter and confirmed that some springs in the area have undergone reduction of flow in recent years," he said.

"However, the underlying cause is not yet clear. Many factors could be at play: fluctuations in rainfall, watering of cattle from other farms around the springs or the eucalyptus plantings.

"The matter is under study. In any case, Plantar has removed eucalyptus planted close to springs and has fenced off spring-heads, which has improved the water flow.

"The Plantar project is delivering real and measurable environmental benefits, such as tonnes of reduced and areas of cerrado forest restored."

A spokesman for BP said: "We cannot see any connection between the refinery we used to own at Grangemouth and the Brazil project the film refers to. We have got no comment to make on it."

#### REFINERY LEAKED OIL

THE Grangemouth oil refinery has been named as the source of an oil slick covering several square miles of the Firth of Forth.

Officials at the Scottish Environment Protection Agency (SEPA) said the Ineos site at Grangemouth was "one confirmed source" of the pollution and that the firm was being served with an enforcement notice to improve its drainage systems.

Experts identified a storm-water channel within the complex as a likely source of the leak, made worse by recent heavy rainfall.

The spillage has not killed any birds or fish so far, but SEPA spokesman Lin Bunten said: "Any avoidable pollution is unacceptable and we will continue to do our best to ensure everyone takes the protection of Scotland's environment seriously."

Ineos Grangemouth Refinery can handle ten million tonnes of oil per year.

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