

# Thinking carbon credit and carbon debt

**G**lobal warming is a powerful force in shaping the life chances of poor people. Climate related risks are a major cause of human suffering, poverty and reduced opportunity leading to large scale human development reversals in the world's poorest countries. The earth is warming up on account of population growth and consequent increase in human activities. It is estimated that every year, 25 billion tonnes of CO<sub>2</sub> is pumped into the atmosphere besides the emission of other green house gases such as Carbon dioxide CO<sub>2</sub>, Methane CH<sub>4</sub> is four times as potent as CO<sub>2</sub>, Nitrous oxide N<sub>2</sub>O, Fluorinated industrial gas, Hydro fluoro carbon HF<sub>6</sub>, Perfluoro carbon PF<sub>6</sub> and Sulphur hexafluoride SF<sub>6</sub> which cause global warming.

## Kyoto Protocol

Stringent mitigation measures have to be taken to avoid major human development setbacks. Towards this goal, in 1997 around 40 of the world's worst polluting industrialised countries have met in Kyoto, Japan and agreed to establish self-imposed targets to significantly diminish their greenhouse gas emissions by the year 2012. Each country was given a number of 'points' which are called Assigned Amount Units or AAUs that correspond to the emissions they are allowed to produce.

**Carbon Credit and Debt** Those countries which cannot reduce emissions can go for carbon offsetting with other countries. In order to become 'carbon neutral', and to balance their emissions, developed countries can pay developing countries to plant trees because they inhale carbon dioxide and exhale oxygen. In this way, rich countries have bought 'carbon credits' to cancel their 'carbon debts'.

Kyoto Protocol has suggested following three methods or flexible mechanisms to meet such countries emissions-targets:

**Cap and trade:** If a country wants to emit more than their emissions target, they have to buy the equivalent

points or AAUs from any other industrialised country. On the other hand, if they don't emit as much as they estimated, they have excess points which they can sell to someone. This is called cap and trade or international emissions trading.

**Clean Development Mechanism** (between the rich and poor countries): Industrialised countries with Kyoto targets can also buy credits

grammes which will be paid for by carbon-credit hungry developed countries. This kind of clean development climate-change project could be eligible for tradable carbon credit payment by rich countries if it lowers carbon intensive emission form of energy supply, reduces industrial process emissions, improves agricultural practices, livestock management practices, manages bio-degradable risks

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(certified emission reductions) from projects located in developing countries designed to provide additional reductions in emissions or capture carbon emissions. This is called clean development mechanism or clean technology programs.

**Joint Implementation** between developed countries: This special arrangement aimed at engaging Russia and Ukraine, is similar to clean development mechanism that exists between developed countries. The benefit of this kind of joint implementation is that it makes sure that the reductions take place where the cost is lowest. A country which finds with high costs of reducing emissions can buy assigned amount units or points from a country which finds it cheaper. Overall, cost of combating climate change is reduced in this mechanism.

Good news for Nigeria and other African Countries.

Clean development mechanism described above in the Kyoto Protocol provides an incentive for Nigeria and other African countries to invest in 'clean' technology pro-

and stores carbon through forestry and land use.

Nearly 1,500 initiatives have been registered as Clean Development Mechanism projects which signal a new era of sustainable development. Thus, the Kyoto Protocol has advocated climate mitigation mechanisms for low carbon earth planet which future generations will need to survive and thrive.