How does it work?

Free prior and informed consent obtained

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Project Description document submitted to a verification agency for review and public comment and validation

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On-going community engagement and capacity development to clarify benefit sharing arrangements

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Changes in below and above ground Carbon are monitored relative to a verified baseline

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Monitoring reports compiled

A verfication agency verifies emission reductions in tonnes of CO2 sequestrated

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Global funders or private investors deposit funds into a national fund

or

*A Carbon trading company trades the Carbon credits on behalf of communties

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Funds are deposited in a community account

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Funds are used to protect forests, develop local infrastructure or as wages linked to forest conservation

Ten keys to success

1. Clear land and resource tenure

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2. Large areas to justify investment

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3. Community commitment

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4. Flexible financial arrangements

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5. Good science and monitoring

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6. Diverse income streams

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7. Effective planning

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8. Meaningful community engagement

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9. Strong global marketing partnerships

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10. Adaptive management and learning

Carbon markets

- The ultimate aim is to reduce emissions from degradation of natural ecosystems
- International payments by governments and the private sector are mobilized to benefit communities.
- For REDD+ there are 3 main requirements:
  1) Additionality: the payment is primarily responsible for emission reductions -compared to 'business as usual' scenarios
  2) Permanence: emission reductions persist, at least for the duration of the emission reduction agreement
  3) No leakage: the usual emissions are not merely shifted elsewhere
- For voluntary carbon markets, private individuals, companies and governments can buy emission reductions on the open market.
  - May also include reforestation and restoration - not just forest protection.

Advantages & Strengths

- Legal land tenure is possible through CRRO certificates
- Increased local participation
- Alliances are being formed
- Lessons from early implementation
- Technnology and tech partners exist, with industry standards
- Payments via mobile phones
- Surge in demand - eager investors
- Potential for advance selling of credits to provide cash flow
- Multiple revenoue streams exist
- Grassland management potential
- Benefit sharing can be fair
- Benefits to nature & climate change

Risks & uncertainties

- Concerns about national governance indicators
- Uncertain land rights
- Complex monitoring & reporting
- Slow financial flows
- Limited government investment and incentives
- $20 / ton is required for meaningful impact
- Pandemic disruptions
- Ultimate drivers of climate change, are embedded in global economic systems, not addressed
- Low project participation
- Skepticism about fairness and equity

Financial viability

- Surge in demand for carbon credits since 2018, from companies seeking to offset a portion of their own greenhouse gas emissions
- The private sector seems ready and eager to invest into climate projects and has shown a significant interest in financing nature-based solutions.
- Microsoft committed to pay $15 per metric ton of carbon, as part of its effort to go "carbon negative."
- Up to $10 per ton (using the precedent of Norway's payment to Gabon).
- USD 679 million approved for projects in sub-Saharan Africa in 2021.
- Volumes of credits issued from forest and land use activities on the voluntary carbon market increased by 264% between 2016 and 2018
- Africa's share of the global market increased slightly between 2016 and 2018, from 11% to 15% of overall volume.

Enabling context

- Enabling policies exist
- Technologies are evolving rapidly
- Verification systems are available
- National policies and strategies are under develpment
- Certainty about indigenous land rights is crucial
- Enforcement of legal compliance could make a big difference

Supporters & Partnerships

- Indigenous people and local communities in the front seat
- Trustworthy Carbon trading partners
- Willing and generous buyers of credits
- Supportive national and global governments
- Able and willing NGO partners
- Technical specialists to help with monitoring
- Technology developers for transparent payments