

Developing Carbon Markets For People and Nature

The prospect of linking carbon markets with forest conservation is a popular topic within the environmental community. The 4th IUCN World Conservation Congress provided a high-profile platform to exchange ideas on the role of forests as carbon stores. Animated by presentations spanning a variety of perspectives, the Global Thematic Workshop on ‘Delivering Multiple Benefits from Forest Carbon Markets’ was one of the major events in Barcelona dedicated to this complex issue. With hundreds of delegates in attendance, valuable insights were shared on the socio-economic and ecological risks and opportunities of forest carbon projects.

The opportunity to align carbon markets with sustainable development objectives seems too good to miss. With forests increasingly recognized for their role in regulating the global climate, it may be expected that the incentive to preserve them as ‘carbon stocks’ will grow in years to come. Different strategies aiming at ‘Reducing Emissions for Deforestation and Forest Degradation’ (REDD) are currently being debated. Within this context, carbon markets could potentially be harnessed to help meet climate change mitigation objectives by supporting conservation and development efforts in tropical forests.

The carbon market will not provide ‘multiple benefits’ on its own. In some cases, it is far from clear whether forest-based carbon projects will deliver any benefits at all. The outcomes of the World Conservation Congress session will hopefully provide further guidance to help overcome the barriers preventing a more sustainable and equitable development of forest carbon markets.

The session was moderated by Charles McNeill of the United Nations Development Programme, who noted that the issue of multiple-benefit forestry is currently a ‘moving target’. Consequently, it is difficult to anticipate where the opportunities and risks of REDD might be. However, based on experiences with related policies and measures – such as Payments for Ecosystem Services, there is some ground upon which to develop ‘pro-poor’ and ‘pro-biodiversity’ forest carbon projects.

The keynote presentation, delivered by His Excellency Barnabas Suebu, Governor of the Indonesian State of Papua, offered important insights into the challenges and opportunities of forest carbon projects in a developing country context. The province of Papua, which represents approximately ¼ of all forest cover in Indonesia, is particularly relevant to the ongoing discussions on REDD. By working to develop a robust national framework for REDD, enhancing in-country monitoring capacities, and setting up equitable benefit transfer mechanisms, the prospects for achieving multiple benefits through carbon finance in Papua appear quite promising.

Bringing a perspective from a different part of the world, Johnson Cerda – a representative of the Kichwa Community of Limoncocha, Ecuador, highlighted some of the challenges faced by indigenous communities. Cerda stressed the urgent need to ensure that REDD initiatives include indigenous peoples at all levels of decision-making.

Cerda also emphasized the importance of integrating traditional knowledge into the design and implementation of forest carbon projects.

The third presentation, by Glenn Prickett of Conservation International, focused on the links between forest carbon and biodiversity conservation. His presentation highlighted the need to develop robust standards to ensure both the biodiversity as well as the community benefits of carbon projects. Providing insights from experiences in Bolivia and Madagascar, Prickett stressed that REDD and carbon markets presented a historic opportunity for the conservation community, and that the time to act is now.

Joshua Bishop, Chief Economist at IUCN, provided a summary of the main points in the presentations – reinforcing the need to look beyond carbon when developing forest-based climate change mitigation projects, and to ensure that local livelihoods are effectively supported by such projects. He further noted where the objectives of multiple-benefit forestry aligned with the needs of markets, and where other stakeholders, including governments & civil society, would need to step in to ensure balanced outcomes from forest carbon projects.

The moderator then opened the session to the floor, allowing the audience to react and ask questions. The ensuing discussion was further animated by 3 expert discussants, who provided insights from their respective standpoints. Interventions from the audience reflected a particular sensitivity to the issue of indigenous peoples and the protection of their rights. It was suggested that the free, prior, and informed consent of local communities should be an essential condition of REDD.

Reacting notably to concerns about the potential poverty implications of REDD, David Brown of the Overseas Development Institute, cautioned against the wider risks of REDD to the poor – both within and beyond forest areas. Jill Blockhus, from TNC, highlighted some lessons learned from her organizations' experiences in carbon projects to reinforce the importance of including local communities at the very onset of the project development phase. Speaking from the perspective of a carbon 'broker', Johannes Ebeling of EcoSecurities reminded the participants that the supply side of the carbon market was still in need of further refinement before significant amounts of investments could be made.