



Delivering Multiple Benefits from Forest Carbon Markets to Address Climate Change, Biodiversity Conservation and Poverty Alleviation



CONSERVATION
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Forests and Carbon Markets



- 1/3 of greenhouse gas emissions from land use, land use change, and forestry
- Deforestation is the largest source of emissions (18% of total)
- Only afforestation and reforestation are currently eligible for credits in the Kyoto carbon market (< 1% of value)
- In voluntary carbon markets, forestry credits of all types are allowed (~1/3 of value)

Why Multiple Benefits



- Moral argument – climate mitigation should contribute to sustainable development
- Required to secure political support
- Risk reduction for investors and buyers
- Satisfy market demand (e.g. ‘niche’ markets for bio-carbon)
- Help project developers fulfill contractual/legal obligations
- **Long-term sustainability**

Forest Carbon – A moving target



How will performance be assessed?

- Standards, safeguards or free-for-all?

How broad a scope to include?

- What is a forest? Plantations? REDD?

What mix of public and private?

- Compliance vs voluntary?
- ODA vs private funding?

At what scale will it apply?

- Landscape-level for biodiversity?
- Farm-level for pro-poor?

Some lessons from related experiences



Protected Areas –

- **Benefits:** income from tourism, site-specific conservation
- **Risks:** lost income/employment, displacement, inequities, limited access, potential fragmentation of habitat

Forest Law Enforcement and Governance –

- **Benefits:** employment opportunities, national income, more external investments
- **Risks:** undermining livelihoods, evictions

Payments for Ecosystem Services –

- **Benefits:** enlist land users in conservation, income generation, social capital formation
- **Risks:** inequitable distribution, social conflict, less control over where and when conservation occurs

Towards multiple benefit forest carbon markets: key issues



- Land tenure / rights
- Access to markets / information
- Elite capture and corruption
- Transaction costs
- Indicators and standards for multiple benefit forest carbon
- Accreditation, verification and capacity building to monitor & address social and environmental impacts
- Promoting market demand for 'multiple benefit' carbon