

Voluntary carbon markets

Is there a case for smallholder,
inclusive carbon offsets?

High level meeting: “Land tenure and carbon sequestration in soils”.
Paris, 13th-14th December. 4p1000 Initiative

Outline

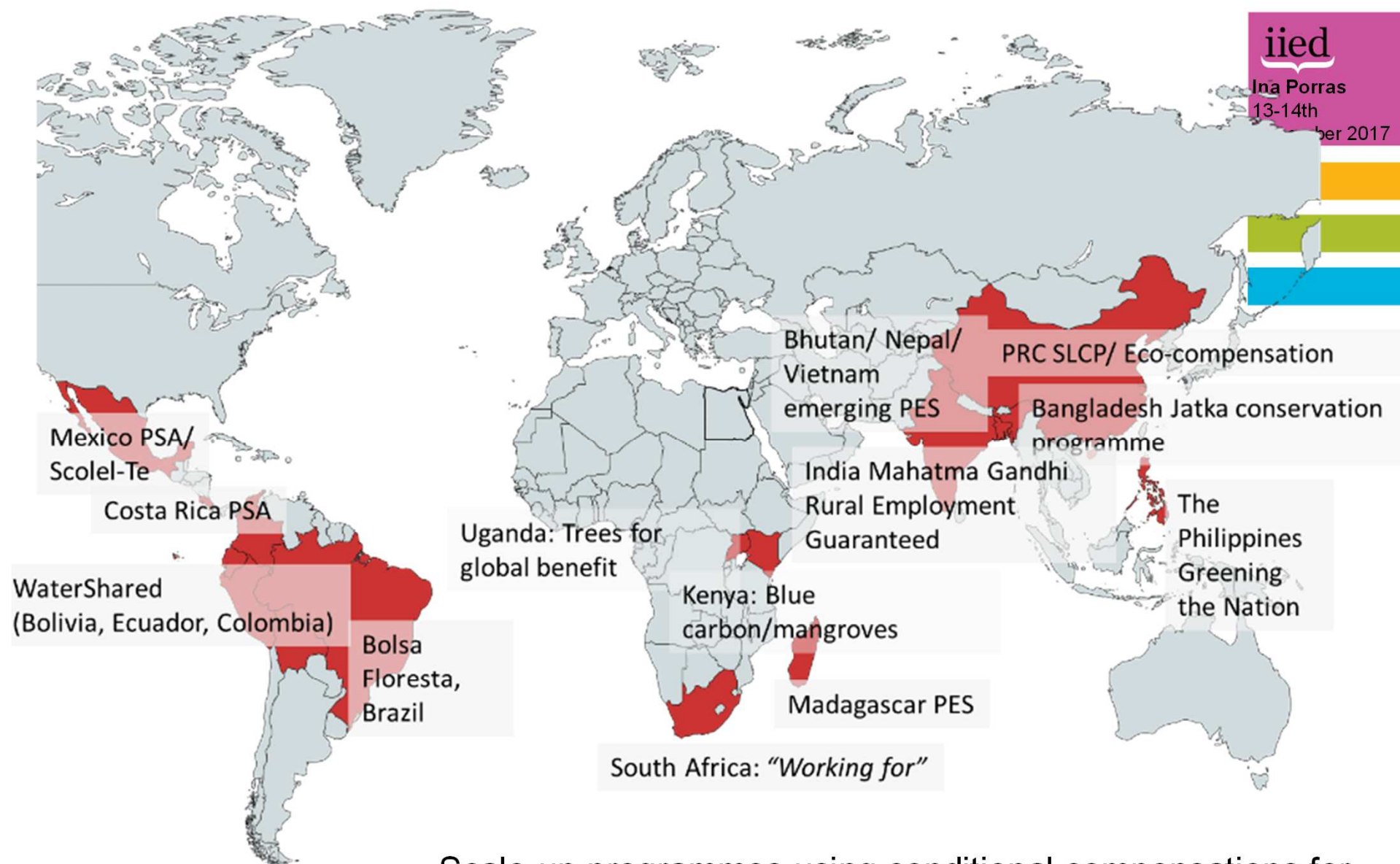


- **Opportunities:** making the case for carbon offsets in smallholder farming
- **Challenges** to make it meaningful
- Voluntary carbon offsets and **land tenure**

Opportunities



- They are happening (\$191 million in 2016)
- Voluntary markets relatively steady
- Prices rather volatile (\$0.5-\$50)
- Holistic approaches show better “survival” (Plan Vivo average \$8)
- Link to SDGs
- Carbon money can be catalytic to local benefits (conservative PV ERR 10%-12%)



Scale-up programmes using conditional compensations for environmental and poverty objectives

Figure 2: Historical Market-Wide Voluntary Offset Transaction Volumes







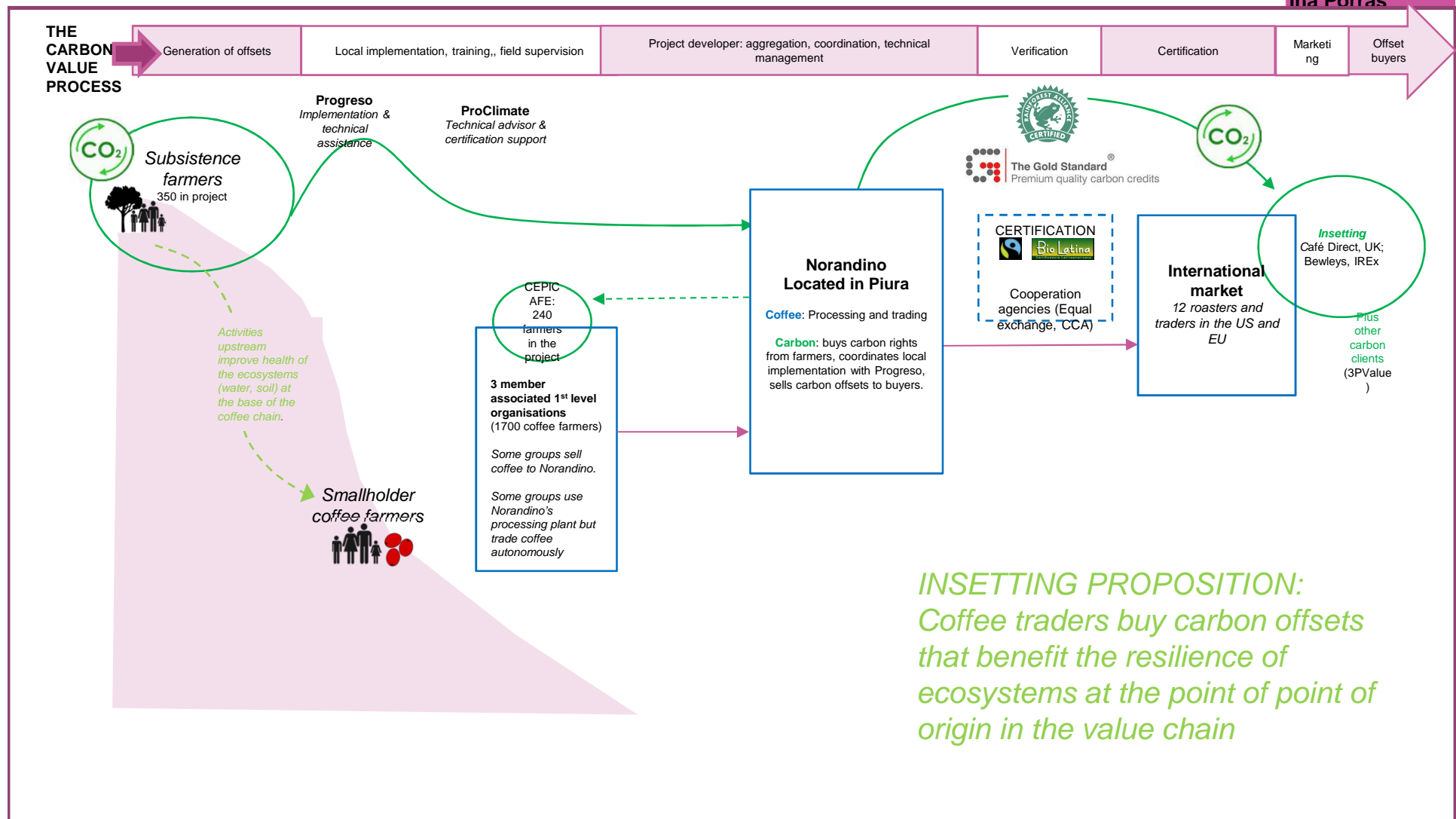


iied
Ina Porras
13-14th
December 2017









Challenges

Marketing:



- Likely overloading of standards
- Carbon prices going down,
- Projects do not know how to sell

Technical



- Few cater for smallholder agriculture needs
- Very high transaction costs
- Too expensive and difficult to upscale
- Technical monopoly



Unclear benefit-share

- Small capture per farm
- Ex-ante investments and need to understand risk

Land tenure and offsets



- Long-term investment need clarity on who is involved
- Forest planting and investments sometimes used to stake/reinforce claims
- Dangers of decoupling carbon rights from land rights
- Introducing flexibility (customary rights, etc)
- Technologies useful but can be disempowering unless used carefully (cadastre, monitoring)
- Carbon negotiations for conflict resolution
- Conflicts of voluntary projects and national programmes (e.g. REDD+)

Conclusions

Yes, there is a case

Existing system needs to be challenged

REDD question

Link offsets to resilience and adaptation

Regulation needed to foster demand

