



Despite Demand-Side Challenges, Forest Carbon Initiatives Deliver on Multiple Benefits

New Ecosystem Marketplace report finds offset buyers seek to protect biodiversity, benefit communities

21 March 2016 | WASHINGTON, D.C. | Carbon offsets are increasingly seen as a tool to support Sustainable Development Goals (SDGs), as well as mitigate climate change, according to a new report from Forest Trends' Ecosystem Marketplace (EM), [*Not So Niche: Co-benefits at the Intersection of Forest Carbon and Sustainable Development*](#).

The report was based on responses to EM's 2015 survey of 144 forest carbon project developers from across the globe, 81 of whom reported on these multiple benefits. Collectively, these initiatives delivered the following impacts in 2014:

- Clarifying land tenure for communities across 2.2 million (M) hectares of land;
- Preserving biodiversity by protecting the habitats of 141 vulnerable or endangered species; and,
- Creating nearly 8,000 jobs and training for over 46,000 people in skills such as agroforestry and carbon accounting and monitoring.

Over half of project developers said their offset buyers engaged in forest carbon markets primarily because of the "beyond-carbon" impact of their dollars. At least 10.7 M tonnes of emission reductions transacted in 2014 found a buyer in large part because of their multiple impacts. Many project developers view these "co"-benefits as integral, saying they could not deliver climate results without also working to alleviate poverty or secure land rights for communities.

"The historic 2015 Paris Agreement on climate change recognizes the central role of forest protection in keeping global temperature rise in check," said Michael Jenkins, Founding President and CEO of Forest Trends. "But saving forests without also protecting the 1.6 billion people whose livelihoods depend on them would be like saving museums but throwing out the art."

Other key findings include:

- Thirty-seven projects reported empowering women through employment, leadership opportunities, education, and market access, though many acknowledged gender inequality as an entrenched problem.
- Forty-one projects provided targeted benefits to vulnerable and marginalized groups, such as job opportunities for indigenous peoples, landless farmers, and disabled people.
- Fifty-four projects reported water benefits such as erosion control, reduced flood risk, and cleaner drinking water.

However, the report also indicates that governments and companies are not necessarily paying more for offsets that are accompanied by verified social, economic, and environmental co-benefits. Although project developers still see value in delivering and verifying those benefits, their ability to do so is partly constrained by sluggish demand and offset prices, which averaged \$5.4/tonne for forest carbon offsets in 2014 – a slight uptick from 2013, but a drop from 2012 and 2011, when global averages were \$7.8/tonne and \$9.2/tonne, respectively.

These demand-side challenges are holding some forest carbon projects back from reaching their potential to support forest, climate, and sustainable development agendas at the same time. This will become a critical nexus as the world simultaneously ramps up global efforts to halt tropical deforestation and pursues the 17 SDGs. Forest carbon initiatives could concretely contribute to achieving global sustainable development indicators if they develop more robust reporting, the report finds. Though standards have emerged and evolved over the years to track the multiple impacts of carbon projects, information on verified impacts remains difficult to find, and requirements vary across standards.

“This report demonstrates that carbon finance for forests is delivering real results beyond emissions reductions. Some, like jobs, are fairly straightforward to measure, while others, like women’s empowerment, are just as real but not as easily quantified,” said Allie Goldstein, report author and Senior Associate at EM.

“Carbon pricing that incorporates the added costs of rigorous monitoring and reporting could incentivize a greater emphasis on delivering co-benefits to communities and local ecosystems, as well as encourage the development of more robust metrics for measuring those benefits,” Goldstein added.

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For more information, read the [full report](#) and register for our March 23, 2016 [webinar](#) to discuss its findings. For a broader picture of the state of forest carbon finance, see the recent report [Converging at the Crossroads: State of Forest Carbon Finance 2015](#).

Ecosystem Marketplace, an initiative of the non-profit organization Forest Trends, is the leading global source of information on environmental finance, markets and payments for ecosystem services. As a web-based service, Ecosystem Marketplace publishes newsletters, breaking news, original feature articles and annual reports about market-based approaches to valuing and financing ecosystem services. We believe that transparency is a hallmark of robust markets and that by providing accessible and trustworthy information on prices, regulation, science, and other market-relevant issues, we can contribute to market growth, catalyze new thinking, and spur the development of new markets and the policies and infrastructure needed to support them.

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