Can’t See the Forest for the Trees? Improving the environmental integrity of carbon credits through an ecosystem-based mitigation approach

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Sara Tolonen

UEF // University of Eastern Finland

Agenda

1. Introduction
2. Conceptual Framework
3. Analysis: Clarifying the Role of Co-Benefits in the Existing Frameworks
4. Comparison: Convergence of environmental integrity norms?
5. Conclusions

1. Introduction

- Tackling biodiversity and climate crisis together is far more effective. (IPCC 6th assessment report).
- The dual character of nature-based solutions (NbS); significant potential to address multiple environmental challenges but associated risks such as monoculture plantations, harm to biodiversity, or ecosystem degradation.
- The markets' demand to make stronger 'nature-positive' environmental claims.
- The recent developments toward enhancing integrity of carbon credits at the United Nations Framework Convention for Climate Change (UNFCCC), the European Union (EU) and Voluntary Carbon Markets (VCM).
- What is the role of law in this shift?

A tree plantation near São Paulo, Brazil. Source: Shutterstock

Source: Shutterstock

A eucalyptus plantation in Thailand where trees are harvested to make pulp for paper.

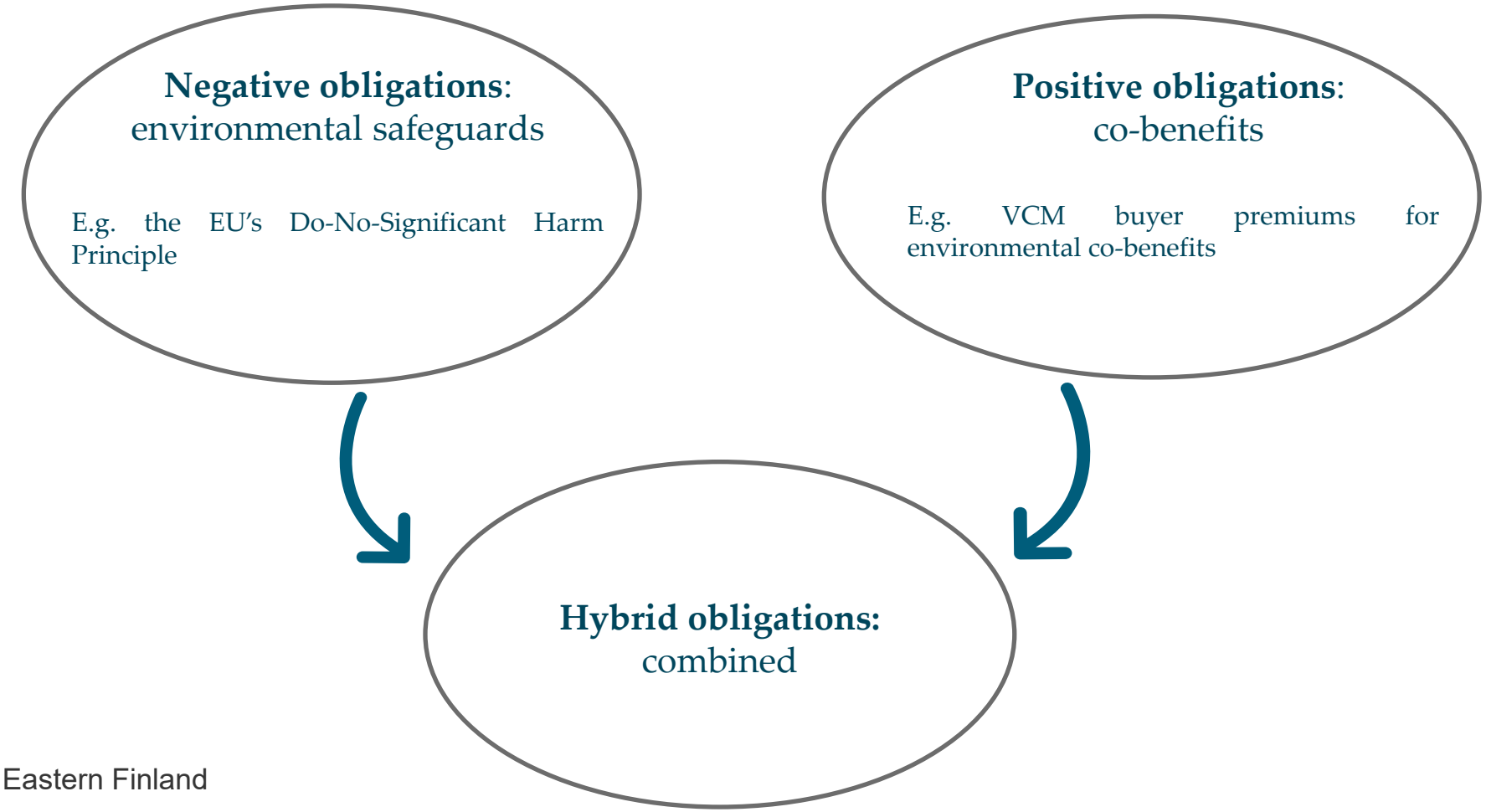
1. Introduction cont'd: Research questions

How do the regulatory frameworks governing carbon sequestration projects under the UNFCCC , EU law, and voluntary markets promote or hinder non-carbon (environmental) benefits?

What kind of instruments are there to incentivise a nature-positive shift?

Is there a degree of convergence of norms in this specific area of law?

1. Introduction cont'd: Conceptual Basis



2. Ecosystem-Based Mitigation Approach as a Conceptual Framework

- Enhanced biodiversity, water quality and supply, air quality, soil fertility, food and wood security, livelihoods, resilience to droughts, floods and other natural disasters, and positive contribution to ecosystem health and human well-being.
- Inappropriate or misguided design and implementation of measures can have an adverse impact on mitigation permanence, longevity, and leakage, biodiversity, wider ecosystem functioning, livelihoods, food security and human wellbeing.
- The EbM can be seen advancing the concept of ecosystem approach into the scope of climate action, providing **an instrument for integrating ecosystem considerations into climate mitigation efforts.**

Should there be unified approach? What would be the substance of it?

Decision -/CP.27

Sharm el-Sheikh Implementation Plan

48. *Encourages* Parties to consider, as appropriate, nature-based solutions or ecosystem-based approaches, taking into consideration United Nations Environment Assembly resolution 5/5,[31] for their mitigation and adaptation action while ensuring relevant social and environmental safeguards:

Also recognizing the critical role of protecting, conserving and restoring water systems and water-related ecosystems in delivering climate adaptation benefits and co-benefits, while ensuring social and environmental safeguards,

Underlines the urgent need to address, in a comprehensive and synergetic manner, the interlinked global crises of climate change and biodiversity loss in the broader context of achieving the Sustainable Development Goals, as well as the vital importance of protecting, conserving, restoring and sustainably using nature and ecosystems for effective and sustainable climate action,[1]

3. Analysis: Clarifying the Role of Co-Benefits in the Existing Frameworks

United Nations Framework Convention on Climate Change (UNFCCC)

- The Clean Development Mechanism (CDM)
- REDD
- REDD+
- Article 6 of the Paris Agreement

The European Union (EU)

- Regulation establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products (EU CRCF)

Voluntary Carbon Market (VCM)

- The Gold Standard for Global Goals
- Verra (incl. CCB)

4. Comparison: Results

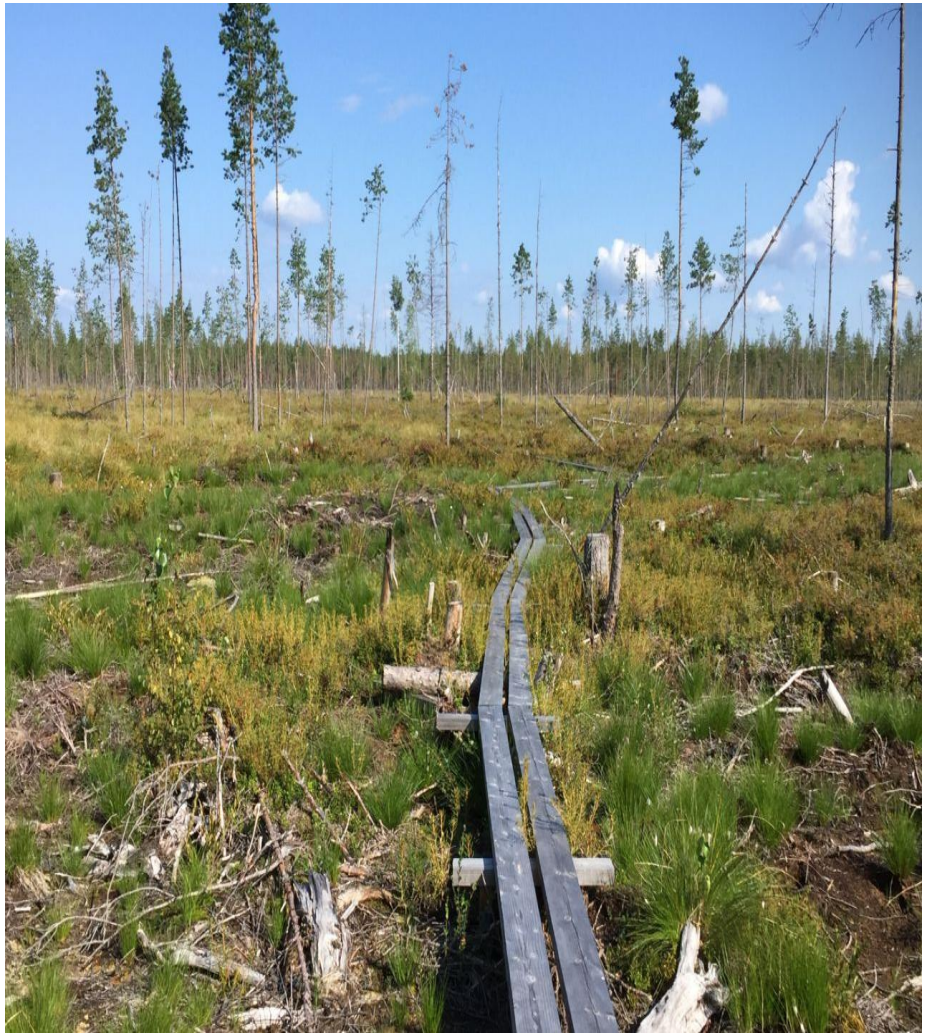
- When considering the long-term evolution, there is a discernible trend toward convergence.
- The gradual institutionalisation of positive obligations across these different systems may support a case for convergence, exemplifying greater coherence for environmental integrity among different standards.
- Majority are hybrid obligations; requiring demonstration of both environmental safeguards and co-benefits.
- Toward 'bundling' and quantifiability of actual impacts?

Appendix
List 1: Environmental integrity related obligations.

Positive obligations	Hybrid obligations	Negative obligations
ART Architecture for REDD+ Transactions	The Project Design Document (PDD) Clean Development Mechanism	Cancun Safeguards
SDVista certification (Verra)	Regulation (EU) 2024/3012 of The European Parliament and of the Council establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products OJ L2024/3012, art 7, para 1(a)–(f).	Article 6.4 of the Paris Agreement, Paris Agreement Crediting Mechanism, Do-No-Harm Assessment Criteria for Sustainable Development Goals
CCB label (Verra)	The Gold Standard for Global Goals (GS4GG)	VCS Ecosystem Health Safeguards (Verra)
SDG Tool (Gold Standard)	VCS Standard Verra	The Gold Standard for the Global Goals Safeguarding Principles & Requirements
	Regulation (EU) 2024/3012 of The European Parliament and of the Council establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products OJ L2024/3012, art 7 para 1, and recitals 11, 24 ('do no significant harm' principle	

5. Conclusions

- Gradual increase toward hybrid obligations in majority of the systems.
- Environmental co-benefits in carbon sequestration projects can be strengthened through ex-ante positive obligations and complemented by procedural elements.
- The ecosystem-based mitigation approach may provide a framework for “good standards” and accelerate even further convergence in similar way as e.g. human rights-based approaches.



Source: Sara Tolonen, Piitsonsuo, Ilomantsi

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