



Ecosystem Marketplace
A FOREST TRENDS INITIATIVE

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Not So Niche

Co-benefits at the Intersection of Forest Carbon and Sustainable Development

Donors:

MacArthur
Foundation





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ECOSYSTEM MARKETPLACE: A global source for news, data and analytics on environmental markets and payments for ecosystem services

The screenshot shows the Ecosystem Marketplace website. At the top is the logo and navigation menu with links: HOME, NEWS & ARTICLES, OUR PUBLICATIONS, MARKETWATCH, NEWSLETTERS, and ABOUT US. Below the menu is a 'TOP STORY' section featuring an article titled 'Mobilizing A Market For Climate Change Vulnerability' with a summary about adaptation challenges. To the right is a 'New Report!' section for 'Not so Niche: Co-benefits at the Intersection of Forest Carbon and Sustainable Development' with a 'READ MORE' button.

The cover features a photograph of a dirt path winding through a lush green forest. The title 'Converging at the Crossroads' is prominently displayed, followed by the subtitle 'State of Forest Carbon Finance 2015'. At the bottom, it lists donors: MacArthur Foundation, JPMORGAN CHASE & CO., and sponsors: NewForests.

The cover shows a landscape with a winding road and a line graph overlaid on the sky. The title 'AHEAD OF THE CURVE' is at the bottom, with the subtitle 'State of the Voluntary Carbon Markets 2015'. Donors listed include PRECIP and sponsors include Ecosystem Marketplace and JPMORGAN CHASE & CO.

The cover depicts a mountainous landscape with a river and various icons representing water, land, and community. The title 'Gaining Depth' is at the bottom, with the subtitle 'State of Watershed Investment 2014'. Donors include the Swiss Agency for Development Cooperation (SDC) and sponsors include PRECIP and the Swiss Re Foundation.

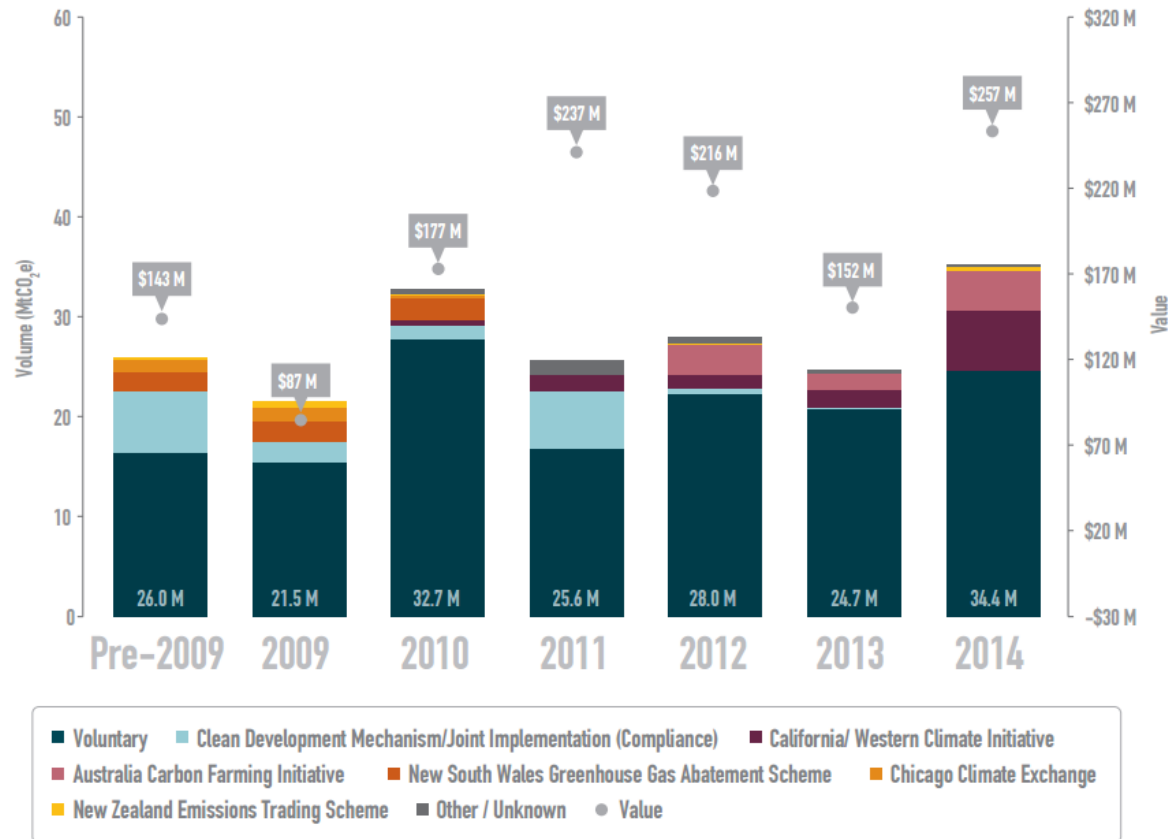
The cover features a city skyline with a forest in the foreground. The title 'Firm Commitments' is at the bottom, with the subtitle 'Tracking Company Endorsements of the New York Declaration on Forests'. A circular logo for the New York Declaration on Forests is visible.

The cover shows a river flowing through a forest. The title 'Full Circle: REDD and Indigenous People' is at the bottom, with the subtitle 'Past, Present, and Future'. It includes a photo of three indigenous people at the top. Donors include Ecosystem Marketplace and USAID.



RECORD YEAR: Demand for forest carbon offsets reached an all-time high of 34.4 Mt in 2015, with 10.6 Mt transacted on compliance markets

HISTORICAL MARKET-BASED PAYMENTS FOR FOREST-BASED EMISSIONS REDUCTIONS: TRANSACTION VOLUMES AND VALUES



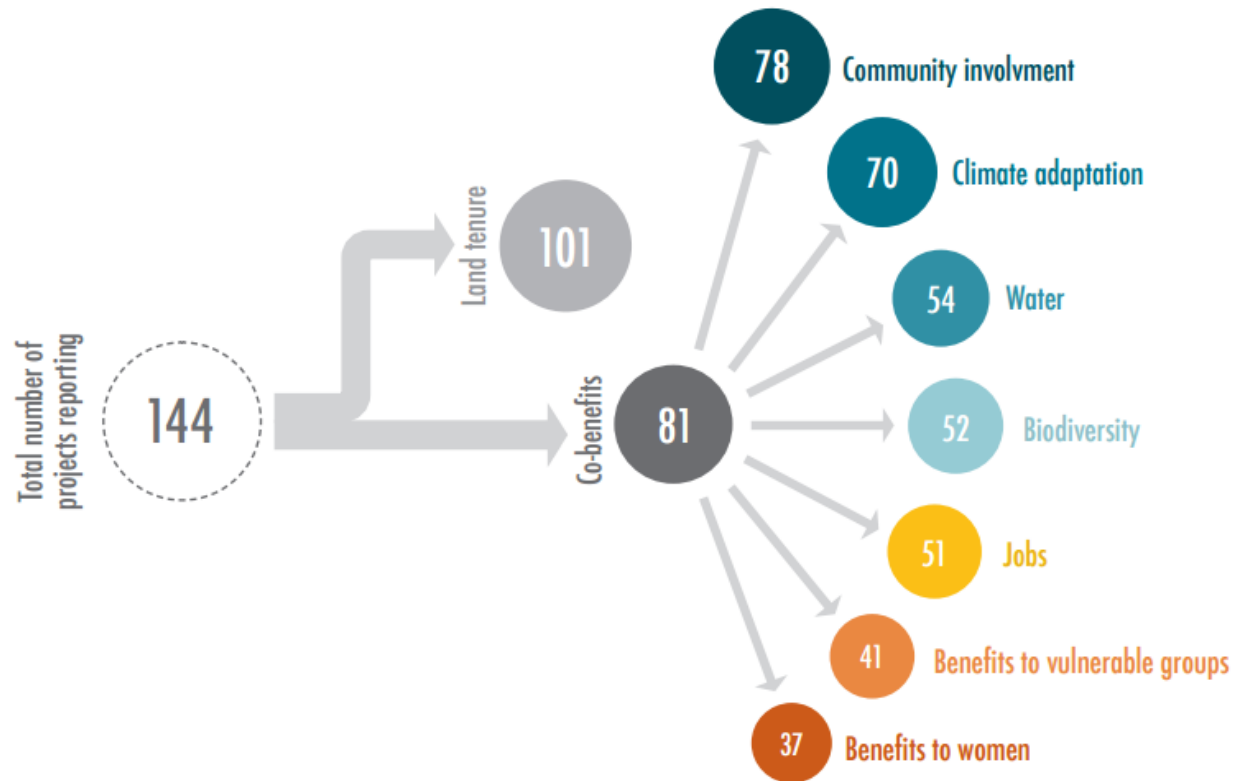
Note: Based on 193 MtCO₂e in market-based transaction volume over time.

Source: Forest Trends' Ecosystem Marketplace, *Converging at the Crossroads: State of Forest Carbon Finance 2015*.



CO-BENEFITS REPORT METHODOLOGY: Global annual survey of forest carbon offset suppliers, with targeted questions about multiple impacts

NUMBER OF PROJECTS RESPONDING TO QUESTIONS WITHIN IMPACT CATEGORIES



51 forest carbon projects reported on jobs or training

Impacts



people were
employed by a
forest carbon
project in 2014



99% of people employed
were in developing countries;
15% were in Least
Developed Countries



74% of the people employed were men



48% of the jobs
were full-time

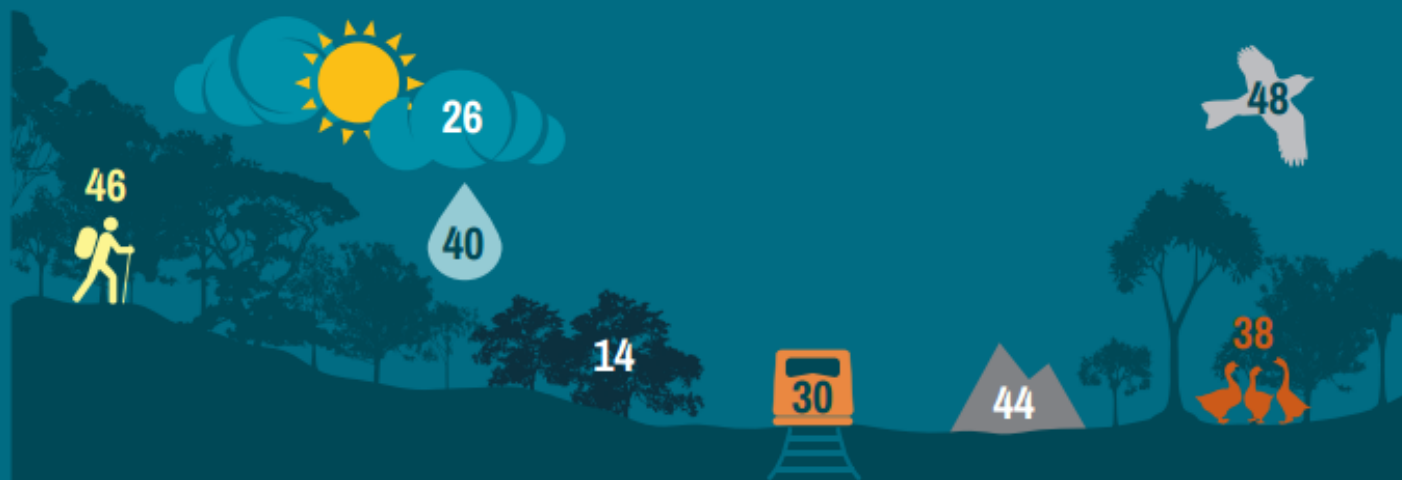


46.2 k people were trained as a result
of forest carbon project activities in 2014









70 forest carbon projects reported on climate resilience benefits

Impacts

Count of Projects Reporting Climate Resilience Benefits by Region, 2014



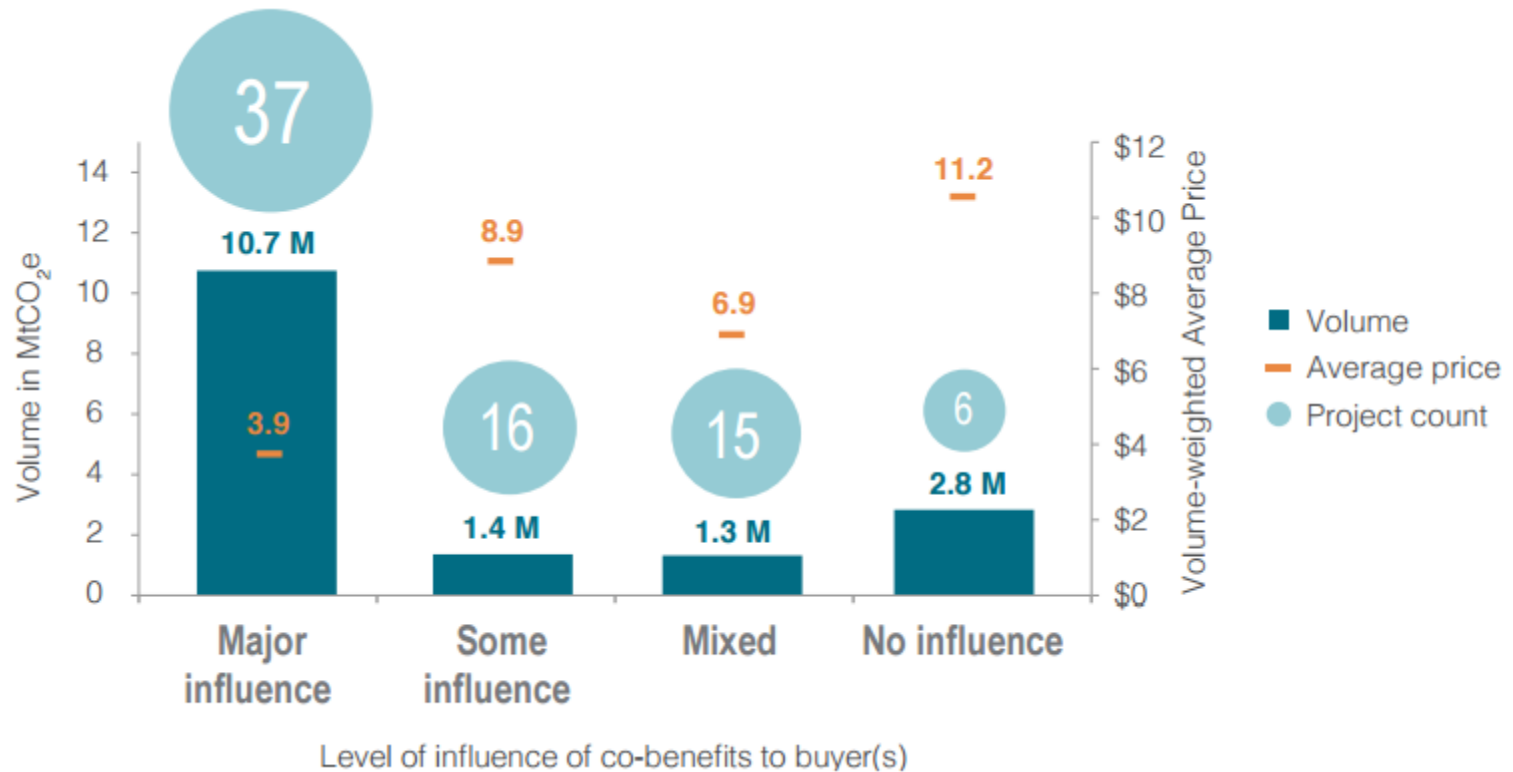
Type of climate resilience benefit:

-  Earned income
-  Regulated climate
-  Forest fire management
-  Storm protection
-  Infrastructure improvements
-  Flood erosion control
-  Habitat protection
-  Enhanced food security



DEMAND DYNAMICS: At least 10.7 MtCO₂e transacted in 2014 found a buyer primarily because of their co-benefits; no price premium detected

EXTENT TO WHICH CO-BENEFITS MOTIVATED THE BUYER TO COMPLETE A TRANSACTION IN 2014 BY VOLUME, AVERAGE PRICE, AND PROJECT COUNT



Notes: Based on responses associated with 16.3 MtCO₂e in transaction volume.

Source: Forest Trends' Ecosystem Marketplace. 2016. *Not So Niche: Co-benefits at the Intersection of Forest Carbon and Sustainable Development*.



TRENDS TO WATCH:

- **More specific & standardized reporting on co-benefits**
 - It's only getting better
- **Methodologies to “stack” multiple benefits**
 - For instance, through Gold Standard 3.0
- **Alignment with the Sustainable Development Goals**
 - Forest carbon projects are tracking metrics that already align with some SDG indicators. More alignment could be strategic: These Global Goals will guide investments for the next 15 years.



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Forest engineer Sara Camacho explains forest carbon measurements to students in Calakmul, Mexico. Photo by Carlos Herrera.

CONTACT

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Extra Slides

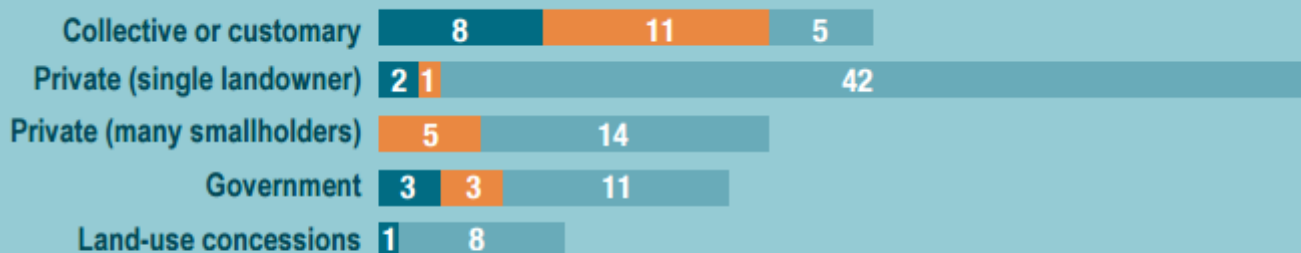
101 forest carbon projects
reported on land tenure

35 forest carbon projects
reported on carbon ownership

Impacts

27 projects helped to clarify land tenure in the project area,
affecting a total of **2.2 M** hectares

Count of Projects Reporting Land Tenure Type and Carbon Ownership, 2014



■ Some % of the carbon asset owned by local communities (but less than 100%)
 ■ 100% of the carbon asset owned by local communities ■ No carbon ownership reported

53 forest carbon projects reported on biodiversity benefits

141 vulnerable or endangered species protected by forest carbon projects

A few examples of those that appear on the IUCN Red List: bearcat, Baird's tapir, giant pangolin, Borneo bay cat, Amazonian manatee, maned wolf, giant armadillo, bearded pig, marbled cat, red-handed howler monkey







Impacts



Clockwise from upper left: Red-handed howler monkey, Baird's tapir, maned wolf, and giant armadillo.



CARBON AND CO-BENEFITS STANDARDS: Provide frameworks for measuring results, but often leave the specifics up to project developers

| Climate, Community & Biodiversity (CCB) Standards | | | | |
|---|---|--|--------------------------------|---|
| Number of Land-Use Projects | Land-Use Project Types Supported | 2014 Offset Volume Transacted (EM) | 2014 Average Offset Price (EM) | 2014 Market Share (EM) |
| 35 verified projects; 59 more in the pipeline (validated) |    | 12.3 MtCO ₂ e (all as an add-on to VCS) | \$4.2 | 50% (for VCS+CCB offsets; another 13% used VCS alone) |
| Plan Vivo | | | | |
| Number of Land-Use Projects | Land-Use Project Types Supported | 2014 Offset Volume Transacted (EM) | 2014 Average Offset Price (EM) | 2014 Market Share (EM) |
| 12 active projects; 40 more in the pipeline |   | 0.6 MtCO ₂ e | \$7.5 | 2% |
| Gold Standard | | | | |
| Number of Land-Use Projects | Land-Use Project Types Supported | 2014 Offset Volume Transacted (EM) | 2014 Average Offset Price (EM) | 2014 Market Share (EM) |
| 12 |  | 0.1 MtCO ₂ e | \$11.1 | <1% |



Tree-planting



Improved Forest Management



Reducing Emissions from Deforestation and Degradation of forests (REDD)

(EM) Ecosystem Marketplace data