



@ Gallifrey Foundation – Luc Cuyvers

Fair Carbon - Briefing

The problem

There is an imbalance between the limited supply of credible carbon projects and the rapidly increasing demand to purchase carbon credits.

Why?

A study by the Gallifrey Foundation in 2020, *Blue Carbon – Mind the Gap*, revealed:

1. the gap between the need for funding to start a project and potential long-term revenue stream is long;

2. the technical barriers to entry are high, requiring expensive outside expertise thereby compromising the ability of projects to be financially viable;

3. The validation of progress is infrequent, three to five years apart, and expensive increasing the risk that projects fail.

The study also made clear that there are four areas that are key to a successful project: **LEGAL** – establishing clear land tenure and the right to carbon credits

MANAGEMENT – engaging the community, ensuring proper governance and project management, fostering transparency

FINANCIAL – getting start-up or seed funding and ensuring potential revenues can cover project costs

SCIENCE – choosing the right conservation, restoration and/or afforestation methods to ensure that the project delivers

Fair Carbon - the project is born

With advice and guidance from project collaborators, a vision of what to do emerged.

- What if the technical barriers to starting a project could be facilitated by providing step-bystep guides based on the requirements of the accreditation standards?
- What if projects could upload proof of progress at each step following a checklist? What if the validation companies could access geotagged images, correlated with satellite images and even LIDAR? Would that make it possible to assess and validate projects remotely as a continuum rather than by field visits made in multi-year spurts?
- With proper guidance, monitoring and management, can the increased credibility of these projects attract seed funding and help close the funding gap?



The proof-of-concept phase started early this year is designed to test these assumptions. A basic information platform is already online, ready to be populated with project guides, data and images to confirm accomplishments. Mangroves are the first target ecosystem, with the requirements of two accreditation standards integrated into the guidelines and checklists. Pilot sites in Latin America and the Caribbean, West and East Africa, South and Southeast Asia will be used to test the system.



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What needs to be fixed?

Before a project can start, there is a need to address whether land tenure and the rights to carbon credits can be secured. Who will lose out if the project puts an area off limits that is used for wood, fishing, aquaculture or other sources of employment? How can they be compensated? How can project developers ensure communities are fairly represented in project governance and receive tangible benefits? How large is the area to be protected, restored or expanded and how does that translate into potential carbon credit revenues? What does the accreditation standard require to earn certification?

If the answers to those questions add up to a viable project, then the project needs to be designed in detail and registered with an accreditation agency. Today this often requires hiring external expertise which can be expensive. The Fair Carbon solution lowers these costs by applying the experience of proven projects to distil the necessary steps into simple step-by-step guides and decision trees.

Credibility of projects starts with project design, making sure that projects are designed to make meaningful contributions to carbon sequestration. For too long projects have been started with the dream of planting a thousand of this or a million of that. Experience shows that those projects most often fail. The dream that needs to inspire projects is having a bio-diverse, functional, healthy ecosystem. That is a far more complex and important task.

The next phase is to validate the project. To minimise the need for expensive site visits, the Fair Carbon platform allows projects to complete and upload proof of action and progress at each step. This can now include geo-tagged photos of the site. When coupled with other data sources like satellite imagery, a new generation of validation companies can assess and measure progress remotely and in near real-time.

There is one more element which Fair Carbon proposes to complete the picture. For each country or region, there should be a central resource which has the capacity (equipment, training and credibility) to make the field measurements required to validate the reported carbon sequestration rates.



Putting these elements together achieves most of the objectives of the Fair Carbon project: 1. Simplify the process of designing and registering a project;

2. Reduce or, when possible, eliminate the need for outside consultants; and

3. Improve the validation process by requiring projects to upload their data for assessment,

thereby increasing the frequency and transparency of progress, at a significantly lower cost.

Looking Ahead

Once the proof-of-concept phase is completed, the project can move into full implementation. This will include refinement of the online platform using GIS mapping, database and story maps. Additional ecosystems will be included: terrestrial forests, salt marshes, seagrasses and macro algae like kelp, and possibly emerging methodologies such as regenerative farming restoring mono-cultural fields.

The regional centres which can help advise and monitor projects will be identified and supported. Training materials, project guides and even the online platform can be made available in local languages.

Carbon storage is only part of the picture. It can be measured and therefore sold as a product, but there are multiple additional benefits. Mangroves increase yield for artisanal fishers and are refuges for biodiversity. They provide protection against storms and possibly sea level rise.

We also need to think about the financial structure of the Fair Carbon platform itself. While it is currently being developed with support from philanthropic contributions from our partners, the goal is for the platform to become a self-sustaining non-profit service. That way it can support a large pool of projects, enabling communities to generate sustainable income from the ecosystems they manage and protect or restore thousands of hectares of mangroves and other ecosystems in the process.

The Mark Carney led *Taskforce on Scaling Voluntary Carbon Markets*, concluded there are three priorities:

- 1. Make financing available to projects from the start
- 2. Ensure projects are credible
- 3. Scale we need many more projects

That is exactly the mission of the Fair Carbon project.

To learn more about the Fair Carbon project go to <u>www.faircarbon.org</u> or contact <u>info@faircarbon.org</u>



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