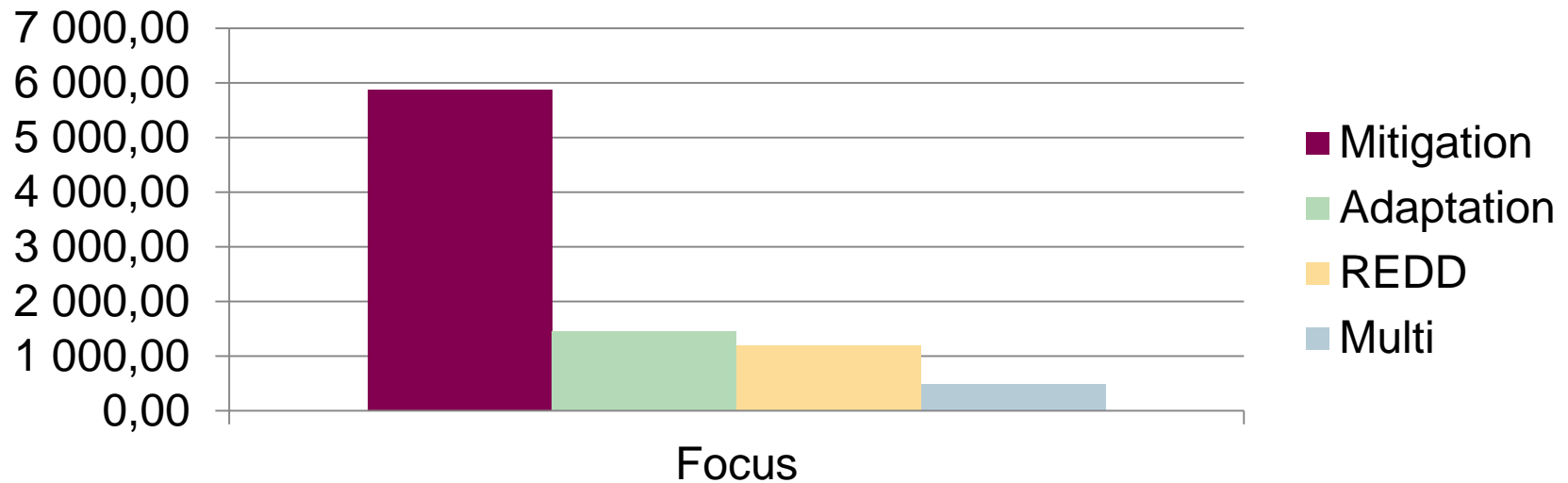


Carbon Markets for Agriculture

BLESSING OR



Focus of current Climate Finance



US Dollar Million

see: www.climatefundsupdate.org

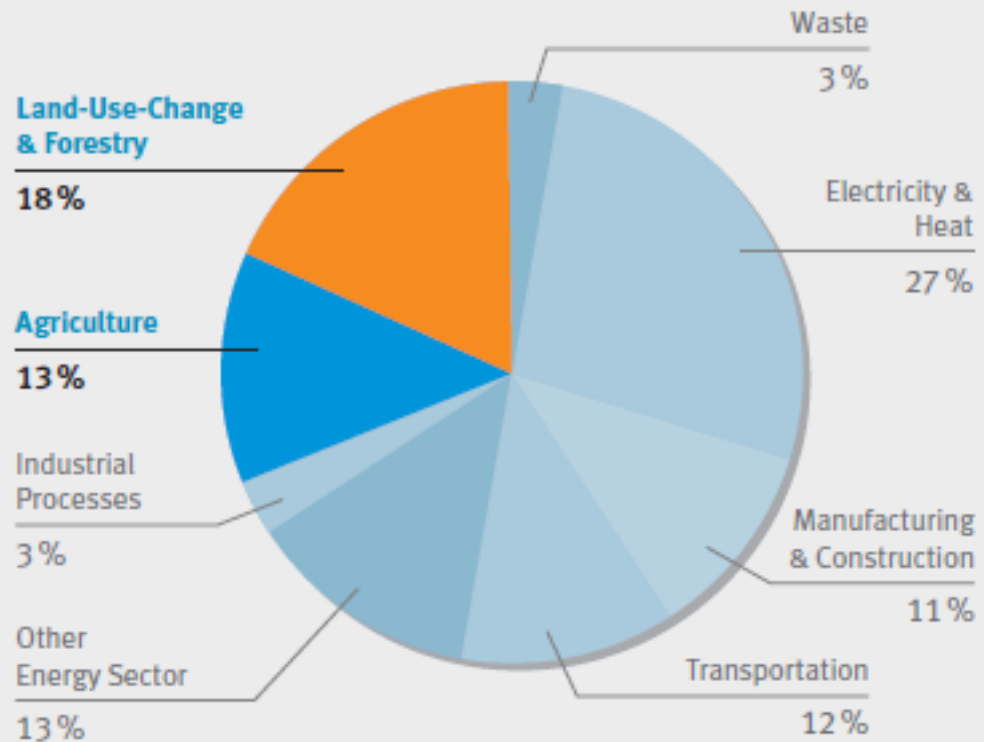
Climate Smart Agriculture

Agriculture that sustainably increases productivity,

- resilience (adaptation),
- reduces/removes GHG (mitigation) and
- enhances national food security/
development goals.

AFULO Emissions

Sources of Global Greenhouse Gas Emissions. Agriculture is the primary driver of land use change and deforestation.



74% of all agricultural GHGs from developing countries (IPCC)
up to 90% of the total mitigation potential in agriculture through increased soil carbon sequestration (FAO 2009)

Carbon Markets for AFULO may enter through...

- REDD +
- NAMA (Nationally Appropriate Mitigation Actions)
- CDM
- New Market Mechanisms
- EU Emissions Trading Scheme (ETS)
- National und regional Carbon Markets (i.e. Australia)
- Voluntary markets (i.e. transfair)

Risks of Carbon Markets



1. Undermining climate change mitigation

complex biological processes in soils and biomass make it difficult to obtain reliable soil carbon measurements –but: essential for the quantification of CO₂ and the generation of CERs

2. No benefit for small-scale farmers

upfront costs vary from US\$ 12 to 600 per ha (FAO), where farmers manage to receive carbon credits intermediaries soak up most of the financial resources







Risks of Carbon Markets



3. Non- appropriate technology

Introduction of non-appropriate technologies at the expense of locally appropriate, affordable and ecologically sound measures.

Risk of the displacement of food production in favour of more easily calculable carbon sinks (Pinto et al. 2010)

4. Diversion of ODA

17 billion Euros needed between 2010 and 2030 to establish trading from soil carbon sequestration

Carbon market 'readiness' projects may divert institutional, human and monetary resources away from other development efforts (ODA will be used)

What about the Voluntary Market?

Enough evidence that

- carbon in soils and trees can be stored permanently?
- sequestering carbon can be measured exactly?
- removing and sequestering carbon can offset fossil fuel emissions?

Are we a credible opponent to include Agri into the compliance Market when we offer voluntary offsets ourselves?

