Carbon Markets for Agriculture

BLESSING OR CURSE?

Anika Schroeder, Climate Change and Development, COP 18, 2012
Focus of current Climate Finance

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.
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)
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 CO$_2$ 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?