



WORLD SUSTAINABLE DEVELOPMENT SUMMIT 2022

TOWARDS A RESILIENT PLANET:
ENSURING A SUSTAINABLE AND EQUITABLE FUTURE

February 16-18, 2022 (Virtual)



Achieving Sustainable Development Goals through Carbon and Climate Finance Forest Sector Experiences from Global South

THEMATIC TRACK SUMMARY

Venue: Hemis

Date: February 16, 2022

Time: 11:30 AM - 01:00 PM (IST)

Suggested Citation

World Sustainable Development Summit (2022), Achieving Sustainable Development Goals through Carbon and Climate Finance Forest Sector Experiences from Global South, Thematic Track Summary (Rapporteurs: Supriya Kumari and Chanchal), New Delhi: The Energy and Resources Institute.

Actionable Messages

Message 1: Carbon finance mechanism should be transformed into a holistic system, in which all sectors (transport, energy, and rural development) can be roped in along with the forest department. Bringing national level carbon neutrality policy is the need of hour.

Message 2: If Carbon dioxide (CO₂) sequestered is monetized efficiently then it will be a win –win situation for both farmers and the government. These projects for carbon sequestration should be extended to other Indian states also.

Message 3: Huge financial resources are required to fulfil the goals of COP26. Voluntary market and national level trading platform for carbon finance projects should be developed for better outcomes.

Message 4: Crisis of carbon credit and biodiversity should be dealt with agroforestry and TOF expansions. Public-private-partnerships (PPPs) are very important to collaborate and work together.



Narrative

The session highlighted the importance of carbon finance in achieving Sustainable Development Goals (SDGs). Forest and trees are stated primarily as social and environmental resource and secondarily as commercial resource. Forests help in both mitigating climate change as well as have a huge potential for generating carbon finance and improving the livelihood of local communities, thereby directly contributing to SDG 5, 13, 14 and 15 and indirectly contributing towards SDG 1, 2, 8, 10, 12 and 17. As per India State of Forest Report 2021 (ISFR 2021), increase in forest cover is imperative for the attainment of NDC goals and people contributing towards the increase should be compensated and therefore carbon finance can be considered potential option.

After expiry of Kyoto Protocol compliance market is at standstill which led to emergence of voluntary markets, which needs to be explored. By 2020 there are almost 8000 million Certified Emission Reduction (CER) generated by Clean Development Mechanism (CDM) projects under Compliance market. After Kyoto protocol expiry voluntary markets had started gaining recognition. Basic cardinal principal for all markets are same that are drawn from compliance market procedure.

Farm forestry and agro-forestry are two major sectors of improvement where carbon financing can be a win-win situation for both farmers and the government. The beneficiaries would be the small farmers and land owners. Policy interventions, innovative financial mechanism, capacity building and institutional mechanism play an important role for developing carbon finance projects. The importance of research and developmental studies in policy formulations in natural resource management has also been looked upon. The panellists agreed on the fact that there is a need to develop a national level carbon neutral policy to help strengthen the public-private-partnership among different sectors. Nature based solutions is an important sector to engage local communities and ensure their positive approach towards eco-restoration.

The session ended with the key suggestions provided by the panellists to address the gaps in the existing finance mechanism, which includes;

- Coordination mechanism should be in place to enable private and public sector to come together at national or state level,
- Issue of governance should be resolved by strengthening the gram sabha/local-level institutions to handle the finance,
- Methodologies should be revised to cater the Indian and South Asian scenarios, as South Asian projects are a bit difficult in given voluntary standards.
- Channelizing the resources for building capacity of frontline staff and local communities,
- Introduction of novel approaches like biodiversity credits can be incorporated for biodiversity conservation and improvement of ecosystem services.
- Ignoring natural resource will not be good for sustaining world's economy but if we link it with the incentives via forestry or carbon sequestration in agroforestry it would be an excellent nature based solution.
- Voluntary carbon market should be made more effective PPP-based; if it happens then there can be large amount of funding. The way money is being spent in the projects is really important. So, we need to figure out the policy-framework of a set of procedures to be followed.

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Capacity building is one of the most crucial aspect to sustain the carbon finance project for long-term.

Dr J V Sharma
Director, Land Resource, TERI



Trees Outside Forests (TOF), including farm forestry and agroforestry are major sectors of improvement to enhance the tree cover.

Mr CP Goyal
Director General of Forest & Special Secretary, Ministry of Environment, Forests and Climate Change, Government of India



It's important to collaborate and work together for enhancing the functioning of ecosystem services.

Mr Pablo Cesar Benitez
Senior Environmental Economist, The World Bank



Trees outside forests have significant contributions in achieving the COP 26 goal i.e. net zero emissions by 2070.

Mr Anupam Joshi
Senior Environmental Specialist, The World Bank



Improving quality of existing forests is as important as enhancing the tree cover.

Mr Sandeep Roy Choudhury
Director, VNV Advisory, India