



# Carbon Markets, Nature, Rights and Climate Justice

Round Table Documentation and Policy Considerations

NYC Climate Week | September 19, 2023

The Forum at Columbia University

WE ACT for Environmental Justice · Namati · Grassroots Justice Network  
Columbia Climate School · Columbia World Projects

# CARBON MARKETS, NATURE, RIGHTS AND CLIMATE JUSTICE

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### CONTACTS

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Columbia World Projects



COLUMBIA CLIMATE SCHOOL  
Climate, Earth, and Society



NAMATI



Grassroots  
Justice Network

***This report does not claim to represent the views of all participants or organizations represented at the round table.***

*There is much debate on this topic and opinions differ on the best approaches. The people at this roundtable found agreement in noting that there is a clear and present disconnect between lived experiences of people directly impacted by carbon markets and the policy and practice of global carbon markets and projects.*

*It is with this centering emphasis that this report offers points of understanding and a starting place for debate as well as aligned action*

*Chatham House Rules were observed during the roundtable in order to promote authentic sharing.*

## BACKGROUND

**A historic and rapid transformation of nature credit and offset markets is underway.** Estimates of nature credit market growth vary widely and the market continues to be volatile, with some estimates predicting that the carbon market alone is expected to scale to \$50B by 2030 and \$4T by 2050. Meanwhile, more than two thirds of countries are planning to use carbon markets to meet Nationally Determined Contributions (NDCs) ([World Bank](#)). Ahead of COP28, negotiations to define the human rights safeguards and eligibility of voluntary carbon market activities, crediting mechanisms, and authorizations and guidelines that enable internationally transferred mitigation outcomes (ITMOS) under [Article 6.4 of the Paris Agreement](#), and establishment of a Supervisory Body are heading towards a critical juncture. Amid this landscape, national governments are rushing to create new laws and regulations to govern the markets and projects in their territories.<sup>1</sup>

**Market growth does not guarantee nature-positive, climate positive, or equitable outcomes. Lessons from early nature-based markets, and related offset schemes, have shown significant risks if the needs of frontline actors are not considered in every step of design and implementation.** These risks include greenwashing, underpricing, double counting and over accounting based on counterfactuals, displacement and threats to sovereignty, lack of land and marine tenure rights, discounting of future climate risk and biodiversity baselines, additionality, and inadequate local jurisdictional policy and governance. Further, in 2022 alone, issuances outpaced retirements, indicating that growth is not steady from year to year ([Carbon Direct](#)). As policies change, so too will the market, pricing, and project development practices. Taken together, these realities underscore how risks may be exacerbated as pressure increases to dramatically increase related climate finance, such as blue bonds and blue carbon markets, debt-for-nature swaps, biodiversity credits, and project-finance-for-permanence.

**On September 19, 2023 Namati, Grassroots Justice Network, WE ACT for Environmental Justice, the Columbia Climate School, and Columbia World Projects** convened a roundtable of a cross-section of actors impacted by and influencing these markets. Objective were to consider if / how they could be more just by:

- Listening to communities directly impacted by these markets, and those working with them, about their realities, needs and policy suggestions
- Discussing key topics, including opportunity and access to complex markets; sovereignty, land tenure and consent; future climate and carbon market integrity; and emerging challenges in blue carbon markets and coastal / ocean contexts
- Articulating operational, programmatic, and practice-based needs (e.g., legal tools and support, financial vehicles, research, local regulation and standards) to translate markets into benefit-sharing

**Instead of aiming for consensus, the event was focused on hearing from impacted communities and responding to the issues they raised.** In the process, we surfaced a number of areas of common understanding and potential collaboration as well as areas of contestation about the perceptions and realities of the market. The following represents a synthesis of this discussion; a set of policy considerations that can be used to advance international and national frameworks, national legislation, and other policy agendas; and, a set of potential next actions around which stakeholders can continue to organize.

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<sup>1</sup> In March of 2023, [Zimbabwe](#) released national guidance on carbon markets that requires 20% benefit to local communities but also requires all companies to re-register. In a similar vein, the government of [Kenya](#) is considering revising its Climate Law to increase benefits to communities. After years of avoiding the markets, before being dissolved in May 2023, the legislature of Ecuador was debating creating a new opening for carbon markets. In [Indonesia](#), the government announced the re-opening of carbon markets in May 2023, even as regulations for the markets are still being drafted. In the United States, the Securities Exchange Commission (SEC) has proposed climate risk disclosure rules that would require companies to disclose their use of offset. The US Commodities Futures Trading Commission is also considering its regulatory engagement in the voluntary market, broadly.

## OVERALL DISCUSSION FINDINGS

Carbon markets come with structures that can cause confusion and power asymmetry. As the carbon markets quickly proliferate and the Conference of the Parties to the UNFCCC is speeding toward finalizing a framework for carbon crediting, a climate-just approach requires centering the realities of these markets on the ground. There is considerable alignment across industry actors - governments, private sector, academia, and non-profit leaders - about the critical need to respond to implementation risks experienced by frontline actors. Communities at the frontline of responding to health impacts of fossil fuel emissions and communities living on land impacted by carbon markets have similar mistrust of the market systems to take their wellbeing into account when designing these systems. The experiences of frontline communities can give all actors insight into where risks lie in the market and potential breaking points as the markets scale. This is critical information in the context of significant market risks and areas with high uncertainty, such as coastal and deep blue carbon projects.

To have effective, trustworthy, and sustainable markets, market influencers and investors must take into account implementation challenges surfaced by frontline communities and create effective solutions in policy and practice. Challenges experienced by frontline communities include a lack of clear information about the markets and project impacts, consultation or informed consent, access to fair and transparent compensation, access to data about the markets and project efficacy, and access to legal and technical advice. The pressure to quickly open new markets often has meant that the markets are operating without adequate legal frameworks, grievance mechanisms, or accountability for rights violations.

*“Communities have been discriminated against because of race, class and gender. We need equitable distribution of benefits. It won't happen here in the US or in the global south without the intention to have all voices not only heard, but also incorporated into solutions that work.”*

Carbon markets overall contain a great deal of risk and all actors should approach them aware of the potential for failure. These risks include greenwashing, underpricing, double counting and over accounting based on counterfactual displacement and threats to sovereignty, lack of land and marine tenure rights, discounting of future climate risk and biodiversity baselines, additionality, and inadequate local jurisdictional policy and governance.

The risks may be especially pronounced for new blue carbon markets, where technologies are largely untested, governance is often unclear, measurement and monitoring is difficult, and there is high potential for transboundary impacts. It is, therefore, urgent that lessons learned from terrestrial projects inform coastal and deep-blue contexts, where the evidence base for activities is still far from certain, despite amplified interest and predominantly increasingly self-monitored commercial practices. Coastal zones, which are often owned

by the State and managed on an open access basis can become off-limits, affecting livelihoods and community wellbeing especially where indigenous uses aren't well known and rights not legally defined.

For the markets to succeed, urgent action is necessary to ensure these frontline challenges are reflected in emerging global and national policy frameworks. There is also an opportunity, if these markets are approached with care, to address historical asymmetries and bolster the rights of Indigenous Peoples and Local Communities (IPLCs). Thresholds of necessary good practice for market operation, including clear tenure security for local actors and protection for environmental rights defenders, could be a pathway to addressing entrenched rights violations. The policy recommendation section below includes a list of minimum good practices for national and international legal frameworks on carbon markets.

In addition, better linkages between different actors are necessary to address asymmetry of information and capacity. The group discussed practical opportunities to quickly enable policy makers and frontline communities in nature-rich countries. This includes regularly hosting convenings like this one, where different stakeholders across the carbon market chain are able to hear from frontline communities and adjust their role in the markets based on the shared knowledge.

*“Land is our home, not just an asset.”*



## **POLICY CONSIDERATIONS**

The following policy considerations aim to synthesize points at the roundtable. We expect actors from the roundtable to use these recommendations as minimum criteria for market frameworks in global negotiations, national rulemaking, state regulatory frameworks, and local agreements. Without regulatory frameworks that include planning, implementation, monitoring, and sanctions for carbon market projects and climate financing, broadly, there will continue to be gaps in respect for community rights where the obligations of companies are concerned.

Specific and immediate opportunities include responding to:

- **UNFCCC Secretariat Recognition and Accountability Framework: Draft Implementation Plan with respect to Net-Zero Pledges of non-State actors and Integrity Matters;**
- **UNFCCC Article 6.4 Draft Grievance Mechanism and Safeguards;**
- **Calls for inputs from Indigenous People and local communities to the Article 6.4 Supervisory Body; and,**
- **Emerging national policy in Kenya, Indonesia, and Zambia.**

### **I**

#### **FAIR MARKET ACCESS: AVOID A LICENSE TO POLLUTE**

**Carbon markets are asking some communities to change their practices for the benefit of individuals and corporations across the globe. At the same time, there is a risk that carbon markets will increase the negative impacts of pollution for other communities, because they will provide corporations with an excuse to evade reductions in their own emissions. Access and use of these markets must be limited and fair, to reduce the risk of burdening and harming communities. Moreover, the health of the market - and the likelihood of continued investments - requires being able to show that they and related projects are not just a greenwashing exercise.**

**To make this a reality, the following actions would meaningfully address these risks:**

- The UNFCCC, host governments, and those creating market frameworks must require that buyers meet a criteria for net- and absolute-zero standards before they are eligible to participate in the market. Under no circumstances should fossil fuel companies be able to access these markets. Buyers must be required to be transparent about their current emissions and what they are doing to reduce emissions in a consistent, credible manner.
- International frameworks should ensure protections for any forcing mechanisms of the market, such as trade restrictions based on market participation, which challenge sovereignty.

## II FAIR LAND AND MARINE TENURE

**Fair Carbon Markets require that the people living or using land and coastal resources related to the markets have clear, respected tenure security.**

**To make this a reality, the following actions would ensure this protection:**

- As a precondition to considering land for carbon markets, the territorial rights of IPLCs living on the land must be recognized and registered formally (such as through title) in a manner that respects territorial, national, and international laws. This includes customary and formal tenure. No land should be considered for carbon markets when there are people living on that land whose tenure is not secure. National governments have the obligation to ensure the tenure rights of communities. Private sector actors also have obligations to ensure that rights are not violated by their engagement in the market.
- As a precondition for coastal blue carbon projects, IPLCs, local and national public agencies, and marine managers must be guaranteed and included in the development of impacts, risks, and benefits of these projects.
- International frameworks must take into account collective rights to the ocean and global commons, especially where rights holders are unidentifiable, such as deep blue carbon projects, when determining risks, benefits, and impacts of projects.
- National governments, partnering with other actors, have a responsibility to make data about the registrational and tenure claims for land considered for projects that generate credits must be readily available for all actors as a market precondition.
- Before opening markets, the national host government must have requirements for how to recognize and register tenure, as well as clear, accessible mechanisms for identifying, litigating, sanctioning, and stopping unjust or maladaptive projects. Private sector actors should avoid engaging in markets where they can not verify that these rights are protected.
- Actors who wish to expedite the spread and scale of carbon markets can help these preconditions be met by investing in locally-led land tenure registration and data gathering. This must include legal and technical support for communities wishing to register their lands.
- Buyers and market investors should not engage in or fund projects unless there are assurances of a process for and actual tenure security. The amount of tenure insecurity within a country or region would be a strong indicator of risk for potential challenges within that market.
- At no time should communities be forced to register or formalize their land tenure within a system. If the formal tenure recognition does not exist, the project should not go forward.
- International and national frameworks must take into account historical gendered tenure asymmetries and ensure that these realities are accounted for in recognizing tenure for any project.



### III

## FAIR INFORMATION, CONSULTATION, AND CONSENT

**To minimize risk of individual project failure and enhance overall market integrity, all actors must be guaranteed prior consultation, have access to information and informed consent about their role in a project, the motivations and role of buyers, and options for risk mitigation. We must assure transparency and accountability, especially on the demand side. This must include robust, accessible, responsive grievance mechanisms.**

**To make this a reality, the following actions would minimize these risks:**

- National laws to require and protect rights of Free, Prior, Informed, Consent (FPIC), including a guarantee for prior consultation, for all communities living on land impacted by projects that generate carbon credits should be a minimum precondition for all markets.
- Proper implementation of FPIC must include the following:
  - a. Free: There must be no coercion or repercussions against anyone discussing a community's decision of whether to engage in the process. National governments must take care to ensure the protection of environmental rights defenders and advocates engaged in these discussions. Buyers and investors can support the protection of free consent by having a zero tolerance for any reprisals on advocates related to any project where their finances flow.
  - b. Prior: Engagement of the community must occur before the project begins, and ideally before there is financial and political pressure that makes saying 'no' to the project logistically infeasible. That the consent must be prior, does not preclude the need for consent to also be ongoing throughout the lifecycle of the project.
  - c. Informed: Information about the project and carbon markets must be given to the community in a manner that is understandable locally. This should include consideration for language, literacy, and cultural practices. Before decisions are made about a project, communities impacted by the project must have access to all information, including but not limited to, beneficial ownership information about corporate actors involved, all contracts and agreements, and scientific and financial models and projections. Companies must be required to provide annual financing reporting as standard operating agreements.
  - d. Consent: Consent must be given in a manner that includes the whole community based on a process defined by the community. A single actor from a community cannot give adequate consent for a large, land-based investment.
- Buyers and governments wishing to ensure the integrity of the market would be well advised to verify that FPIC processes are working effectively, based on the feedback of people living on the impacted land.
- As a precondition to markets, national governments in partnership with academia must co-create mechanisms alongside citizens and impacted communities that enable tracking of project documents related to all projects, including contracts, and annual financial flows on a project-by-project basis.

- National and state governments must have a mechanism or platform where information on project registration, sanctions carried out and agreements with communities can be accessed. In addition, these platforms should monitor the implementation of the safeguards implemented within the framework of its commitments in the fight against climate change.
- National governments must assure that there is equal access to high quality, safe, and secured GIS technologies and capacities to monitor project delivery, carbon sequestration, and climate impacts between companies and local communities and institutions.
- Actors who wish to expedite the growth and scale of carbon markets and climate finance should finance independent funds, technical assistance programming, and provision of legal support that IPLC's can directly access for legal and technical support during the FPIC processes.
- Where countries enter into mutual agreements to trade mitigation outcomes under Article 6.4 (i.e., mitigation efforts in one country are used to fulfill NDC targets in another country), national governments must reveal and make transparent market mechanisms in use in a single repository under International frameworks or Article 6 Supervisory Body.

*“We have the agency to reject [these markets and projects]  
until the science is there.”*

## IV FAIR COMPENSATION

**People living on and using the land impacted by carbon markets must be adequately and transparently compensated.**

**The following actions would ensure this reality:**

- Compensation requirements in national laws and individual projects should require a considerable and fair percentage of project profits to flow directly to impacted communities.
- Companies, national governments, and international NGOs must anticipate harms in consultation with communities and create mechanisms for compensation of anticipated and unanticipated harms of the project. These funds and resources should be established, set aside, and contractually protected from the beginning of the project to be accessed by the community should harm occur and the project otherwise fails.
- The finances flowing to impacted communities should be managed by the communities themselves. As noted above, national governments and corporate actors are responsible for ensuring that information about the timing, size, and use of these finances is clearly and transparently communicated in a timely manner that can be used by impacted communities.
- National governments, buyers, and industry influencers should require that compensation agreements are publicly available in a non-proprietary repository and provide simplified standards that communities and partners can model and understand. In addition to sharing profits, these agreements must make provisions for payments for potential environmental harms.
- Actors wishing to expedite the growth of carbon markets should create analysis of good practice of compensation (and benefit sharing) agreements and make templates of good practice.
- Communities and those who support them must ensure that they are equipped to address the potential for asymmetrical gender representation in negotiations and decisions about spending compensation.
- Article 6.4 rules must require and oversee that buyers undergo annual and public audits on all projects, such as through the Integrity Council of the Voluntary Carbon Markets (ICVCM) Core Carbon Principles (CCPs). This could be potentially implemented by global audit firms as a part of sustainability commitments or through Validation and Verification Bodies (VVBs) already auditing emissions reductions claimed by projects.
- Offset calculations must be scientifically sound and cognizant of social factors and unique landscape and ecological context. They must abide by internationally agreed upon methodologies and project tracking and auditing must be provided by an independent body (not a company with vested interests).
- The Supervisory Body (SB) of the Article 6.4 Mechanism should include financial disclosure as part of market participation requirements.

*‘Plan for failure - it will come. It comes in every market. Getting this ‘right’ means it's going to go wrong - markets fail.’*

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## V FAIR PARTICIPATION

**For Carbon Markets to have a transformative positive impact on the communities where projects take place, it is necessary for the actors involved to have access to information, skills, and resources to engage in the markets as informed actors from conception through the entirety of the project lifecycle. Those who wish for the markets to accelerate can invest in local and national capacity in the context of the following actions:**

- National governments and industry influencers should invest in the capacity of negotiating, rulemaking and oversight institutions nationally and locally as a precondition for markets to proceed. Buyers and investors should consider the capacity of these institutions in gauging the risk of their investment.
- National and International frameworks must require that communities have access to independent legal support built into operating practices to support negotiating resources, such as through capture of a base percentages of transaction costs and the establishing of a Fair Market Access Fund. Buyers, investors, and corporate actors should contribute to this blind fund.
- International and national frameworks should include standards and benchmarks that indicate community and public sector capacity for participatory engagement as a precondition for market participation
- International and national framework must include standards for effective participation in the planning of the project or activity throughout its lifecycle
- International and national frameworks must take into account historical gendered participatory barriers (e.g., meeting locations, times, norms) and asymmetries and ensure that these realities are accounted for in recognizing participatory engagement on any project.
- National and state regulations should include guidelines for inclusive participation based on local context, such as through public meetings, briefings of leaders and communities, and written or recorded material.
- National and state regulations should include long-term participatory governance models to oversee project design and delivery, so that consultation is ongoing, meaningful, and not static.

## POTENTIAL ACTIONS

1. Use the above policy considerations as the basis for multi-actor advocacy, including submissions for time sensitive requests leading up to COP 28 such as the UNFCCC Secretariat Recognition and Accountability Framework: Draft Implementation Plan with respect to Net-Zero Pledges of non-State actors and Integrity Matters. Create a system for the multiple actors convened at COP 28 and COP 29 to continue to reinforce the needs of directly impacted communities.
2. Use the above policy recommendation to engage the ICVCM (Integrity Council of the Voluntary Carbon Markets) Core Carbon Principals (CCPs) and International Civil Aviation Organization's (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) Technical Advisory Board to support adoption of principles of financial and fiduciary transparency.
3. Convene National governments in carbon-rich countries (e.g., Indonesia, Myanmar, India, Liberia, Zimbabwe, Sierra Leone, Colombia, Peru, Guyana, Belize, Brazil, Vanuatu, Kenya) and global actors, including multilateral funding institutions, to share emerging lessons and support developing national legislation and commitments to equity.
4. Establish and capitalize a Fair Market Access Fund, sustainably financed such as through base percentages of transactions, to provide direct technical and legal assistance for IPLCs whose land is of interest to carbon projects.
5. Establish a capacity-building, legal, and clinic-based support program that can support project and policy preparation and provide for transparent hosting of materials, legal counsel and mediation services and support IPLCs in absorbing and implementing funds made available through the Fair Market Access Fund, including for example:
  - a. Community Benefit Agreement repository, analysis, and application guidance
  - b. Cost-Benefit Analysis repository, analysis, and application guidance
  - c. Project development templates
  - d. Curriculum on market transparency and implementation for National Ministries of Finance and Environment/Climate, local communities and customary owners, and non-finance experts (e.g, natural resource managers) encountering market deals
  - e. Convening of a community-of-practice to anchor program design and recommendations to global forum
6. Brief US Federal Agencies on roundtable findings in the context of current Federal efforts to align and inventory US practice, policy, and engagement in nature-based and carbon markets and support the staging of an interagency group policy committee (USAID, CEQ) as the US government seeks to fulfill its obligation to community budget agreements that it advances.

*“We don’t know enough. We need to know more.  
And this is the role of Universities.  
This is the role of capacity building that we need.  
It’s hard to structure policy when we don’t know what’s  
going on.”*



## APPENDIX 1. ROUNDTABLE AGENDA

*Moderator - Sheila Foster, Climate School Visiting Professor*

### **9:00 - 9:15**

*Coffee and Light Refreshments*

### **9:15 - 9:30**

*Opening Remarks and Welcome*

Tom Asher, Columbia World Projects

Jeff Shaman, Interim Dean Columbia Climate School

Peggy Shepard, Co-Founder and Executive Director of WE ACT for Environmental Justice

Vivek Maru, Founder and CEO, Namati

### **9:30 - 11:30**

*Roundtable Discussion*

*\*Speakers will frame conversation briefly, then 30 minutes of moderated discussion*

#### **Opportunity and Access to Complex Markets**

Aída Gamboa (DAR, Peru)

Marcelo Furtado, Principal at Nature Finance and Co-lead of Taskforce on Nature Markets, Head of Sustainability at ITAUSA

#### **Lessons in Land Tenure and Sovereignty in Terrestrial Contexts**

Eileen Wakesho, Namati Kenya

Ariadne Gorrington, Pollination Foundation

#### **Approaching Future Climate and Applying Lessons to Coastal and Ocean-Based Markets**

Romany Webb, Sabin Center for Climate Law

### **11:30 - 12:00**

*Closing Discussion and Wrap Up*

## APPENDIX 2. ROUNDTABLE PARTICIPANT ORGANIZATIONS LIST

Amerindian Peoples Association  
Bullard Center for Environmental and Climate Justice  
Cadasta Foundation  
Center for Biological Diversity  
Climate School, Columbia University  
Columbia World Projects  
CPI Global  
Deep South Center for Environmental Justice, Dillard University  
Deloitte  
Derecho, Ambiente y Recursos Naturales (DAR)  
Environmental Defense Fund  
Forest People Program  
Former NYS Public Service Commission  
Friends of the Earth  
Global Islands Partners (GLISPA)  
Great Barrier Reef Foundation  
IMPACT  
International Land Coalition  
Met Group  
Mission and Co.  
Mott Foundation  
Namati  
Namati Kenya  
National Resources Defense Council  
National University of Singapore, Center for Nature Based Climate Solutions  
National Wildlife Federation  
North Carolina Association of Black Lawyers Land Loss Prevention Project  
Pollination Foundation  
Princeton University  
Rocky Mountain Institute  
Sabin Center for Climate Change Law  
South Rupununi District Council  
Southeast Climate and Energy Network  
Taskforce for Nature Markets  
Three Cairns Group, Global Carbon Market Utility (GCMU)  
USAID  
Varaha  
WE ACT for Environmental Justice  
West Africa Blue  
Yale Center for Environmental Justice  
Zibelman Energy Advisors, Inc.

## APPENDIX 3. CONVENERS

### **Grassroots Justice Network**

The Grassroots Justice Network brings justice defenders together to connect, learn and act. We make grassroots justice a reality by putting the power of law in the hands of people. We dream of a world in which the communities most impacted by injustice can defend their rights and take part in making the decisions that affect them.

We are a global community of over 12,000+ members from 175 countries. We are justice defenders, activists and organizers, educators, public servants, students, and people with a passion for justice. We tackle a wide range of justice issues, from gender equality to land rights, housing discrimination, statelessness, pretrial detention, and much more. We live and work in solidarity with communities facing injustice. The Grassroots Justice Network is convened by Namati.

### **Namati**

Namati advances social and environmental justice by building a movement of people who know, use, and shape the law.

### **WE ACT for Environmental Justice**

WE ACT's mission is to build healthy communities by ensuring that people of color and/or low income residents participate meaningfully in the creation of sound and fair environmental health and protection policies and practices. WE ACT envisions a community that has:

- Informed and engaged residents who participate fully in decision-making on key issues that impact their health and community.
- Strong and equal environmental protections.
- Increased environmental health through community-based participatory research and evidence-based campaigns.

### **Columbia University Climate School**

The Columbia Climate School's mission is to develop and inspire knowledge-based solutions and educate future leaders for just and prosperous societies on a healthy planet. The Columbia Climate School translates its academic work into evidence-based analysis and advice to inform decision- and policy-makers in communities, governments, industries, and nonprofits in the US and globally.

### **Columbia World Projects**

Columbia World Projects (CWP) is dedicated to forging closer and more useful connections between the vast research capabilities of a great university and the needs of the world. Working closely with partners both inside and outside of Columbia, we conceive, develop and implement a wide range of projects aimed at improving people's lives.

## APPENDIX 4. KEY TERMINOLOGY AND ACRONYMS

<b>Term</b>	<b>Definition</b>
Additionality	A carbon credit is only additional if it represents emission reductions that are above and beyond “business as usual”. The reduction would not have happened without the carbon credit project.
Article 4 of the Paris Agreement	Under the UNFCCC, binding commitments by countries to respond to the climate crisis.
Article 6.4 of the Paris Agreement	Allows countries to voluntarily cooperate with each other to achieve emission reduction targets set out in their NDCs. This means that, under Article 6, a country (or countries) will be able to transfer carbon credits earned from the reduction of GHG emissions to help one or more countries meet climate targets.
Carbon credit	A financial representation of a portion of carbon dioxide (usually measured in tons) that is sequestered or not emitted.
Carbon market	The global buying and selling of GHG emissions in the form of carbon offsets and credits. There are two types of markets: 1) a compliance market guided by government regulation and multinational agreements, and 2) a voluntary market typically used by businesses and individuals seeking to offset their carbon impact.
Carbon offset	A way to quantify an action that reduces or removes greenhouse gasses (GHG) from the atmosphere or increases carbon storage (for example, restoring land or planting trees that absorb CO <sub>2</sub> ) as a way to compensate for emissions occurring elsewhere.
Carbon pricing	Charging emitters for the tons of CO <sub>2</sub> emission for which they are responsible. Different carbon credits have different prices, which are set based on factors like the cost and value of the project.
Carbon rights	the right to benefit from a land’s ability to absorb and store carbon, usually from trees, grass, soil, or peat.
Carbon standard	An independent screening and monitoring mechanism that regulates the carbon market, ensuring that what is being sold is a legitimate carbon credit that will have an impact.
Commoditization of Nature	Putting a price on nature and making it tradable.
Compliance markets	Carbon markets created and regulated by mandatory national, regional, or international carbon reduction regimes (e.g. UNFCCC or Kyoto Protocol).
Customary land tenure	A set of rules and norms that govern community allocation, use, access, and transfer of land and other natural resources.
Buffer Pool	Similar to an insurance policy that seeks to ensure that each carbon credit will deliver 1 ton of CO <sub>2</sub> emissions removals or avoidance, even if some carbon stocks are unexpectedly lost.
Biodiversity Credit	A tradeable unit that represents a positive biodiversity outcome achieved by a nature-based solutions project registered under a biodiversity credit scheme that is based on scientifically derived and measurable metrics for biodiversity, and which is not used to offset an equivalent negative impact on biodiversity elsewhere. (TNF)

Biodiversity Offsets	A tradeable unit that represents a positive biodiversity outcome achieved by a nature-based solutions project registered under a biodiversity offset scheme that is based on scientifically derived and measurable metrics for biodiversity, and which is used to offset an equivalent negative impact on biodiversity elsewhere arising from project development after appropriate prevention and mitigation measures have been taken in accordance with the mitigation hierarchy. (TNF)
Biodiversity Credit Scheme	A program administered by an entity (e.g. an NGO or government entity) to facilitate the issuance and trading of biodiversity credits in accordance with the requirements of a common standard and approved scientific methodology. (TNF)
Biodiversity Offset Scheme	A program administered by an entity (e.g. an NGO or government entity) to facilitate the issuance and trading of biodiversity offsets in accordance with the requirements of a common standard and approved scientific methodology. (TNF)
Blue carbon	Blue carbon refers to carbon dioxide that is absorbed from the atmosphere and stored in the ocean.
CDR (Carbon Dioxide Removal)	Carbon dioxide removal (CDR) refers to approaches that remove carbon dioxide (CO <sub>2</sub> ) from the atmosphere. CDR encompasses a wide array of approaches, including direct air capture (DAC) coupled to durable storage, soil carbon sequestration, biomass carbon removal and storage, enhanced mineralization, ocean-based CDR, and afforestation/reforestation.
Financial Market Utility	Multilateral systems that provide the essential infrastructure for transferring, clearing, and settling payments, securities, and other financial transactions among financial institutions or between financial institutions and within those systems.
Natural Capital	The stock of renewable and nonrenewable natural resources (e.g. plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people. (TNF)
Permanence	Emissions that are removed or reduced need to be permanently removed or reduced in order to have an impact on the climate – this means that the carbon benefits should last at least 100 years.
REDD+ (Reducing Emissions from Deforestation and Degradation plus)	An initiative that aims to provide revenue streams to encourage countries to contribute to climate change mitigation efforts through five globally agreed on activities: Reducing emissions from deforestation; Reducing emissions from forest degradation; Conservation of forest carbon stocks; Sustainable management of forests; Enhancement of forest carbon stocks.
UNFCCC (United Nations Framework Convention on Climate Change)	International environmental treaty to combat the climate crisis.
Voluntary Carbon Market	Where private individuals and corporations issue, buy, and sell carbon credits outside of regulated or mandatory carbon pricing tools

## Common Acronyms

VCM	Voluntary Carbon Market
ICVCM	Integrity Council for the Voluntary Carbon Market
UNFCCC	United Nations Framework Convention on Climate Change
TNFD	Taskforce for Nature-related Financial Disclosures
CDR	Carbon Dioxide Removal
GCMU	Global Carbon Market Utility
ESG	Environmental, Social, and Governance
SBTi	Science-Based Targets Initiative
IPCC	International Panel on Climate Change
TCFD	Taskforce on Climate Related Financial Disclosures
REDD+	Reducing Emissions from Deforestation and Forest Degradation
IPLC	Indigenous Peoples and Local Communities
NDC	Nationally Determined Contributions



