



EXCELLENCE FOR SUSTAINABILITY

Research Institute of Organic Agriculture
Forschungsinstitut für biologischen Landbau
Institut de recherche de l'agriculture biologique



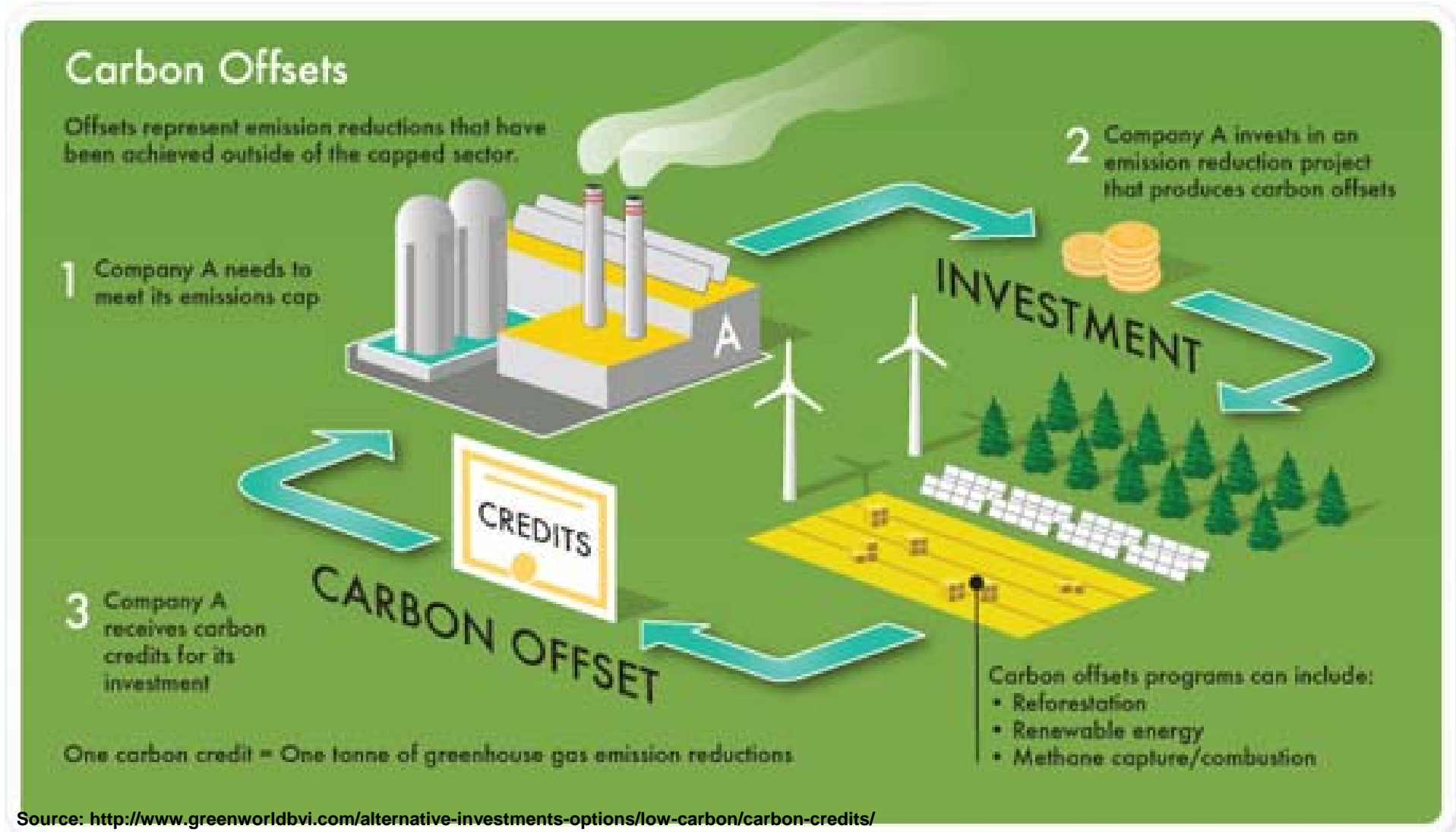
Carbon Credits and Sustainable Agriculture – Institutional Challenges

RTOACC-meeting, 11.7.2013, IFOAM, Bonn

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Carbon Credits – what it is and how it works



Types of Carbon Credits

Mandatory – derived from compliance schemes



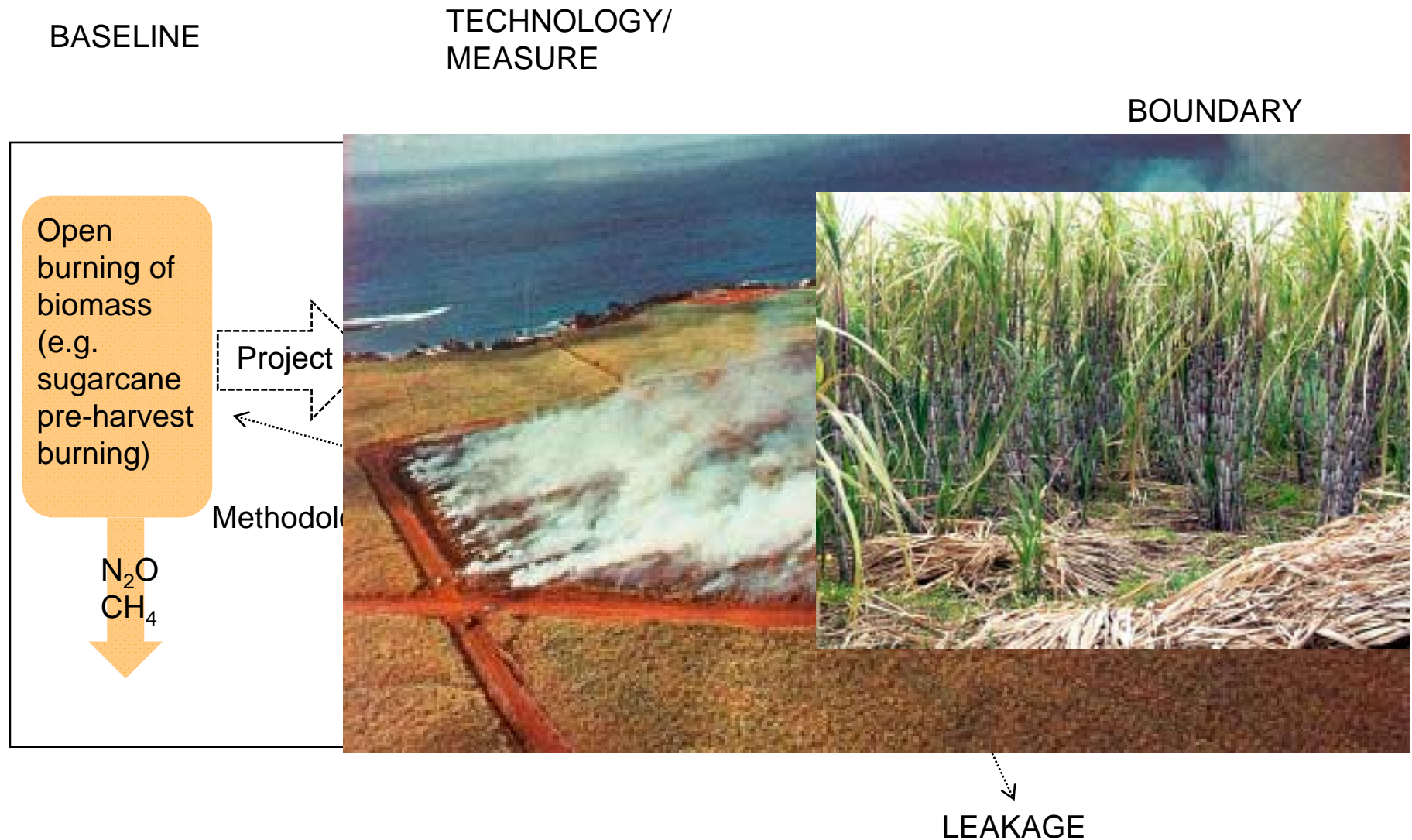
United Nations

Framework Convention on
Climate Change

- Emission Trading
- Clean Development Mechanism CDM
- Joint Implementation JI

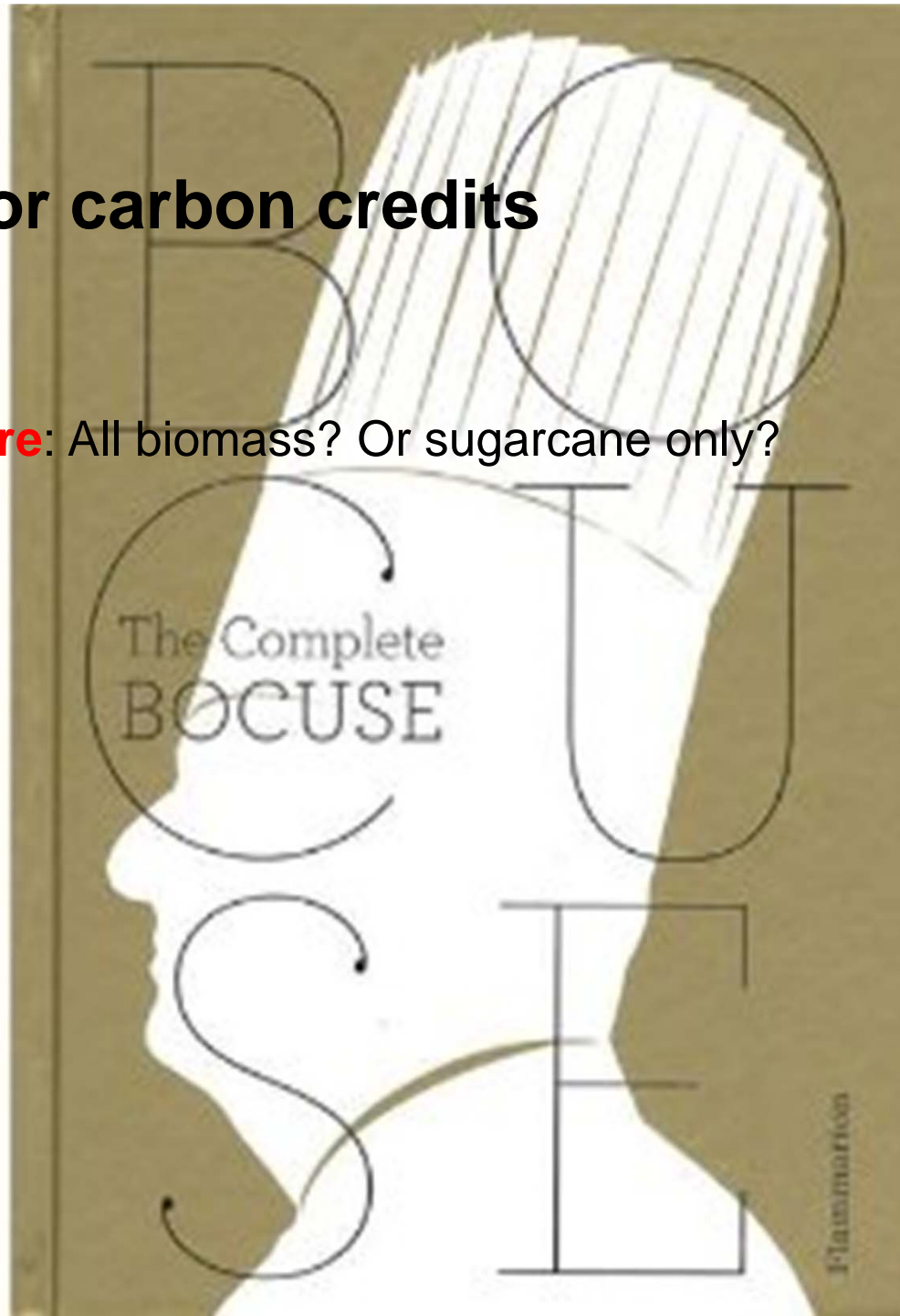
Voluntary Carbon Market

Avoided biomass burning – an example for carbon credits



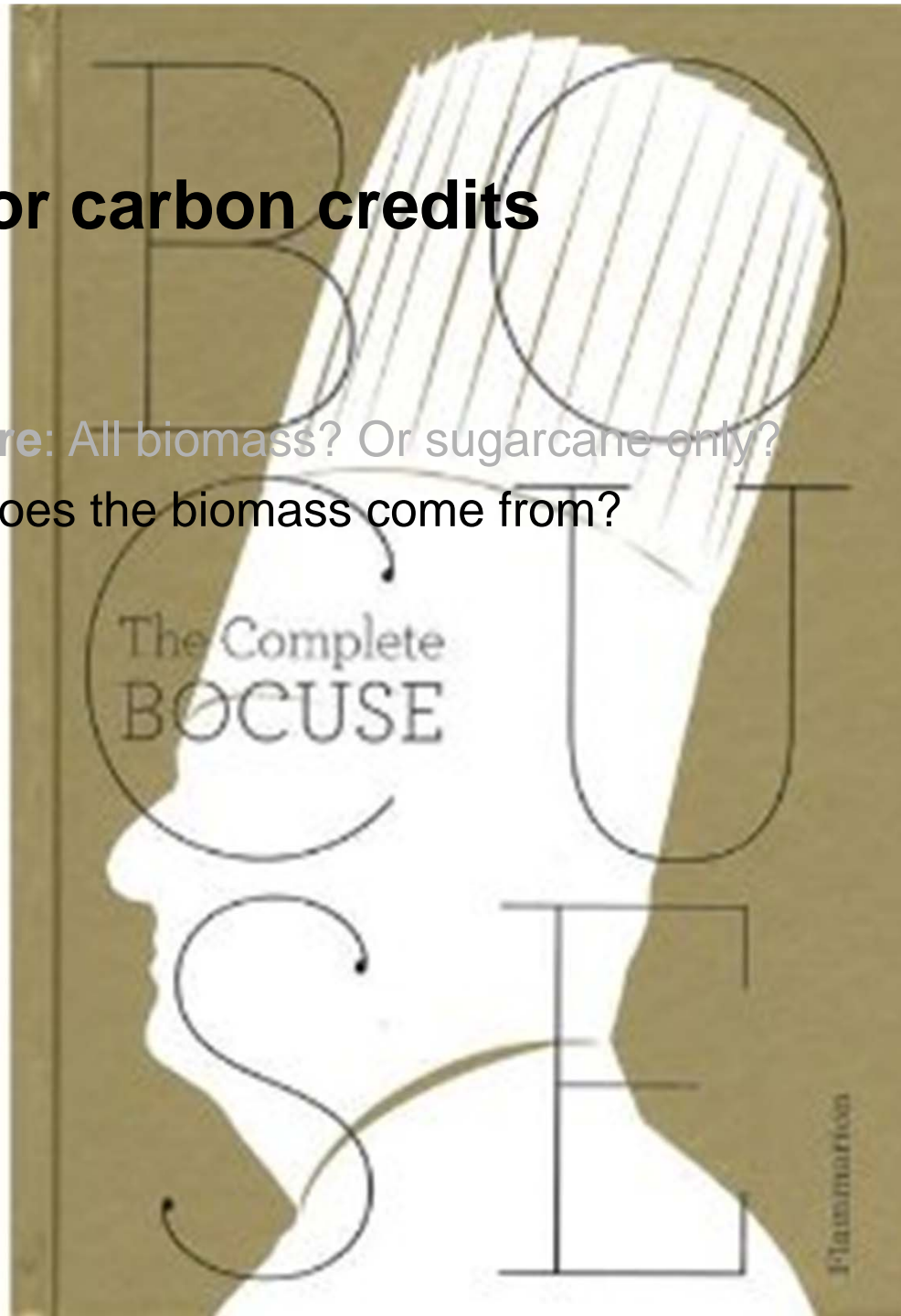
Methodologies – cooking recipes for carbon credits

- 1) **Technology/measure**: All biomass? Or sugarcane only?



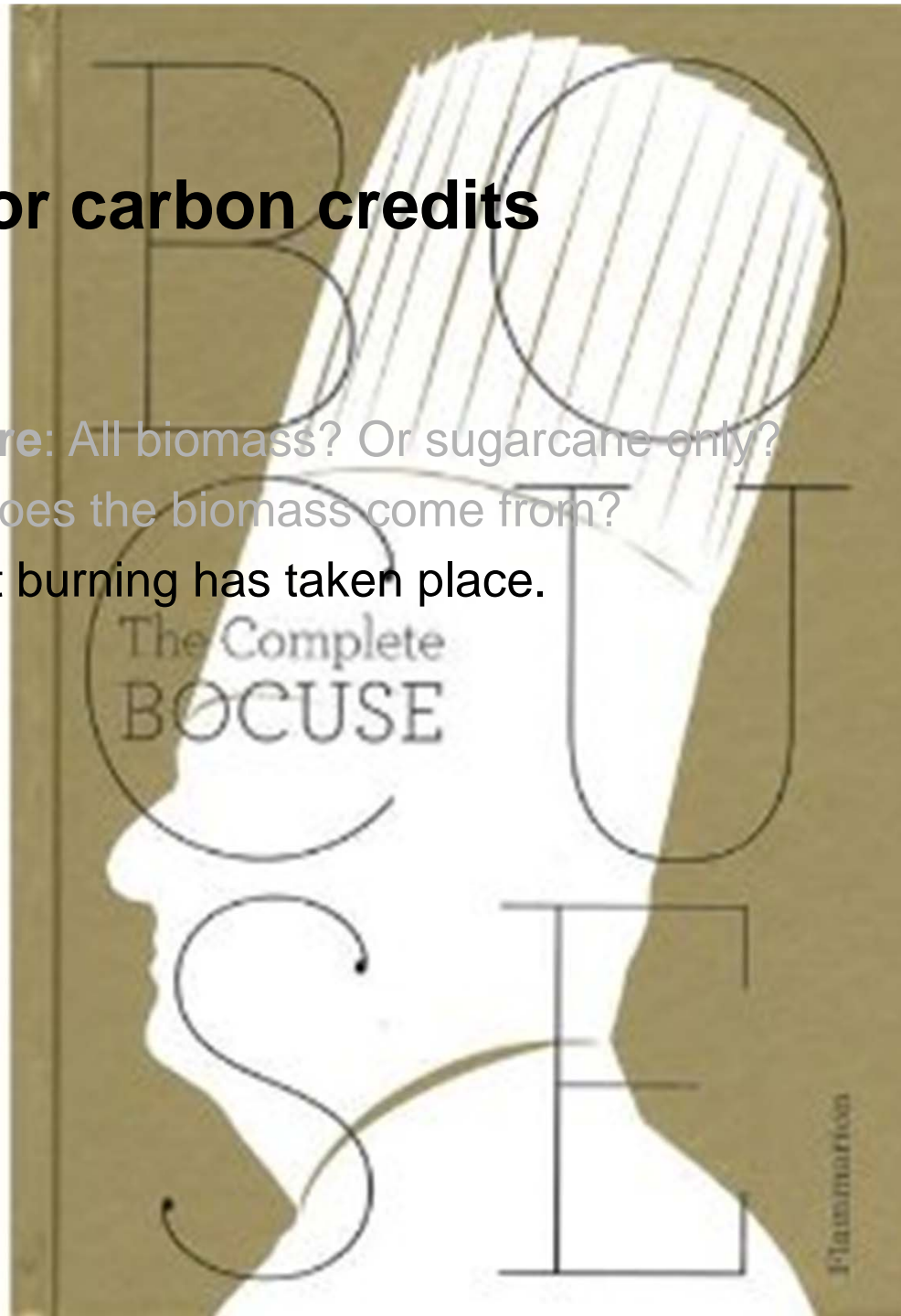
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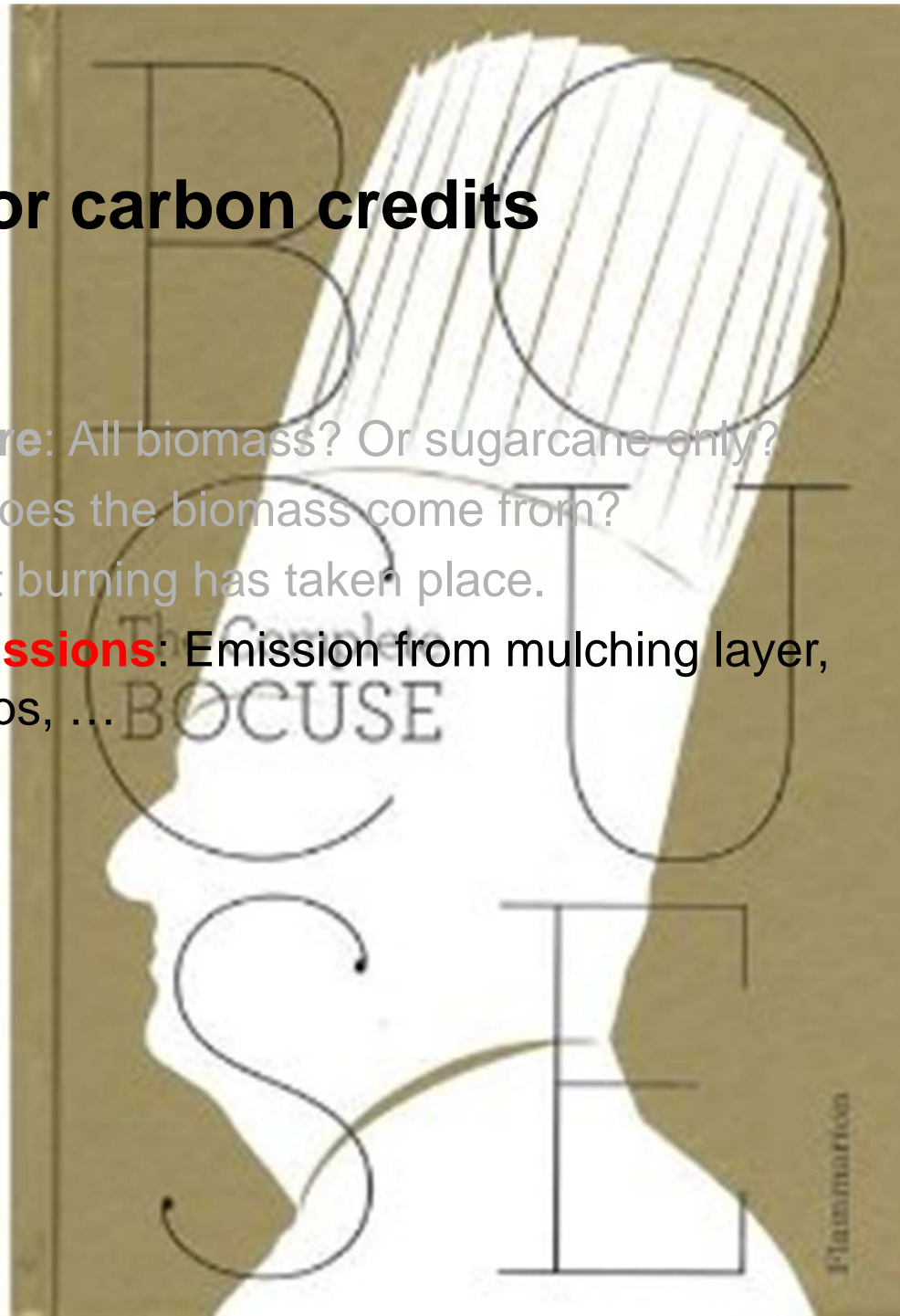
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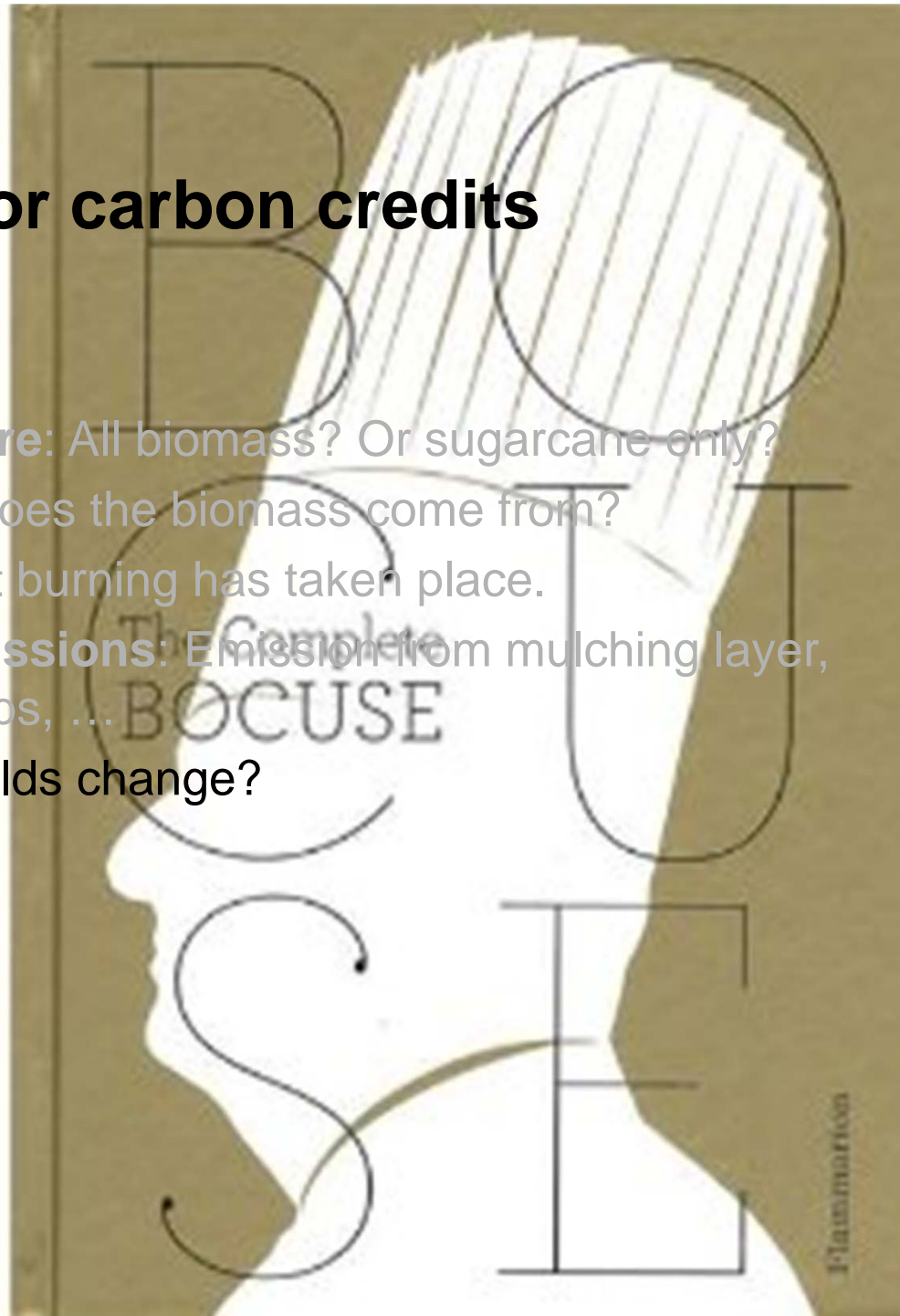
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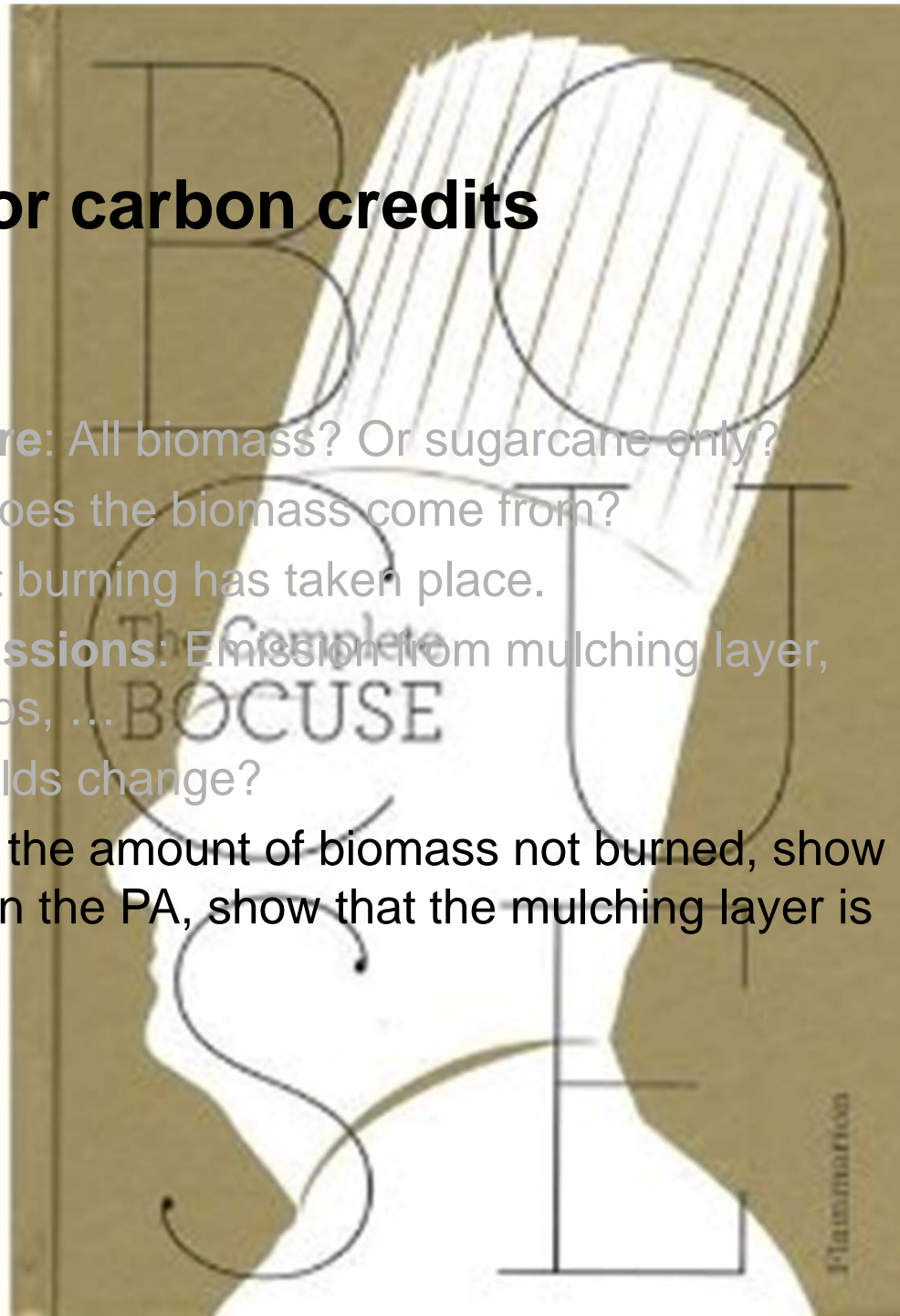
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- 5) **Leakage:** Do the yields change?

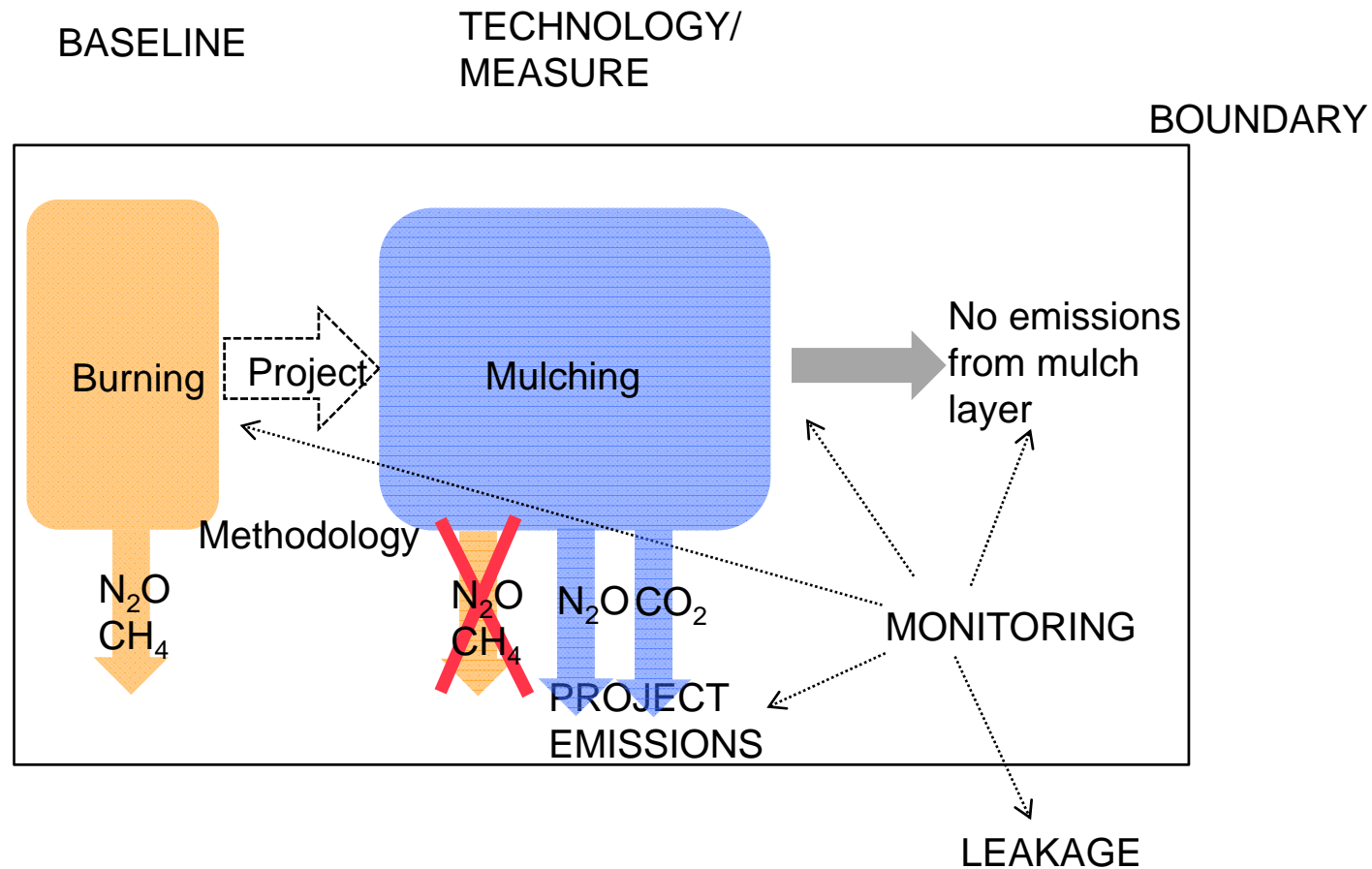


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- 5) **Leakage:** Do the yields change?
- 6) **Monitoring:** Identify the amount of biomass not burned, show absence of burning in the PA, show that the mulching layer is aerobic, etc...



Challenges for Carbon Credits: The “quality” of the good traded



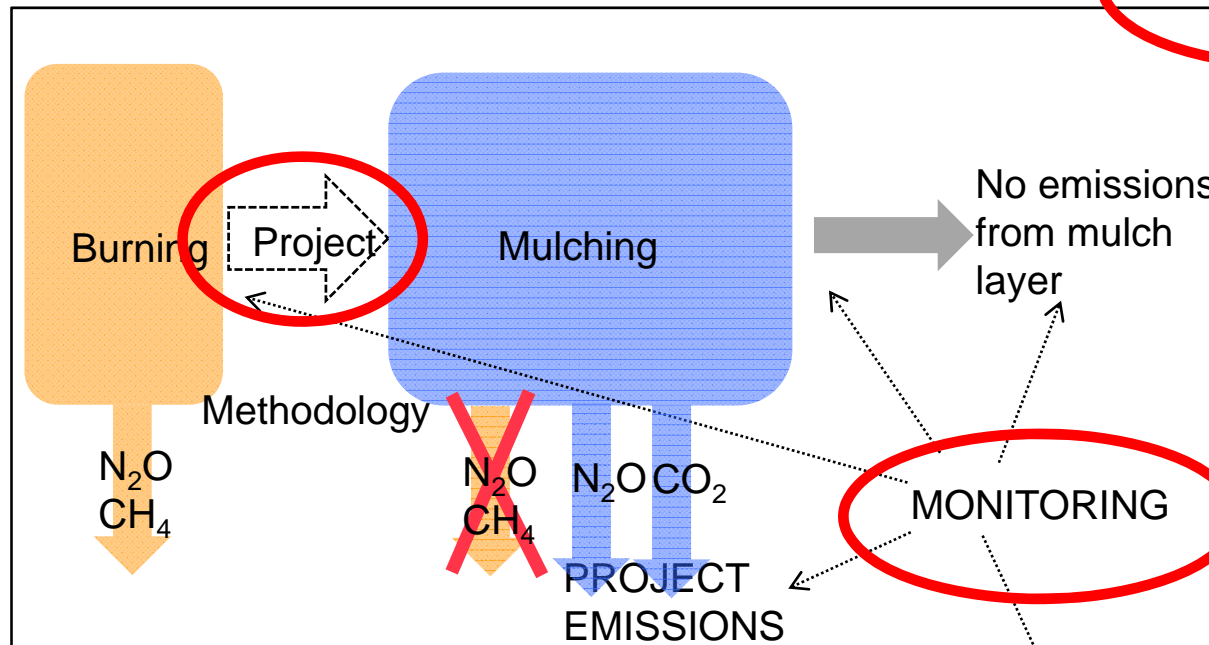
Additionality

System boundaries, leakage
same level-of-services

BASELINE

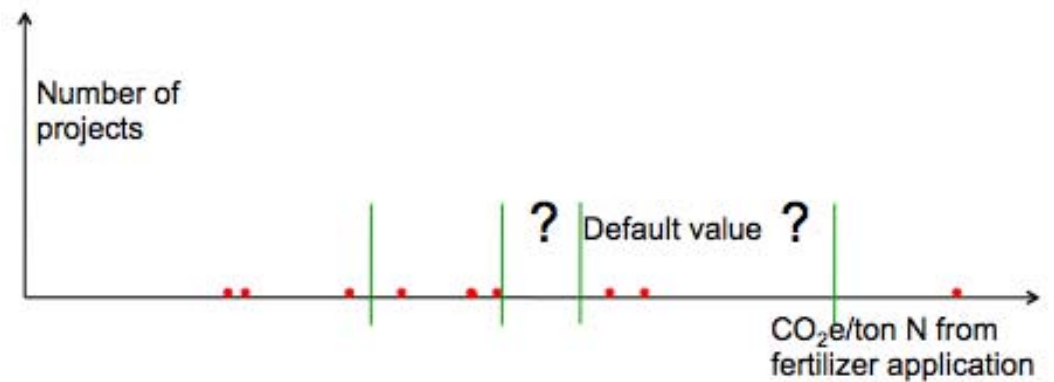
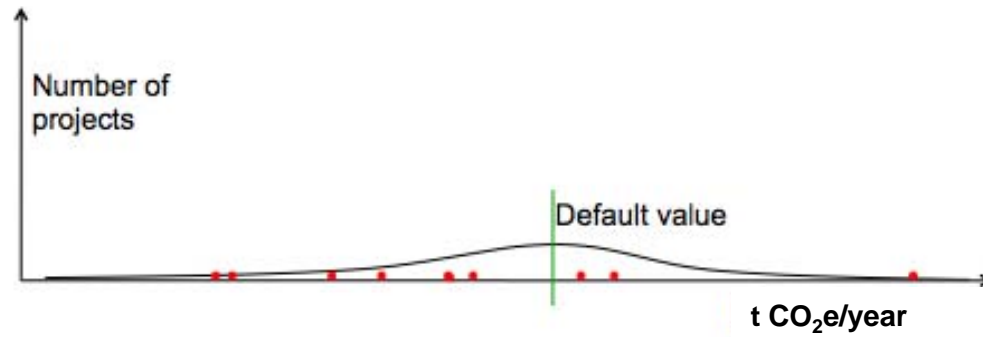
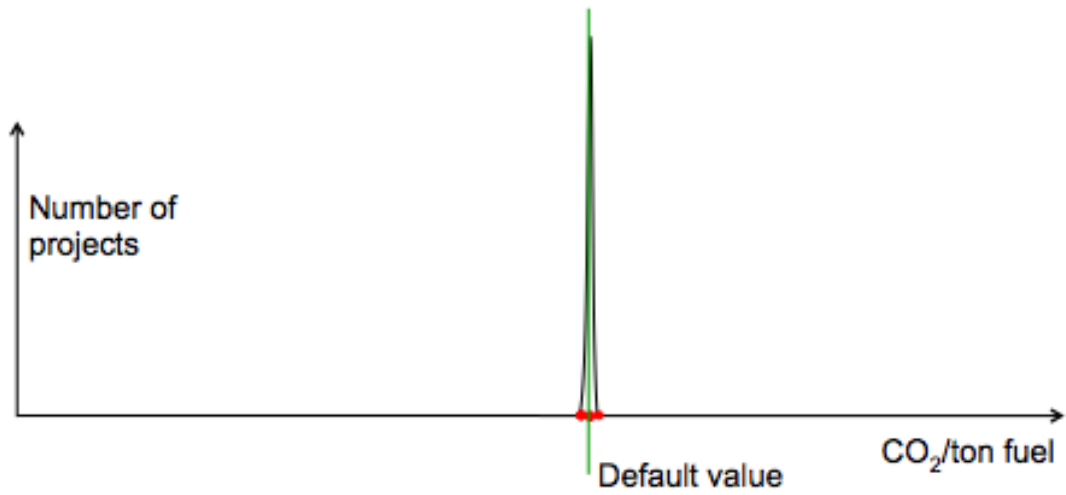
TECHNOLOGY/
MEASURE

BOUNDARY



Quantification
Monitoring,
Reporting,
Verification

Other benefits:
sustainable
development



Characteristics of Mitigation in Agriculture

Small mitigation potential per ha

Multi-dimensional commodity and ecosystem-services outputs / System boundaries

Co-benefits

Challenging Quantification

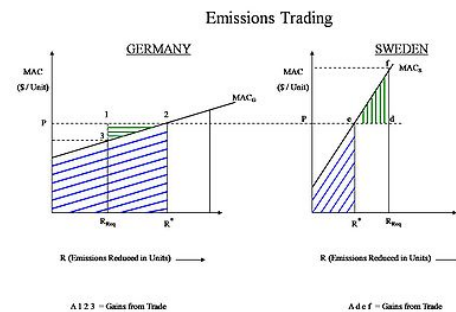


Misfit of carbon credits and sustainable agriculture

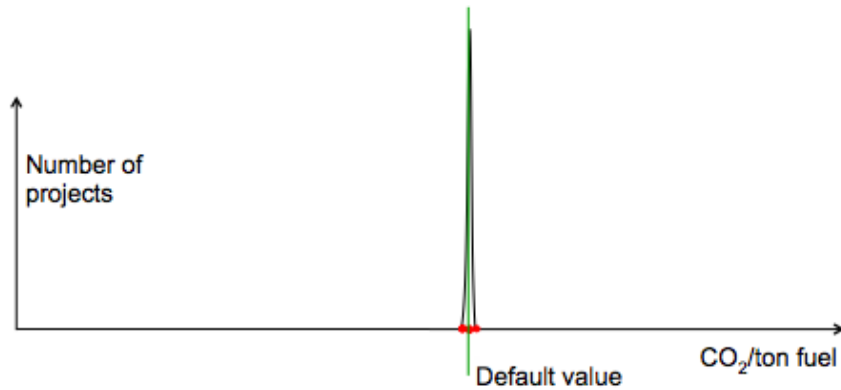
The institution of “carbon credits” is designed for industrial processes, not for agricultural production



The institution of “carbon credits” is designed for business, not for sustainability

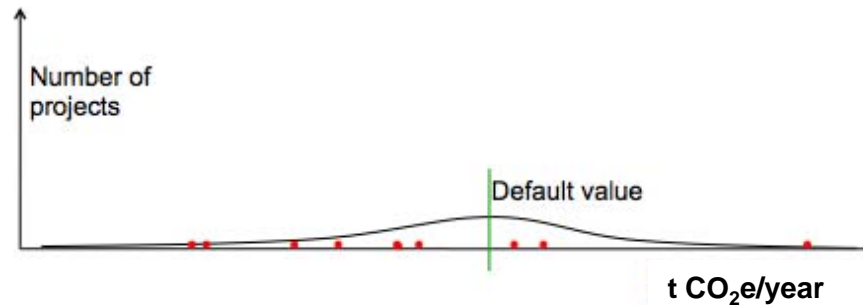


Carbon offsets are only one possible climate policy instrument for agriculture



Ok

Only on aggregate



No



Carbon offsets are only one possible climate policy instrument for agriculture

Other options:

- › CAC regulations such as prescribed practices
- › Taxes
- › Subsidies
- › Information provision
- › etc.

For all of those: how crucial is detailed quantification (e.g. for the national GHG inventories)?

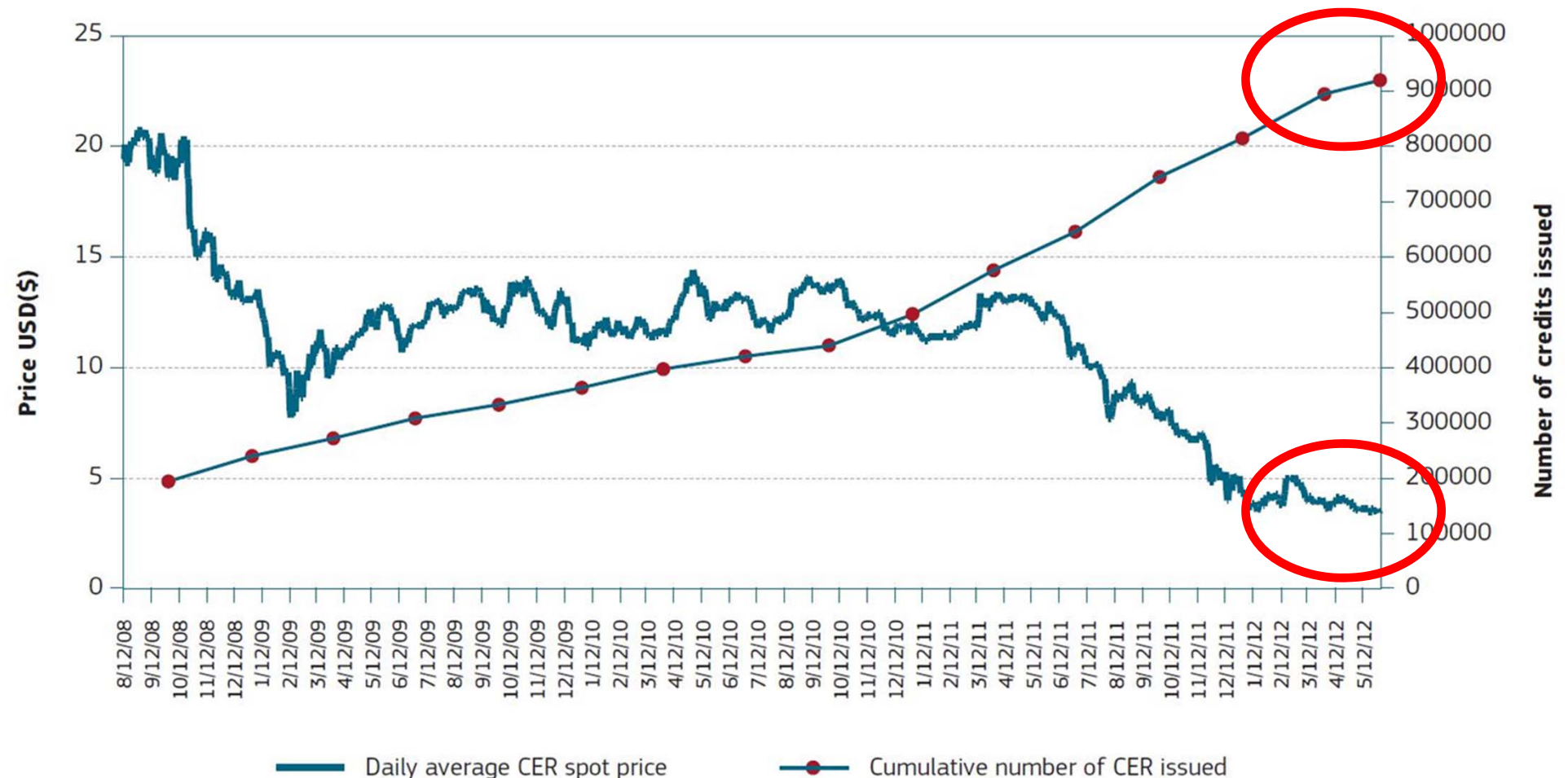
Carbon Credits in agriculture are a reality –

Thus how to make them as good as possible?

Current situation

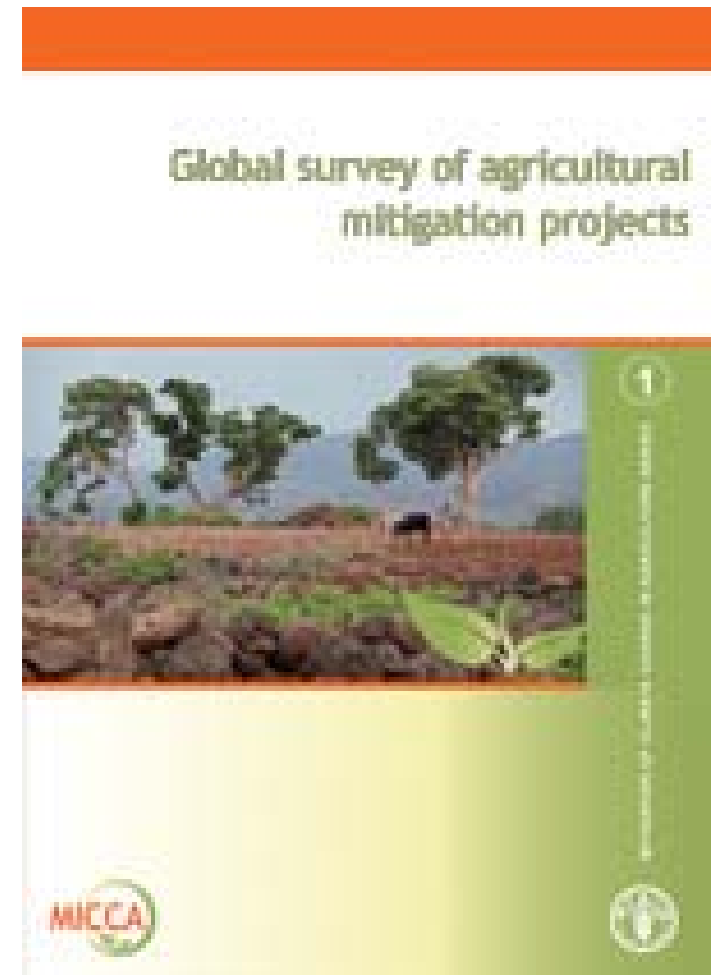
Too much supply of carbon credits – thus, carbon payments are usually very low – not decisive for projects

Figure 3: Supply and demand imbalance caused CER prices to plunge



Current situation

- Many institutions provide/develop methodologies for agriculture: a wide range of qualities - and many projects are implemented: learning phase



Current situation

- NAMAs, PoAs, etc. gain in importance and offer aggregate approaches



Current situation

- Many quite openly want to use carbon finance to do sustainable agriculture projects (food security, smallholder livelihoods, etc.)



Current situation

- High quality agricultural offsets: Gold standard - in the making



- Agriculture in the climate negotiations: some step forward at the SBSTA38 last June here in Bonn



United Nations
Framework Convention on
Climate Change

Current situation

Update from Robert Jordan

- New text is available, focusing on adaptation rather than mitigation; mitigation is referred to via adaptation co-benefits
- Submit views to the secretariat by 2 September 2013
 - current state of scientific knowledge on how to enhance the adaptation of agriculture to climate change impacts
 - while promoting rural development, sustainable development and productivity of agricultural systems and food security in all countries, particularly in developing countries.
 - This should take into account the diversity of the agricultural systems and the differences in scale as well as possible adaptation co-benefits.
- Workshop at SBSTA 39 In Warsaw at CoP19 on these issues. There will be a report on this workshop for consideration at SBSTA 40 (June 2014).

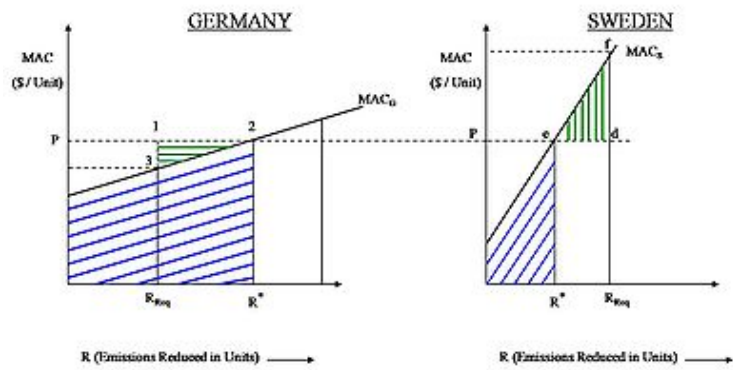
Current situation

Update from Robert Jordan

- It will be necessary to devise a strategy for the submission and for CoP19 and beyond.
 - Adaptation, rural development and sustainable development perfectly fit to organic agriculture.
 - However there is an increased push for productivity approaches (and also efficiency in context of sustainable intensification etc.).
 - Organic Agriculture does have a good story to tell on productivity for smallholders in Africa and beyond.
 - Mitigation is still important and will be pushed by developed countries.



Emissions Trading



$A + B + C = \text{Gains from Trade}$

$A + D + E + F = \text{Gains from Trade}$

