



## **Carbon, Communities, and Conservation: Developing a Framework for Generating Socioeconomic and Environmental Benefits using the Voluntary Carbon Market in Tanzania**

**A Roundtable Workshop hosted by TNRF,  
9am – 5pm, 14<sup>th</sup> March 2008, Arusha**

### **Agenda**

1. **International Policy Environment - analysis of CDM post Bali** (*George Jambiya / Marc Baker*) – understanding recent developments and mapping out the future.
2. **Understanding Ecological Carbon Services** (*Fred Nelson*) – additionality / non-additionality, leakages through harvesting etc –
3. **Best practices for measuring biophysical sequestration of carbon** (*Eliakimu Zahabu*) – in relation to certification
4. **Economic / financial models** (*Selemani Kimunyi / Marc Baker*) – investigating appropriate business models and institutional arrangements that minimize transaction costs (e.g. project facilitation, monitoring and evaluation, and risk)
5. **Contracting and community participation** – (*George Jambiya*) how can contracting be optimally effected and managed with communities?
6. **Third party certification for voluntary sector schemes** (*Marc Baker*) – the opportunities, requirements and constraints of the third party certification environment e.g. CCBA VCS Gold Standards
7. **National policy and institutional environment** (*George Jambiya*) – understanding the legal and institutional environment for payment of ecological services – including issues of land, forestry, environment, finance flows and local government
8. **Practical implementation** –what next for taking the concept of ‘carbon, communities and conservation’ forward?

### **Background**

Globally and increasingly within Tanzania, interest in the potential of markets for carbon sequestration is growing rapidly. The potential for the global carbon market to provide financial incentives for forest conservation, economic benefits at local and national levels, and a cost-

effective way of mitigating climate change is substantial. Interest in carbon markets will likely expand further in the next two years following the emphasis placed on reducing deforestation as a part of global climate change mitigation strategies at the international UNFCCC meeting in Bali, Indonesia, in December 2007.

Despite this wide and growing interest, there has been limited impact thus far in terms of developing functioning field projects which integrate climatic, environmental, and local socioeconomic benefits in Tanzania using these market opportunities. A range of factors have impeded such local initiative, particularly the inherent complexity of a global value-chain such as the voluntary carbon market, the lack of commonly agreed voluntary carbon off-set standards and certification procedures, and the uncertainties surrounding the role of forestry under the Kyoto Protocol's Clean Development Mechanism (CDM).

At this stage, it is clear that the economic and environmental opportunities that the carbon markets present will continue to expand in the near term, but that considerable complexities and uncertainties in relation to how to manage and exploit these opportunities will also persist as international negotiations over climate policy, including the CDM, continue. Several priorities in this context appear to be as follows:

- To widely increase understanding among stakeholders regarding the technical aspects of the carbon market and the opportunities and limitations that it presents in terms of producing environmental and socio-economic benefits.
- To develop a framework for developing pilot initiatives using existing voluntary carbon market opportunities and implementing them in an adaptive fashion at the local level. This framework will necessarily include biophysical, financial, and institutional components of how to structure sequestration or reforestation contracts, how to monitor them, and how to deal with the issue of third-party certification.
- In a general sense, to increase sharing of knowledge and experiences in the area of carbon markets and payments for environmental services (PES) more broadly.

In order to further the above aims, the Tanzania Natural Resource Forum, as part of the Tanzania Forestry Working Group is facilitating a small roundtable workshop to explore the various elements of the carbon market and how to advance the design and implementation of pilot field initiatives.

This workshop will be held during a single day on Friday March 14th 2008 in Arusha. The objective of the meeting will be to advance the above three bulleted priorities by presenting and discussing a diverse selection of technical and conceptual material regarding the design of carbon market-based, community-based reforestation projects. Specific material which will be covered will include:

- Institutional aspects of developing contracts with village communities in light of the provisions of the Village Land Act, Land Act, Local Government Act, and other relevant statutes. Also included will be design issues related to varying levels of individual versus communal land in different locales, and how to create effective incentives for forest regeneration and stewardship at both communal and household levels.
- Review of existing third-party certification standards, procedures, and frameworks. Included in this will be issues relating to the costs of third-party certification and the differences between different voluntary carbon market standards.
- Biophysical aspects of carbon-based reforestation initiatives, including monitoring of sequestration rates and stocks in both trees and soils in different types of ecological settings in Tanzania.

- Economic and financial models for developing community-based sequestration projects, including issues related to pricing of carbon on the voluntary market, value-chain overview, and the financing and financial structure of community initiatives.
- Brief review of the general concepts underlying voluntary carbon off-set markets and payments for environmental services more generally.

Participants should bear in mind that this event will be a roundtable workshop and not a seminar. The distinction means that participants will be active participants in exploring the above material and contributing ideas, and will not be taught or delivered the 'right answers' in relation to these issues. There is currently a great deal of uncertainty and numerous information gaps in relation to how to best design and implement community-based carbon market reforestation initiatives in ways that deliver the idealized social, economic, and environmental benefits. This workshop will be a step in search of greater clarity and improved knowledge so that the potential of carbon markets will become more accessible to a range of stakeholders in the near future.

## Participants

Dr George Jambiya	University of Dar es Salaam
Dr Eliakimu Zahabu	Soikine University of Agriculture
Mr Fred Nelson	Maliasili Initiatives
Mr Selemani Kimunyi	Offset Africa
Mr Vincent Vyamana	CARE Tanzania
Mr Marc Baker	Carbon Tanzania
Dr Charles Foley	Wildlife Conservation Society
Mr Cassian Sianga	Tanzania Natural Resource Forum
Dr Andrew Williams	Tanzania Natural Resource Forum