



Nature-Based Carbon Offsetting

August 2023

A policy position to frame both our ongoing policy and influence work and the development and application of carbon projects by the Secretariat working with Partners:

How nature-based carbon offset projects funded through the voluntary carbon market can contribute effectively to tackling the biodiversity and climate crises.

SUMMARY

- In order to avert a catastrophic climate crisis, **we need to limit global warming to 1.5°C above pre-industrial levels**. This requires **net zero greenhouse gas (GHG) emissions globally by 2050**, and **there is no viable route to achieving this without nature**.
- **Without significant investments in the protection, conservation, and restoration of natural carbon sinks, we are very unlikely to stay within 1.5°C warming**. We urgently need to secure innovative forms of finance to bridge the biodiversity financing gap and secure the investment necessary to halt and reverse the loss of natural carbon sinks.
- A high integrity voluntary carbon market could, in the right conditions, complement regulated, cap-and-trade carbon markets and **help close the biodiversity financing gap as part of a global pathway to reaching net zero**.
- **Nature-based carbon offsetting is not an alternative to rapid, deep, and sustained reductions in global GHG emissions across all sectors of the economy** which need to be undertaken immediately.
- BirdLife International recognises that to achieve net zero, companies must be on science-based pathways to **achieving emissions reductions across their value chain in line with a 1.5°C trajectory** ahead of 2050. Nature-based carbon offsetting should only be used **to compensate for difficult-to-abate, residual emissions** as part of a comprehensive, high-ambition pathway towards net zero.
- The sale of carbon credits generated by nature-based carbon offset projects to compensate for difficult-to-abate, residual emissions could **mobilise billions in additional climate finance to help deliver the Kunming-Montreal Global Biodiversity Framework**, in particular Targets 8 and 19, to simultaneously help achieve its mission to **halt and reverse biodiversity loss**.
- Nature-based carbon offsetting projects must be of high integrity, designed with **scientifically rigorous and up-to-date methodologies**, and use a **rights-based approach to deliver significant benefits for climate, biodiversity, and people**.
- Nature-based carbon offset projects must **uphold the rights and recognise the role of Indigenous People and local communities** through participatory governance structures and equitable sharing of benefits.

In 2021, BirdLife International adopted our [Net Zero Statement](#), outlining BirdLife's position in principle in favour of 'high quality carbon markets and offsetting'. This policy position expands on that statement to provide further framing for policy engagement and delivery of nature-based carbon offsetting projects.

1. THE VOLUNTARY CARBON MARKET

Alongside the regulatory approaches in development under the United Nations Framework Convention on Climate Change (UNFCCC)¹, BirdLife International supports the complementary development of a **high integrity, high transparency** Voluntary Carbon Market (VCM) to **propel immediate climate action** through **mobilising large-scale private investment** for the **protection, conservation, and restoration of natural carbon sinks**. BirdLife International supports efforts to **continually strengthen methodologies and certification standards**² to ensure the trading of carbon credits on the VCM leads to tangible climate and biodiversity benefits.

BirdLife International is the world's largest nature conservation partnership. Through our unique local-to-global approach, we deliver high impact and long-term conservation for the benefit of nature and people.

For more information see www.birdlife.org/climate-change or contact:

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The VCM presents a valuable opportunity to **direct investment towards the protection of biodiversity and natural carbon sinks**, enabling progress both towards **limiting global warming to 1.5°C** and **halting and reversing the loss of biodiversity**.

2. HOW CAN NATURE-BASED CARBON OFFSETTING HELP TACKLE CLIMATE CHANGE

Nature-based carbon offsetting has a **role to play in the transition phase of a high ambition pathway** to net zero. Nature-based carbon offsetting enables private-sector actors to compensate for the climate risk posed by their difficult-to-abate, residual emissions.

Nevertheless, nature-based carbon offsetting is in no way a replacement to undertaking **rapid, deep, and sustained substantial cuts in their carbon emissions**, nor the investment in technologies or restructuring of businesses to prevent the release of difficult-to-abate, residual emissions. Only by meeting the following conditions can private sector actors ensure their engagement with nature-based carbon offsetting contributes to tackling climate change:

- Be on a pathway to achieving net zero (ideally by 2040, by 2050 at the latest), with science-based emission reduction targets covering scopes 1, 2, and 3 emissions.
- Have interim science-based emission reduction targets for 2030 that they can demonstrate they are on track to achieve.
- Are requiring offsets to compensate for difficult-to-abate emissions, not to compensate for business as usual.
- Disclose progress toward its interim emission reduction targets through comprehensive sustainability reporting mechanisms such as the Task Force on Climate-related Financial Disclosures (TCFD).
- If the company is directly responsible for deforestation, the company must have a timebound zero deforestation target by 2030 at the latest.

To effectively compensate for difficult-to-abate, residual emissions, nature-based carbon offset projects need to be designed according to the most up-to-date, scientifically rigorous methodologies. Under these methodologies, nature-based carbon offset projects effectively account for the following¹:

- **Additionality** – where the emission reductions achieved by the project would not have occurred in the absence of the project.
- **Double counting** – the emission reductions achieved by a project need to be accounted for transparently to avoid over-claiming of the same emission reductions³.
- **Leakage** – projects need to be designed to prevent displacement of emissions-releasing activities outside of their project boundaries, which lead to overestimation of the emission reductions achieved by a project.
- **Permanence** – projects need to be designed to minimise the risk that emission reductions achieved by the project will be reversed at a later date.

Therefore, to effectively help tackle climate change, nature-based carbon offset projects need to demonstrate that the activities undertaken to protect, restore, and conserve natural carbon sinks have led to the avoidance or sequestration of GHG emissions.

3. HOW CAN NATURE-BASED CARBON OFFSETTING BRING BENEFITS FOR BIODIVERSITY AND COMMUNITIES

The Paris Agreement made clear we need to ensure the integrity of all ecosystems, including oceans, and protect biodiversity as part of efforts to hold the increase in global average temperature to well below 2°C. The Kunming-Montreal Global Biodiversity Framework² highlights the importance of synergies with other international agreements. The framework commits to **climate mitigation through nature-based solutions³ that minimise negative and foster positive impacts on biodiversity** (Target 8) and to **greatly increase financing for biodiversity conservation** (Goal D and Target 19) if we are to halt and reverse the loss of biodiversity by 2030.

Nature-based carbon offsetting therefore has the potential to enable progress towards **the goals of both the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework**. To make the most of this potential

¹ <https://vcmintegrity.org/wp-content/uploads/2022/06/VCMI-Provisional-Claims-Code-of-Practice.pdf>

² <https://www.cbd.int/doc/c/e6d3/cd1d/daf663719a03902a9b116c34/cop-15-l-25-en.pdf>

³ Please find the definition of 'Nature-based Solutions' in the glossary

opportunity, the VCM needs to recognise the greater value of nature-based carbon offset projects that explicitly support ecosystem integrity and deliver positive biodiversity impacts.

Nature-based carbon offset projects should be designed through a **rights-based approach that explicitly enables the participation of Indigenous Peoples and local communities** and the fair and equitable sharing of benefits. Nature-based carbon offsetting must not undermine the legal and other recognised rights of Indigenous Peoples. Indigenous Peoples and local communities (IPLCs) have a critical role to play in the conservation of natural carbon sinks, with 17% of the total carbon stored in the world's forests managed by IPLCs⁴.

4. CASE STUDY OF A NATURE-BASED CARBON OFFSET PROJECT: THE GOLA PROJECT

The [Greater Gola Landscape](#) is one of the largest areas of Upper Guinea Tropical Rainforest left in West Africa and is situated in the countries of Sierra Leone and Liberia. BirdLife International has been working in the region for over 30 years in long-running partnerships with the local governments and NGOs, Society for the Conservation of Nature of Liberia (SCNL) and Conservation Society of Sierra Leone (CSSL), on projects working to protect this area of rainforest.

Since 2012, BirdLife International Partners in the United Kingdom, the 'Royal Society for the Protection of Birds' (RSPB) and CSSL have collaborated with the Sierra Leonean government and local communities to develop a nature-based carbon offset project in the Sierra Leonean section of the [Gola landscape](#).

This nature-based carbon offset project uses funding from the sale of carbon credits to finance activities that protect the Gola Rainforest National Park. This prevents the release of GHG emissions from the loss of this natural carbon sink. Without the funding the project receives for preventing the release of GHG emissions, the rainforest would be severely threatened with deforestation and conversion to agricultural land.

Therefore, the Gola project meets the critical criteria of a robust nature-based carbon offsetting project by delivering **'additional'** emission reductions that **would not have occurred in the absence of the project**. Further the Gola project invests in sustainable agriculture activities in the surrounding region. Not only does this reduce 'leakage' (the displacement of emissions-releasing activities outside a project boundary), but this also helps ensure the project delivers co-benefits for local communities by improving their livelihoods.

5. FURTHER READING

This [literature review paper](#) on nature-based offsetting provides further background information on the different types of carbon markets, changes in the VCM, different types of nature-based offsetting, and key constituents of robust nature-based offsetting projects. Other useful information includes:

- [IUCN position paper for UNFCCC COP27](#)
- [UNEP WCMC position on nature-based solutions for climate change mitigation](#)
- [African Carbon Markets Initiative Roadmap report](#)
- [Voluntary Carbon Market Integrity Initiative Consultation Report](#)
- [Gola REDD+ Project on the Verra Registry](#)
- [NBS Guidelines Information](#)
- BirdLife International Partnership briefing '[Nature-based solutions: what you need to know](#)' – November 2022

⁴ https://rightsandresources.org/wp-content/uploads/2018/09/A-Global-Baseline_RRI_Sept-2018.pdf

6. GLOSSARY

Carbon credit	An emission unit that is issued by an accredited carbon crediting programme and represents an emission reduction or removal of greenhouse gases. ⁵
Carbon offset	The use of a carbon credit as a substitute within value chain emissions abatement (reduction, prevention, or elimination) and counted as a reduction toward an emission reductions target. ⁶
Difficult-to-abate emissions	Difficult or hard-to-abate emissions are emissions that are either prohibitively costly or impossible to reduce with currently available technology to abate emissions e.g., emissions from heavy industry (such as cement) or heavy-duty transport (such as trucking). ⁷
Greenhouse gas (GHG)	Gases that trap heat in the atmosphere are called greenhouse gases. This section provides information on emissions and removals of the main greenhouse gases to and from the atmosphere. ⁸
Nature-based carbon offset project	Nature-based carbon offsetting projects are a specific type of carbon offset project that will offset greenhouse gas emissions through using plants, soil, or the ocean, to remove from or prevent the release of carbon into the atmosphere. This generates a 'carbon offset' which represents a reduction or removal of 1t GHG ⁶ in place of a direct reduction within an organisation's value chain.
Nature-based solutions	Nature-based solutions are actions to protect, conserve, restore, sustainably use, and manage natural or modified terrestrial, freshwater, coastal and marine ecosystems, which address social, economic, and environmental challenges effectively and adaptively, while simultaneously providing human well-being, ecosystem services and resilience and biodiversity benefits. ⁹ BirdLife International supports the agreed UNEA definition above ¹⁰ , providing we ensure the inclusion of a rights-based approach, as part of clear safeguards and incentives for biodiversity and people following the NbS Guidelines (co-developed by BirdLife), when implementing projects. NbS must be designed to promote synergies and include safeguards to ensure these are high-quality, and benefit (or at the very least do no harm to) both biodiversity and people (particularly Indigenous Peoples, local communities, and vulnerable groups), recognising the universal right to a clean, healthy, and sustainable environment.
Natural climate solution	'Natural climate solutions' are nature-based solutions that help address the societal challenge of climate change
Net zero	Net zero emissions are achieved when anthropogenic GHG emissions to the atmosphere are balanced (or equalled) by anthropogenic removals (i.e. sequestered or offset) over a period of time (IPCC, 2018b; IPCC, 2021). Global commitments towards net zero must be achieved via a combination of 1) emissions reductions via decarbonisation and sustainable land/sea use; and 2) emission removals predominantly via protection and restoration of biodiverse ecosystems.
REDD+	REDD+ (Reducing Emissions from Deforestation and forest Degradation) is a framework created by the UNFCCC to guide activities in the forest sector that reduce greenhouse gas emissions. REDD+ projects vary from jurisdictional REDD+ projects that involve state governments to voluntary REDD+ projects where project developers follow REDD+ guidelines to develop projects.
Voluntary Carbon Market	The Voluntary Carbon Markets are markets where carbon credits are purchased for voluntary use rather than to comply with legally binding emissions reduction obligations.

¹ Article 6 of the Paris Agreement allows countries to voluntarily cooperate with each other to achieve the emission reduction targets set out in their Nationally Determined Contributions (NDCs). Under Article 6.4 of the Paris Agreement a carbon market selling credits generated by UN-registered carbon offset projects is being developed, which will enable parties to use carbon credits to help meet their NDCs. Negotiations over how the carbon market being developed under article 6.4 will be governed are set to conclude by the end of 2023.

² These include ensuring robust baselines and scenario modelling as well as the inclusion of measures to protect biodiversity and ecosystem integrity.

³ This can be achieved, for example, by using corresponding adjustments. These are national accounting tools that can be used to ensure that emission reductions achieved under a VCM funded nature-based carbon offset project are additional (i.e., not counted towards) the emission reductions achieved under a party's nationally determined contribution to the Paris Agreement.

⁵ Lambert Schneider, Brad Schallert, Kelley Kizzier, et al., What Makes a High-Quality Carbon Credit? Environmental Defense Fund, World Wildlife Fund, and Institute for Applied Ecology, June 2020, https://c402277.ssl.cf1.rackcdn.com/publications/1342/files/original/What_Makes_a_High-quality_Carbon_Credit.pdf?1591405169

⁶ IUCN (2021). *Manual for the Creation of Blue Carbon Projects in Europe and the Mediterranean*.

⁷ <https://www.abatable.com/blog/hard-to-abate-emissions>

⁸ <https://www.epa.gov/ghgemissions/overview-greenhouse-gases>

⁹ <https://www.naturebasedsolutionsinitiative.org/news/united-nations-environment-assembly-nature-based-solutions-definition/>