

Role of Nature Based Solutions in Carbon Markets

May 2020



Why are we talking about nature-based solutions now?

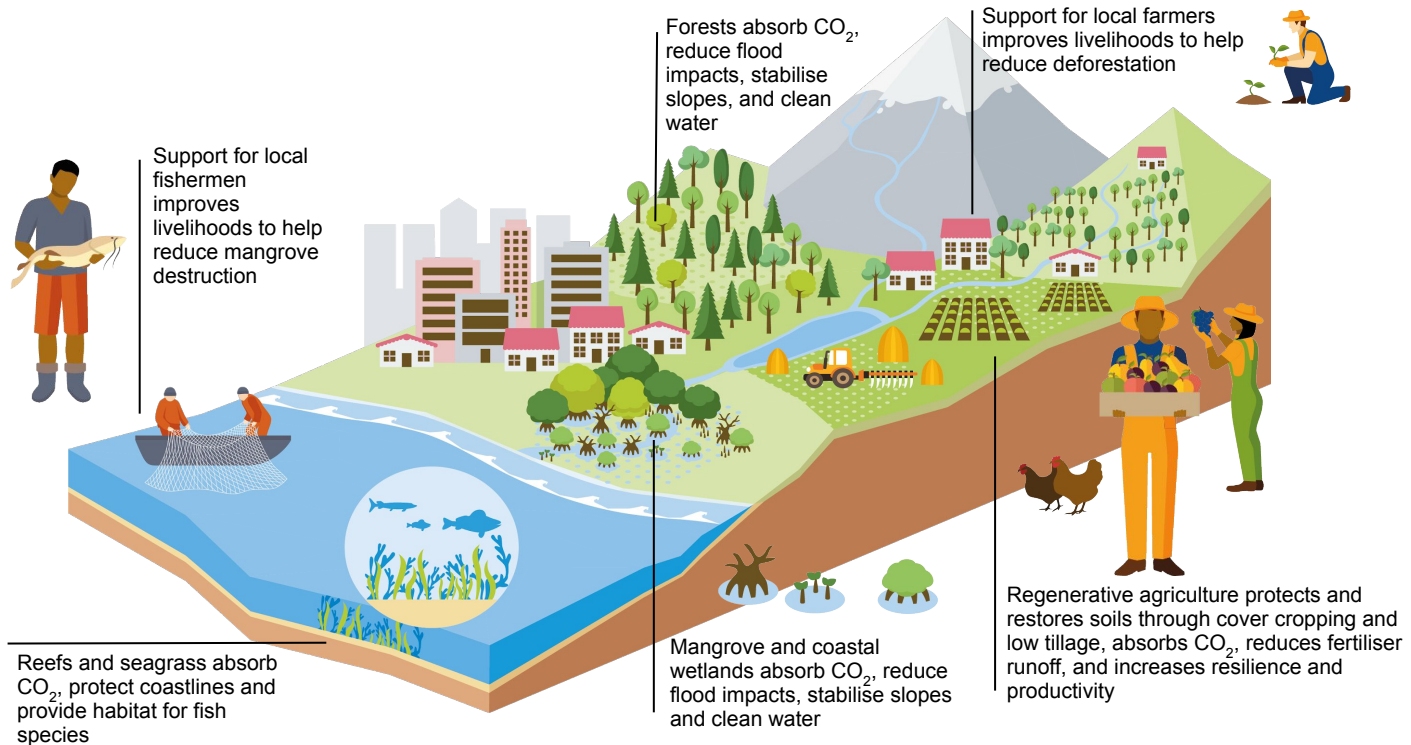
Pictured: South Pole's Kariba Forestry Project established to protect the threatened rainforest on Lake Kariba in northern Zimbabwe



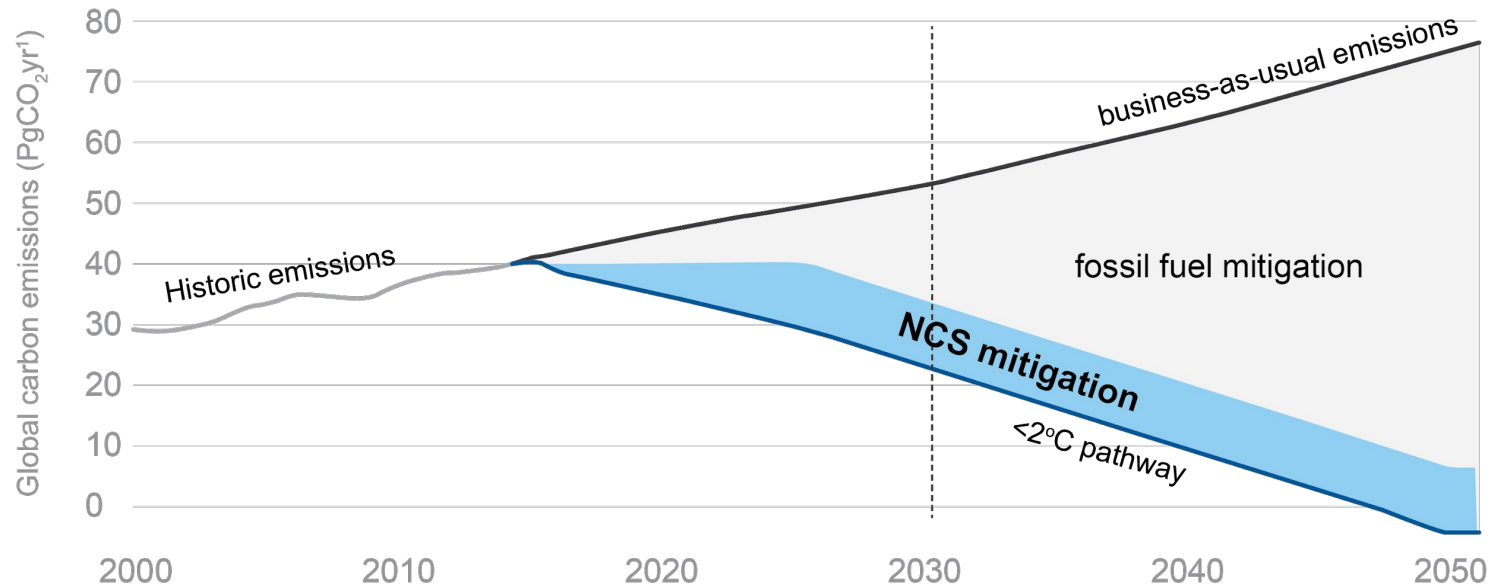
Nature Based Solutions

Restoring and protecting living ecosystems can play a huge role in reducing the amount of carbon emissions in the atmosphere.

The conservation, restoration and management of **forests, grasslands and wetlands** could provide around **37% of the greenhouse gas emissions reductions** required by **2030**.



Nature-based solutions can cost-effectively meet Paris targets



Bronson W. Griscom et al. PNAS 2017;114:11645-11650

PNAS

The Nature Conservancy

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5 ways corporates use nature-based solutions to meet Paris targets

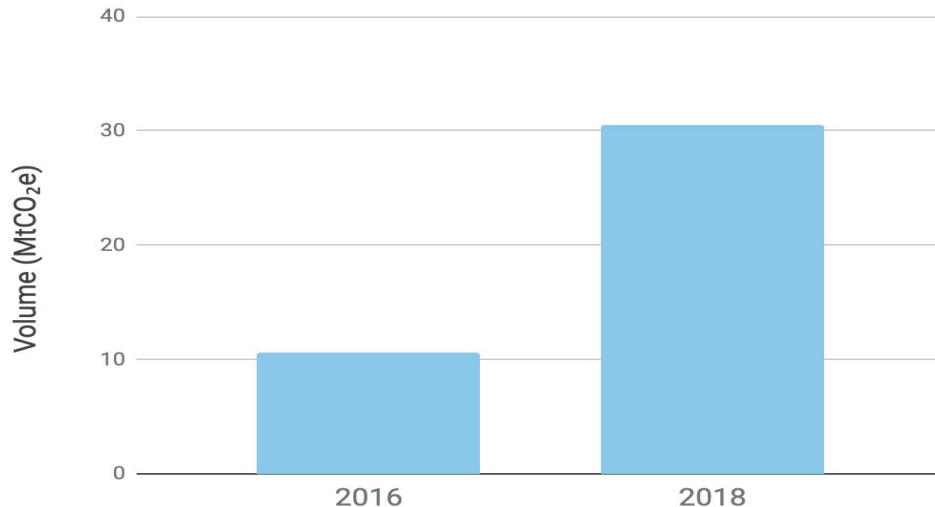
- 1 Using NBS to comply with carbon policies**
Compliance schemes are spreading at national, subnational and international levels
- 2 Using NBS to reduce emissions to meet voluntary targets for scopes 1, 2, & 3**
90% of companies with approved Science Based Targets aim to reduce emissions in their value chains, potentially insetting with NBS
- 3 Using NBS to improve supply chain resilience**
Interventions can also contribute to Sustainable Development Goals
- 4 Using NBS to compensate for residual emissions to meet voluntary targets**
For example, near farm through reforestation, mangroves and peatland restoration, or clean cookstoves to stop further deforestation
- 5 Setting up carbon funds for financing nature based solutions**
Private (e.g. Shell fund for NCS and ISA Fund for jaguar conservation) or public (FCPF of the World Bank)

Trends in the Voluntary Carbon Market

Nature-based solutions (NbSs)

- According to the International Union for Conservation of Nature, NbSs are “actions to **protect**, **sustainably manage**, and **restore** natural or modified ecosystems that address societal challenges effectively and adaptively, simultaneously providing **human well-being** and **biodiversity benefits**.”

Volume of offsets from REDD+ projects: 2016 vs. 2018



(Source: Ecosystem Marketplace (2019), [Financing Emissions Reductions for the Future](#))

- Between 2016 and 2018, the volume of offsets from REDD+ projects, a prime example of an NbS, nearly **tripled**. Much of that growth came from **Peru**.
- NbSs (such as mangrove restoration) provide both **mitigation** and **adaptation opportunities** with high co-benefits to the communities where these are implemented.

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