









## SHOULD WE WORRY ABOUT CARBON RIGHTS?

You don't have to look far in any literature about REDD+ to find a discussion about "carbon rights". In many countries implementing REDD+ readiness programmes, there are activities focused on defining and legally recognizing carbon rights. But why is there so much effort being paid to this concept, and is that effort well-placed? These are questions addressed by <u>Alain Karsenty and his co-authors</u> in a recent edition of Environmental Science and Policy.

The authors start by pointing out the curious fact that there is no discussion about carbon rights in the energy or industry sectors, despite the fact that measures to achieve emission reductions are prominent in these sectors — it is only in the field of mitigation of forest-related climate change that the term has attracted so much attention.

Examining why this is the case, they argue that carbon rights only really make sense in a project-based approach (including the "nested" approach), and they point out that such an approach was already discounted in UNFCCC COP meetings as early as COP-9, in 2003. Certainly, by 2005, the idea of "compensated reductions" in the forest sector was based on a national crediting scheme, rather than a project-based approach.

But even in a project-based approach, since carbon rights, which equate to "title to carbon credits" are only relevant for those seeking economic "rents" from forest carbon, defined as the excess profit once opportunity costs and associated transaction costs are met. However, the REDD+ concept is based on compensating for opportunity costs, and in any case, in the current situation of weak carbon markets and constrained public expenditures, the likelihood of obtaining economic rents is low.

An alternative perspective views carbon rights as a means to pave the way for eventual recognition of tenure for groups such as Indigenous Peoples that have frequently been marginalized. However, the authors point out the irony in this perspective in that carbon rights presuppose a carbon market, yet most NGOs and other organizations that promote social equity reject a market-based approach.

The authors conclude that the only logical perspective to interpret "carbon rights" is in the context of obtaining benefits from sale of carbon credits, and they point out that this is a basic social issue rather than a legal issue. The focus of any legal reforms in this context should be on ensuring provisions for mandatory sharing, rather than on title to carbon credits.

Thus, the authors conclude that under such circumstances the concept of carbon rights is "useless and even misleading". This conclusion suggests that countries preparing for REDD+ would be better advised to focus their legal reform efforts on establishing an equitable and transparent basis for sharing benefits, rather than defining a term that actually has no relevance to REDD+

As contributors to Go-REDD+, we aim to stimulate debate by commenting on some of the latest papers and publications related to REDD+. The conclusions we draw, and the questions we pose, are intended to facilitate critical examination of these papers.

Go-REDD+ is an e-mail listserv managed by the UN-REDD Programme team in Asia-Pacific, based in Bangkok. The main objective of Go-REDD+ is to distribute information, synopses of research results and activities related to REDD+ in Asia-Pacific, to assist countries in their REDD+ readiness efforts. Old messages will be archived on the Regional Activities pages of the UN-REDD Programme website. Discussion forum on Go-REDD+ is available through UN-REDD Programme's online knowledge sharing platform. The Go-REDD+ team welcomes feedback, suggestions or inquiries to goredd.th@undp.org.