

# BioCarbon Fund

Ken Newcombe & Benoît Bosquet

(World Bank, Prototype Carbon Fund)

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# Context

- List of eligible LULUCF activities exists but technical issues remain → support decision-making with project-based experience
- CDM: now only afforestation & reforestation → illuminate negotiators on future eligibility criteria
- LULUCF = door to carbon market for developing countries

# Products

- **Cost effective** climate change mitigation
- Carbon with **attributes**:
  - Biodiversity
  - Combat desertification
  - Socio-economic development
- **Learning by doing**

# Two Windows

- **“Kyoto-eligible” window:** activities eligible in JI and CDM before 2012 → provide insights on definitions & modalities
- **“Over-the-horizon” window:** activities not (yet) eligible in the CDM → explore eligibility beyond 2012

# BioCarbon Asset Classes

## Plantations

Afforestation, Reforestation

Agroforestry

Forest management

Improved agricultural practices

Wetland restoration

Watershed management

Land degradation prevention

Reduced-impact logging

Prevented deforestation

**Carbon  
Sequestration**

**Carbon  
Conservation**

# Portfolio: 1<sup>st</sup> Window

CDM (Marrakesh)	JI (Art. 3.3, 3.4)
<b>Plantations</b>	<b>Plantations</b>
<b>Afforestation/Reforestation</b> <ul style="list-style-type: none"><li>➤ Forest restoration</li><li>➤ Biodiversity corridors</li></ul>	<b>Afforestation/Reforestation</b>
	<b>Forest management</b> <ul style="list-style-type: none"><li>➤ Fire control</li></ul>
	<b>Wetland restoration</b>
	<b>Prevented deforestation</b> <ul style="list-style-type: none"><li>➤ Forest conservation after restitution</li><li>➤ Reduce illegal logging</li></ul>

# Portfolio: 2<sup>nd</sup> Window

## CDM (beyond Marrakesh)

JI

### Revegetation

- Restoring degraded landscapes
- Soil loss prevention

### Forest management

- Reduced-impact logging

### Soil carbon management

- Agroforestry systems
- No-till, live fences, mulching in small-holder agriculture
- Legume rotation in fallows of broad-acre agriculture

### Watershed management

### Prevented deforestation

- Forest conservation

No need:  
fully eligible  
under 1<sup>st</sup> window

# Research & Capacity building

## ● Policy and methods agenda:

- Kyoto Protocol-related policy issues (additionality, permanence, leakage)
- Measurement & monitoring
- Carbon finance terms

## ● Capacity building:

- Training
- Workshops
- Fellowships
- Dissemination

## ● Financed by interest on trust funds and parallel TA funds from bilaterals & foundations

# Financing

- Target fund size: US\$ 100 m
- Minimum size: US\$ 50 m
- Minimum contributions: US\$ 2.5 m
- Private & public shareholders



# 3 Convention Nexus

- **Synergies among the 3 “Rio Conventions”:**
  - Climate change
  - Biological diversity
  - Desertification
- **Socio-economic development:** forestry – agriculture – poverty reduction linkages
- **Attributes monitored and certified →**  
unbundle from carbon ?

# Benefits

## ● Shareholders:

- Kyoto-eligible window → Cost effective climate change mitigation
- Over-the-horizon window → VERs for voluntary commitments
- Competitive advantage

## ● Host Countries:

- Access to carbon market
- Investment in sustainable development priorities

## ● Public: Knowledge base