



BABATANA FOREST. PHOTO: DOUGLAS PIKACHA

# FOREST CARBON FACT SHEET





# What is a forest carbon project?

A forest carbon project is a way to create income from protecting forests. It means you can say no to logging, but still receive a similar income.

Instead of selling timber, landowners can protect their forest and make carbon credits to sell instead.

This way, you keep your forest and all the benefits it provides, such as clean water, food, medicines and a healthy environment.

- A carbon credit is made by measuring the avoided pollution.
- Carbon needs to be kept in the forest long term (30+ years). This requires real and lasting forest protection.
- Carbon dioxide is not poisonous. It's a natural gas that causes our planet to warm up if too much gets into the air.
- You don't need to take anything out of the forest to sell carbon credits. A credit represents the carbon that stays in the forest. All you need to do is measure it.



# How are carbon credits made?

Logging forests causes a big release of **carbon dioxide** gas into the atmosphere. If we protect the forest, we stop the release of this gas. If we avoid releasing one tonne of gas, we can make one carbon credit.

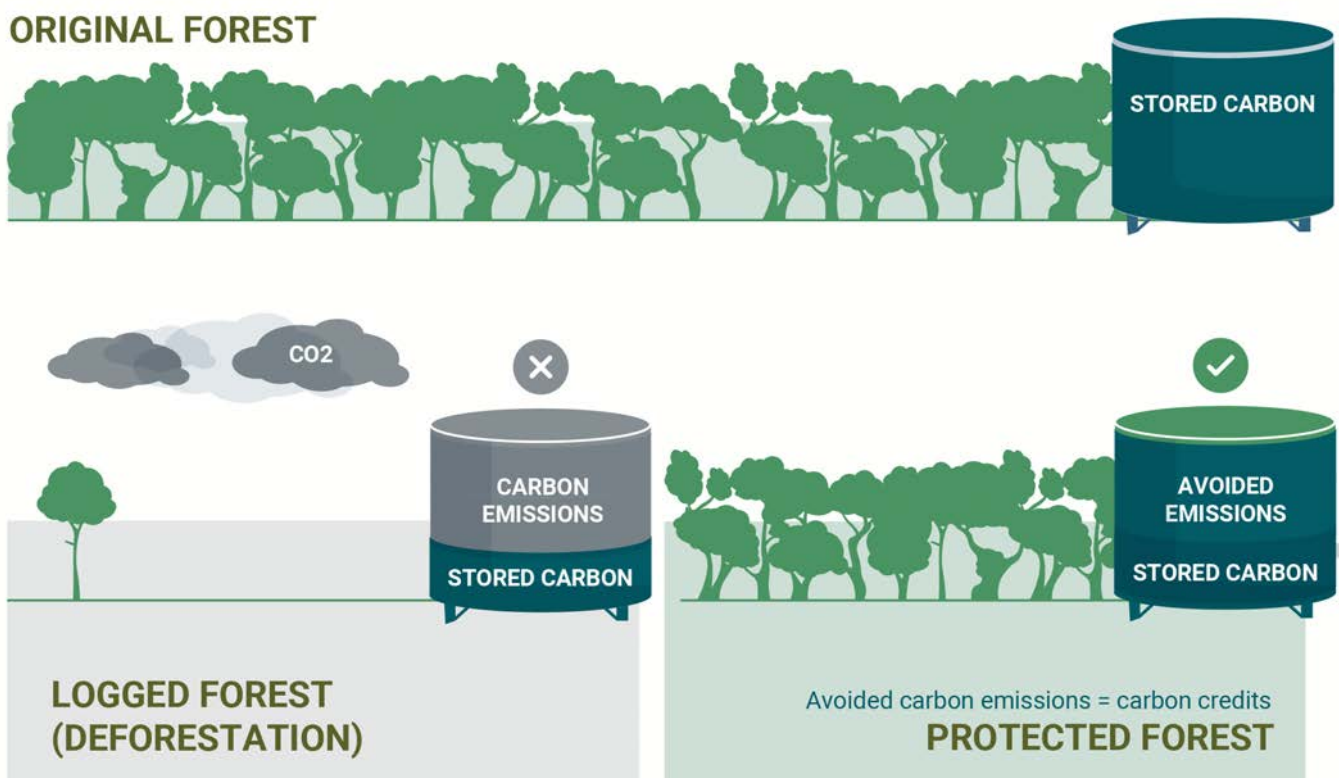
By protecting a forest, you will avoid releasing **thousands of tonnes** of carbon dioxide gas and produce **thousands of carbon credits**. If you want to make a carbon project, you must decide not to engage in commercial logging and protect your forest instead.

Forests play an important role as a natural storage of carbon. Carbon is a major

ingredient of wood, bark, leaves and organic matter in soil.

When a forest is logged, the carbon stored in the trees is transformed into carbon dioxide gas and released into the atmosphere where it contributes to climate change. That's why keeping carbon locked up in forests is a very important way to reduce climate change.

The diagram (*below*) shows how a carbon credit is made. Not every tree is counted – only the carbon in trees that would have been lost due to logging activities.



# About the Nakau Programme

Nakau recognises customary landowners have been caring for their forests, water sources and oceans for generations.

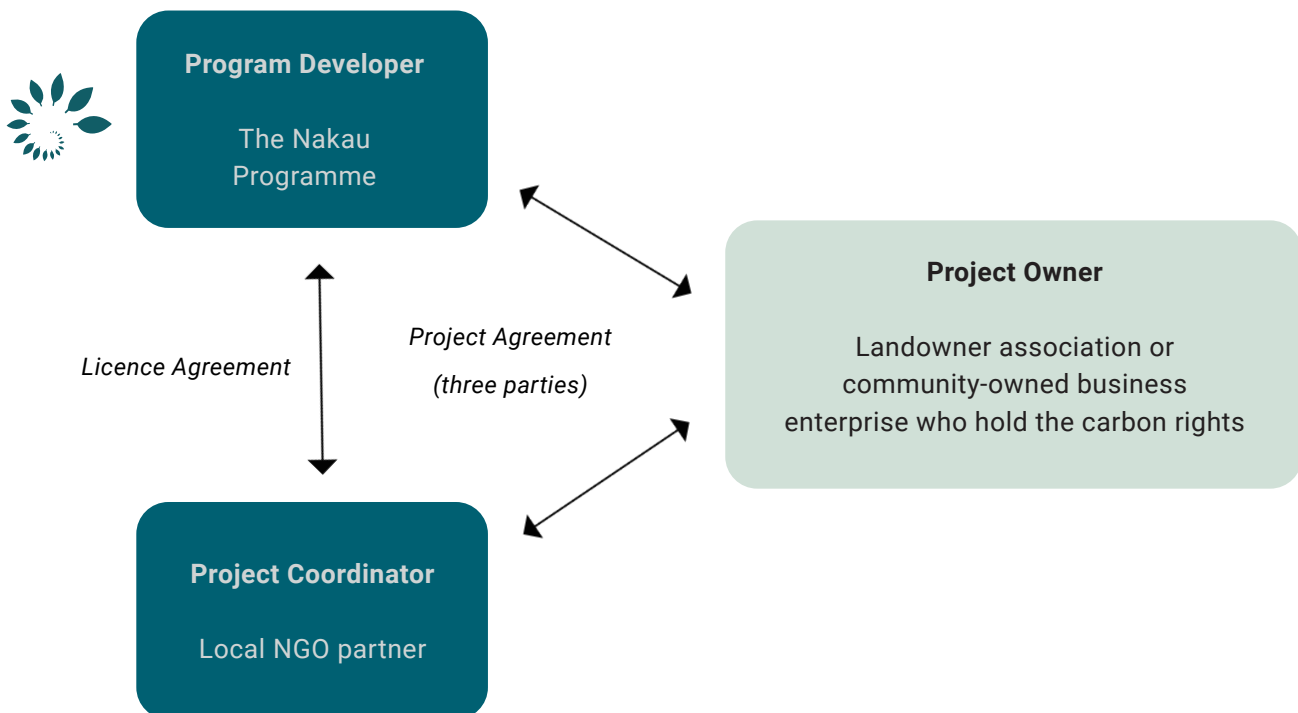
Our Nakau Methodology outlines a set of instructions and guidelines that support landowners to use forest and land stewardship as a pathway for producing carbon credits.

These credits are sold and then reinvested by you – the community – in local initiatives that support the cultural, social and environmental goals of your people.

# How it works

The Nakau Programme partnership model is based on three parties: the Project Owner (landowners), the Project Coordinator (local NGO) and the Program Developer (Nakau).

This connects the needs, knowledge and aspirations of the customary landowners and community to development and enterprise expertise, and ultimately to markets and investors.





# What is required to participate in a forest carbon project?



Communities need to partner with a **local NGO**. The Project Coordinator organisation, along with Nakau, can provide technical support on the ground.



The customary landowner's forest needs to be under clear **threat** from logging or land-clearing.



Customary landowners and communities need to hold **clear and uncontested rights to their land**. The land and carbon rights always remain with the landowners.



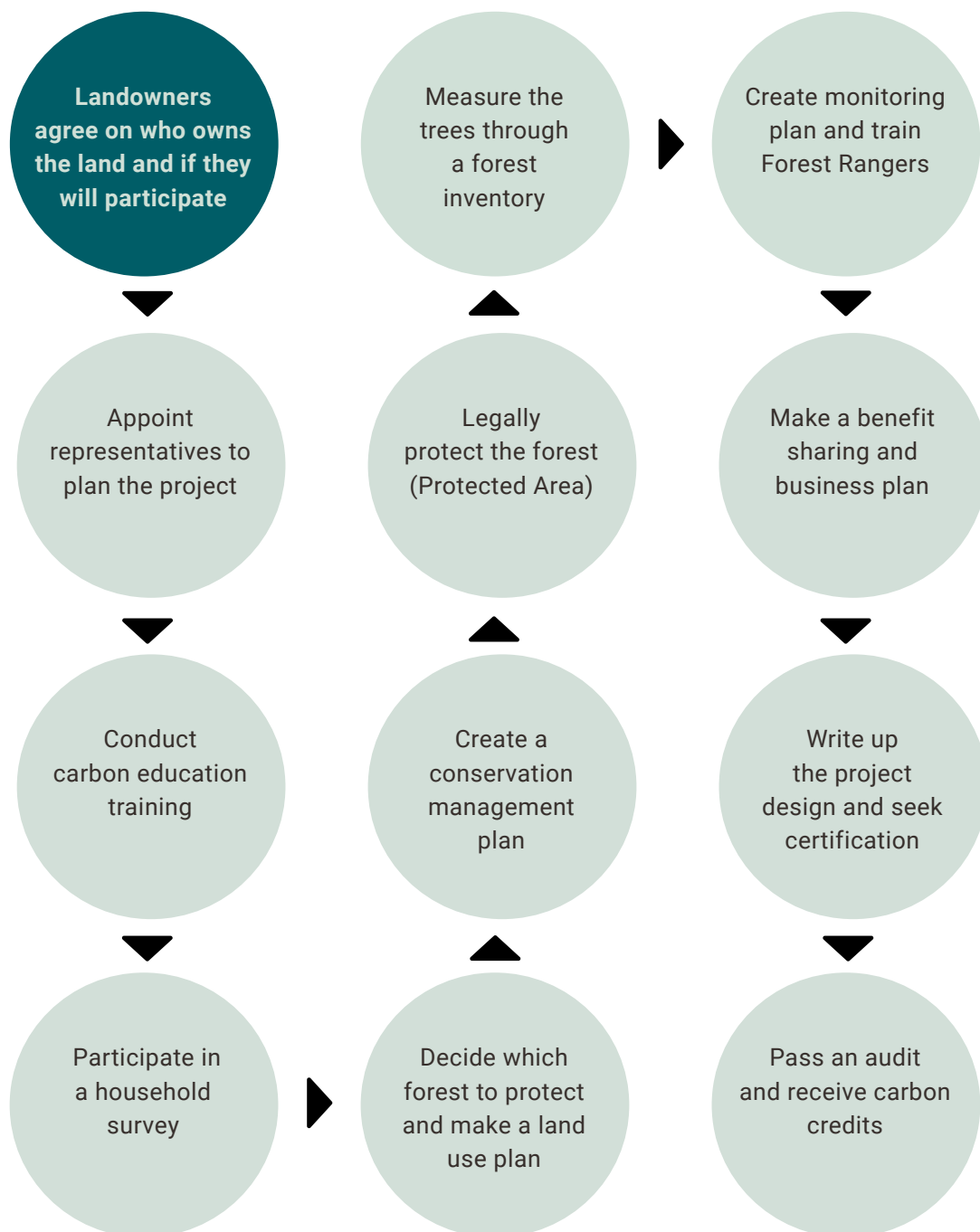
The area you want to measure for carbon should be **more than 500 hectares** to make a viable carbon project. Land cannot be high altitude or hard to reach, for example not over 400 metres high in the Solomon Islands.



PHOTO: DOUGLAS PIKACHA.

# Setting up a carbon project

Nakau helps landowners set up their own carbon project through a series of steps that Nakau, a local NGO and the landowners complete together.





Generally, a forest carbon project takes two to three years to set up before credits can be sold. However, it also depends on whether landowners are already organised and ready to work collaboratively to protect their forests. The project can progress faster if there is already a conservation management plan or if a forest is already registered as a Protected Area.

Many of the steps to set up a carbon project are required by the Plan Vivo Carbon Standard. Nakau and the landowners need to demonstrate these steps have been completed to receive credits. How fast these steps are completed is led by the landowner community.



# Roles in a forest carbon project

Nakau carbon projects bring a lot of people together working for a common cause. The table below shows the main partners and their role. Governments also have a role in providing services, policy and regulation.

Organisation	Role	Responsibility
Local NGO (NRDF, Live & Learn)	Project Coordinator NGO or similar	Provides support to landowners (education, training, planning, monitoring)
Nakau	Program Developer Supports the Nakau Programme and Methodology	Provides methodologies, tools and support with carbon accounting and sales
Landowner Association	Project Owner Community owned and managed social enterprise	Manages activities in the forest and communities including Ranger work and setting up small business
Plan Vivo	Carbon Certification Standard Charitable foundation	Ensures projects meet international standard and are high quality, fair and transparent
Donor	Global NGO or international government	Provides financial support to set up carbon projects
Ethical companies	Buyers	Buy carbon credits to contribute to a safer climate



# How does a carbon project compare to commercial logging?

## COMMERCIAL LOGGING

- ✗ The **logging company** takes the largest percentage of income (60%)
- ✗ There is a lack of transparency – it's hard to see how much money the company is making and who receives payments
- ✗ Logging benefits are not shared fairly
- ✗ Logging doesn't create lasting improvements to community infrastructure and livelihoods
- ✗ Jobs are only created for some landowners and foreign workers
- ✗ Water supplies are ruined, fish disappear
- ✗ Animals and plants disappear
- ✗ Village and gardens get warmer (no shade)
- ✗ Landslides become a risk
- ✗ Cultural sites are ruined

## CARBON PROJECT

- ✓ The **landowners** take the largest percentage of sales income (60%)
- ✓ There is complete transparency about benefits – all participants have access to information
- ✓ Landowners receive help to set up and manage their organisations
- ✓ Landowners receive support to create their own benefit-sharing plan
- ✓ Benefits are lasting and invested in community infrastructure, new business opportunities, nature and culture
- ✓ Jobs are created for landowners and community members
- ✓ Clean water is maintained
- ✓ Animals and plants are protected
- ✓ Landslides are avoided
- ✓ Cultural sites and communities are protected

# FAQs

## **Q. What benefits will the landowner community receive?**

Under the Nakau Programme, the community will receive 60% of the total income from credit sales. How that 60% is distributed among the community is decided by the landowners and recorded in the benefit-sharing plan.

Cash payments can occur, but generally the project provides benefits in other ways, including investment in community infrastructure projects (improved water supply, roofing, solar panels), investment in alternative livelihood business opportunities (which can provide cash), education and other job opportunities.

## **Q. Why does the Nakau Programme and NGO Project coordinator each receive 20%?**

Developing and maintaining a carbon project is technically difficult and expensive. When the project is set up, landowners will need support until they can manage the project on their own.

The 20% payments are designed to cover the costs of the support services. For example, the NGO Project Coordinator provides project administration and operation support, annual forest and livelihood monitoring and organises the project audits.

Nakau markets and sells the carbon credits internationally on the landowners' behalf. Nakau also supports project monitoring and reporting, and manages the carbon credits in an international registry.

## **Q. If we protect the forest for carbon, what are the restrictions?**

Landowners need to establish a declared Protected Area (PA) or other legal conservation status on their land that gives legal protection against logging and mining.

Applying a legal Protected Area status is a step in the Nakau Programme because it ensures the forest is protected for the long term – a requirement of Carbon Standards.

The community keeps their rights to land ownership and can continue to access the land and resources for most customary uses.

Landowners create a conservation plan that includes rules for use but landowners have a say in what those rules will be.

## **Q. How do we measure the carbon in the forest?**

Carbon credits are calculated by data collected in a forest inventory. This involves identifying tree species and measuring tree diameters and heights.



We then use a certified methodology provided by Nakau and approved by Plan Vivo to calculate the carbon credit volumes from the forest biomass.

**Q. How do we keep carbon in the forest?**

When trees grow, the forest absorbs carbon from the atmosphere. In a carbon project, landowners do not remove trees or carbon from the forest, they just need to protect the forest and calculate the carbon stored in it to create credits.

They must also prove the forest remains intact and protected and that logging has not occurred so that stored carbon is not released into the atmosphere.

**Q. Who buys carbon credits?**

Carbon credits are purchased by companies from ethical companies in Europe, North America, New Zealand and Australia.

These companies want to reduce the impact they have on the climate and show their customers they are doing the right thing.

Behind each carbon credit sold through Nakau is the story of the people that protect their forests from logging and invest in sustainable development.

Carbon buyers around the globe appreciate the good that forest carbon projects do for communities, the environment and the climate and want to be a part of this.

This is why carbon credits from Nakau and Plan Vivo projects fetch much higher prices than those from other organisations and standards.



YATO CONSERVATION AREA PHOTO: JOHN MITTERMEIER.

# Contact us

If you and your community are interested in starting a first carbon project, we are here to help you get started.

Get in touch with us by emailing **hello@nakau.org** and we will connect you with a local Project Coordinator to partner with.



PHOTO: DOUGLAS PIKACHA.

## SUPPORT PEOPLE | PROTECT FORESTS



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*Nakau is a social purpose company working with Indigenous communities to protect and restore forests and other ecosystems through carbon and nature projects. We are a long-term partner with Live & Learn.*