

Socio-economic concepts in carbon projects

- **Climate justice**

Climate justice recognises the climate crisis as a social and political problem, as well as environmental. It acknowledges the impacts and effects of climate change are not equally distributed and that different communities experience the effects of the climate crisis differently, and that the responsibility for the crisis rests with some countries and companies more than others. And it understands that the lives of those already facing injustice and oppression are made harder by the impacts of the climate crisis. The impacts and effects of climate change can deepen other injustices

Climate justice is the idea that actions to address climate change must also achieve justice for those that are most affected by climate change and contribute the least to its causes.

- **Benefit-sharing**

Benefit sharing is a function often embedded in the project design to ensure that communities benefit from the implemented project. The set of benefits includes social, environmental and economical. The benefits can be direct or indirect benefit. The financial benefit can be either a monetary transaction, often linked to carbon credit pricing (profits from sales) or a fixed payment, which may or may not be tied to the amount of carbon sequestered or emissions avoided. Environmental benefits include land restoration and conservation initiatives which are indirectly benefiting the farmers through improved yields and productivity. Social benefits include the social well-being of the local people including cultural values, preservation and use of traditional foods, handicrafts, ornaments and medicinal products made from trees.

In all Vi Agroforestry carbon projects, the environmental benefits extend to the integration of **climate-smart agriculture and sustainable agricultural land management practices (SALM)** which not only reduces emissions, but also improves soil fertility, water retention, enhance agrobiodiversity and overall ecosystem services that directly benefit smallholder farmers.

- **Free, Prior and Informed Consent (FPIC)**

This is a process recommended in all environmental/climate action which aims at enabling the smallholder farmers and the community to exercise their fundamental right to give or withhold consent to all proposed programmes, projects, and activities that will take place in or impact their lands, territories, resources or livelihoods. The approval from the local communities is sort way before the implementation of the activities and communities' decision is respected.

- **Land tenure**

This is the right of an individual/community to utilize their land resources. The land tenure system impacts farmers/communities' decisions on whether to engage in a long-term investment e.g., planting and growing trees. The right to utilize the land also mean that you have the rights of any products or services produced from the land. This also mean that you can sell or hand over the product or service produced. In this case the service produced is the sequestered carbon. Land tenure is therefore a base to which carbon rights are embedded and can be seen as a precondition for effective smallholder farmers and communities' participation in carbon projects.

For Vi Agroforestry's carbon projects, it is paramount that we ensure that the land where SALM is practiced for the project's purpose is legally registered under the farmer. This means that we can ascertain the security of the land rights. Land tenure is ascertained by statutory ownership document i.e., legal titles; customary systems that recognises customary rights as being equivalent to legal rights are also admissible.

- **Community engagement**

This entails involving the local communities in the project right from the project design (PDD) to ensure that they fully understand the project and that the communities' needs are fully considered and implemented in a sustainable manner. The project may need to invest in educating and empowering the local community to participate in decision-making and project management. The information will need to be repeated throughout the project implementation to avoid misunderstandings and problems. Documentation of this process is done through minutes of the meetings, signed participant registers project support and consent signed forms by landowners/ household representatives' other forms of documentation may include workshop and survey reports among others. All community engagement should be conducted in local language, to ascertain that the project is fully understood.

- **Grievance redress mechanisms**

This is a formal process for carbon project developers to receive, review and address issues/concerns and complaints raised by communities in relation to the project. The process is formalised through writing and goes a long way in maintaining communities' consent for the project. It should offer transparency and accountable feedback to the aggrieved community. Proper adherence to various stages of project development - such as the FPIC and Environmental and Social Impact Assessments (ESIA) - helps to identify and resolve potential grievances early, reducing the likelihood of issues arising later.

- **Farmer ownership of carbon credit revenues**

Carbon credit is a market-based approach to incentivise entities to reduce or avoid greenhouse gas emissions. One carbon credit is equal to one metric ton of CO₂ or the equivalent amount of any greenhouse gas (GHG) (CO₂eq). When farmers implement sustainable agricultural projects and agroforestry (practices that sequester carbon, those that reduce emissions, or capture carbon) the carbon sequestered will be converted to carbon credits through a process of third-party verification. The project developer will have an agreement with the farmer that they will receive compensation for the carbon sequestered. See our report on *Benefit-sharing mechanisms* for further examples from Vi Agroforestry carbon projects. For instance, in the Kenya Agricultural Carbon Project (KACP), the smallholder farmers participating in the project are paid in cash. This is however seen as a bonus on top of other benefits that they accrue by up taking SALM e.g., improved food production, access to healthy and nutritious food, increased incomes etc.