



**Title:** Context-Specific Carbon Finance Standards Aligning with India's Agroforestry Potential

**Date:** 5<sup>th</sup> March, 2025

**Time:** 9:30 AM – 11:00 AM (90 minutes)

**Venue:** Tamarind Hall, India Habitat Centre.

## Concept Note

### Introduction

Agroforestry in India offers transformative potential for climate mitigation, sustainable rural development, and farmer livelihood enhancement. Currently, agroforestry contributes 19.3% of India's carbon stocks and has the potential to sequester over 2 billion tons of CO<sub>2</sub> equivalent by 2030. With over 86.1% of farmers classified as small and marginal, aligning carbon finance standards with India's unique agroforestry practices and landholding structures is essential. Existing international standards often fall short in addressing these local realities, limiting farmer participation and the sector's ability to achieve its full potential.

This thematic track seeks to address this gap by advocating for context-specific carbon finance standards tailored to India's agroforestry landscape, unlocking both economic and environmental co-benefits.

### Why Aligning Carbon Finance Standards is Critical for India

Aligning carbon finance standards with India's agroforestry context is critical to unlocking the sector's potential and enabling more farmers to benefit from carbon finance mechanisms. The Common Practice Criteria and Additionality Criteria must be adapted to reflect India's realities, such as fragmented landholdings, traditional agroforestry practices, and socio-economic challenges faced by small and marginal farmers, who make up over 86% of the agricultural workforce. Allowing host countries' definitions of non-forest and degraded land to prevail ensures the inclusion of India's unique land-use classifications, expanding the scope of eligible projects. With the potential to expand agroforestry from 28.4 million hectares to 53 million hectares by 2050, as highlighted in the Vision 2050 report, supportive carbon finance mechanisms are indispensable. Context-specific standards will enable small-scale and

fragmented agroforestry systems to participate effectively in carbon markets, democratizing access to carbon credits. These adjustments would catalyze income diversification for millions of farmers, promote sustainable agroforestry practices, and significantly contribute to achieving India's climate goals and global mitigation efforts.

## Objectives of the Thematic Track

1. Advocate for revised Common Practice Standards aligned with India's agroforestry potential.
2. Bring together stakeholders, including carbon registries (e.g., Verra, Gold Standard), policymakers, researchers, and farmers, to foster consensus on standard revisions.
3. Propose actionable roadmaps for scaling agroforestry through tailored carbon finance mechanisms.

## Expected Outcomes

1. **Alignment of International Standards with Indian Context:** Recommendations for major carbon registries (e.g., Verra, Gold Standard, Plan Vivo) to revise their methodologies, incorporating scenarios specific to India and similar developing countries with fragmented landholdings and diverse agroforestry practices.
2. **Inclusive Farmer Participation:** Creation of frameworks within carbon finance mechanisms to include small and marginal farmers, enabling millions of Indian farmers to benefit from carbon credit markets while contributing to global climate goals.
3. **Policy Recommendations:** A formal proposal to MoEF&CC to advocate for global standard revisions that recognize the unique contributions of agroforestry in countries like India.
4. **Roadmap for Implementation:** Practical steps for India to implement context-specific carbon finance initiatives, including pilot projects and capacity-building programs, while collaborating with international stakeholders to influence global standards.
5. **Enhanced Global Collaboration:** Strengthened partnerships between international carbon registries, Indian policymakers, and agroforestry practitioners to co-develop methodologies that are equitable and effective for developing economies.

This approach ensures that India's agroforestry potential is fully harnessed, maximizing farmer inclusion and advancing both national and international sustainability objectives.

## Conclusion

Aligning carbon finance standards with India's agroforestry needs is a pivotal step toward achieving sustainable development goals. This alignment will maximize the sector's contributions to climate mitigation, biodiversity conservation, and rural income generation. It will enable smallholder farmers to actively participate in global carbon markets, ensuring equitable access to financial incentives while addressing the unique realities of small and marginal farmers. Ultimately, these efforts could enhance the livelihoods of small and marginal farmers, while fully utilizing the agroforestry potential of a country like India.