



Grain farming in the Mid North Region, South Australia

PILLAR 3: QUANTIFYING CO-BENEFITS & CREATING NEW MARKETS

Carbon farming projects in the land sector hold specific strategic importance due to the co-benefits that can be delivered from a single project. Having robust and transparent quantifiable metrics for co-benefits, is important for attracting new investment into the sector, as well as incentivising participation due to wider understanding and access to co-benefits from carbon farming projects.

Where do we want the industry to be?

New metrics have been introduced to accurately quantify co-benefits from land sector projects, with benefits attributable to the carbon finance.

The broader carbon industry believes new metrics are needed to more accurately quantify co-benefits of carbon farming projects - such as biodiversity, water quality, conservation and community benefits. Stakeholders indicated this could be a role for State governments and could open up opportunities for investment in projects that deliver multiple outcomes for local communities and agricultural enterprises. The Federal Government could play a role in supporting an overarching approach to the key principals and integrity criteria that should be used in any co-benefit standard development, to ensure activities undertaken in Australia are of a high and consistent quality across the country, and across all types of co-benefits being measured.

Carbon farming projects are generating additional revenue and attracting new investment in integrated environmental markets.

Industry participants strongly agree that innovation in environmental markets and valuing of co-benefits will drive increased carbon farming activity. Projects that demonstrate multiple environmental outcomes can layer other environmental credits on top of carbon credits, and achieve additional financial returns on investment.

Carbon farming projects in Australia are valuing co-benefits using metrics that are aligned with international standards and best practice.

Industry stakeholders believe that this will be important to enable future export of mitigation outcomes and/or co-benefit outcomes, into international markets, as well as ensuring that the activities undertaken in Australia are best in class, enabling the Australian narrative to become world-leading in this space.

There is a healthy voluntary carbon market that places a premium on carbon farming activities that deliver co-benefits.

Organisations looking to voluntarily offset their emissions are increasingly looking for projects that deliver mitigation outcomes as well as co-benefits. Methods that quantify and help report on co-benefits, will provide greater confidence for organisations voluntarily offsetting their emissions.

How are we going to get there?

Primary Actions

Government

Federal

- Undertake a national feasibility study for the creation and integration of future environmental markets that deliver emission reductions and co-benefits, building on international standards and best practice.
- Recognise and support the standards that will give confidence for investment and drive demand domestically as well as internationally for land sector projects delivering co-benefits.
- Develop a domestic framework to link the benefits generated from carbon farming projects to the UN's Sustainable Development Goals (SDG) framework.

State

- Develop co-benefit metrics, methods and measurement, reporting and verification frameworks to quantify and accurately monitor benefits from projects in each state, building on international standards and best practice.
- Drive investment in establishing pilot projects to validate methods and co-benefit quantification to provide confidence for investment community.
- Offset emissions from state government operations by investing in projects that deliver co-benefits.
- Develop investment portfolios to focus on state government priorities to maximise carbon abatement and other environmental outcomes.

Finance & Industry

- Investors to fund pilot projects for co-benefit recognition to assist evidence base and provide confidence in environmental metrics.
- Support the development of new methods to quantify co-benefits, creating additional returns on investment for integrated environmental markets, building on international standards and best practice.
- Financial organisations and heavy emitting industry to partner with government and carbon service providers to develop standards and branding for premium carbon offsets (carbon plus co-benefits).

Land Sector

- Agricultural industry to raise awareness around the value of co-benefits, investing in R&D for co-benefits measurement frameworks for agricultural projects.
- NRM groups and the agricultural industry to engage in the development of new environmental markets.

Carbon Service Providers

- Project developers to develop best practice methods, including monitoring, reporting and verification standards for co-benefit quantification, building on international standards and best practice.
- Project developers to articulate the value of co-benefits on agricultural properties, highlighting the potential for them to co-exist alongside traditional farming operations.



A Blue Fairy Wren rests in Carbon Neutral's Yarra Yarra Biodiversity Corridor Project, Western Australia