

# 10.

## UNDERSTANDING CO-BENEFITS



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Carbon co-benefits is a poorly defined and poorly understood term. It generally refers to the marketable environmental, economic, social, or cultural benefits arising from a carbon project. Co-benefits are additional outcomes that a buyer or investor is willing to pay for, above and beyond the reduction or storing of greenhouse gas emissions.

In relation to the Indigenous carbon market, marketable co-benefits include tangible outcomes such as increased biodiversity, increased employment, and protection of cultural sites. In addition, the Indigenous carbon market recognises the non-marketable (intangible) benefits of projects, such as intergenerational transfer of cultural knowledge and language, and connection to country. As these intangible benefits are economically unqualifiable and invaluable, it is important that tangible and intangible benefits are not conflated.

Marketable (tangible) co-benefits include:

- Biodiversity benefits
- Increased Indigenous employment
- Protection of Indigenous cultural sites
- Social benefits from investment of carbon revenue

These benefits may be grouped into two categories:

- Direct benefits – arising from carrying out carbon related activities or from selling carbon credits e.g. increased employment or protection of cultural sites.
- Indirect benefits – flowing from direct benefits e.g. stronger and more functioning communities because of increased revenue flows.

### WHAT DO WE MEAN BY CO-BENEFITS?

Within our network and in the marketplace, there are many different views on how co-benefits should be viewed, including:

- Co-benefits should be valued, quantified, and packaged as added value for impact investors, or
- These outcomes are central to Indigenous land management and caring for country, and therefore should be called 'core benefits', or
- These outcomes are independently valued by environmental or social investment markets, and therefore should be viewed and marketed as products independent of the carbon market.

Importantly, what carbon buyers typically refer to as 'co-benefits' are not interchangeable with Indigenous 'provenance' (origin) of carbon credits, i.e. where and how the carbon credits are generated. Currently, many Indigenous-owned carbon projects are successfully marketing and selling their carbon credits for a premium price based on provenance alone, in recognition of the value of supporting Indigenous-led enterprise and self-determination of Indigenous communities. These sales do not, however, recognise additional and specific co-benefits, such as improved outcomes for wildlife, or the social benefit from the sale of carbon credits resulting in investment in remote community infrastructure.

## OWNING THE OUTCOMES

In discussions with non-Indigenous and mainstream carbon companies, it is increasingly apparent that Indigenous organisations are motivated by an entirely different set of values, more altruistic and holistic than their non-Indigenous for-profit counterparts. This difference sets them apart in the marketplace.

Many ICIN members assert that they, and only they, have the right to communicate what outcomes their project is seeking to generate, and how this could be measured or evaluated. Therefore, it is vital that Indigenous companies can articulate these drivers and the outcomes of these projects in a clear way that is determined by them.

*Summary the direct and indirect benefits of carbon projects identified by ICIN members during recent workshops with members.*

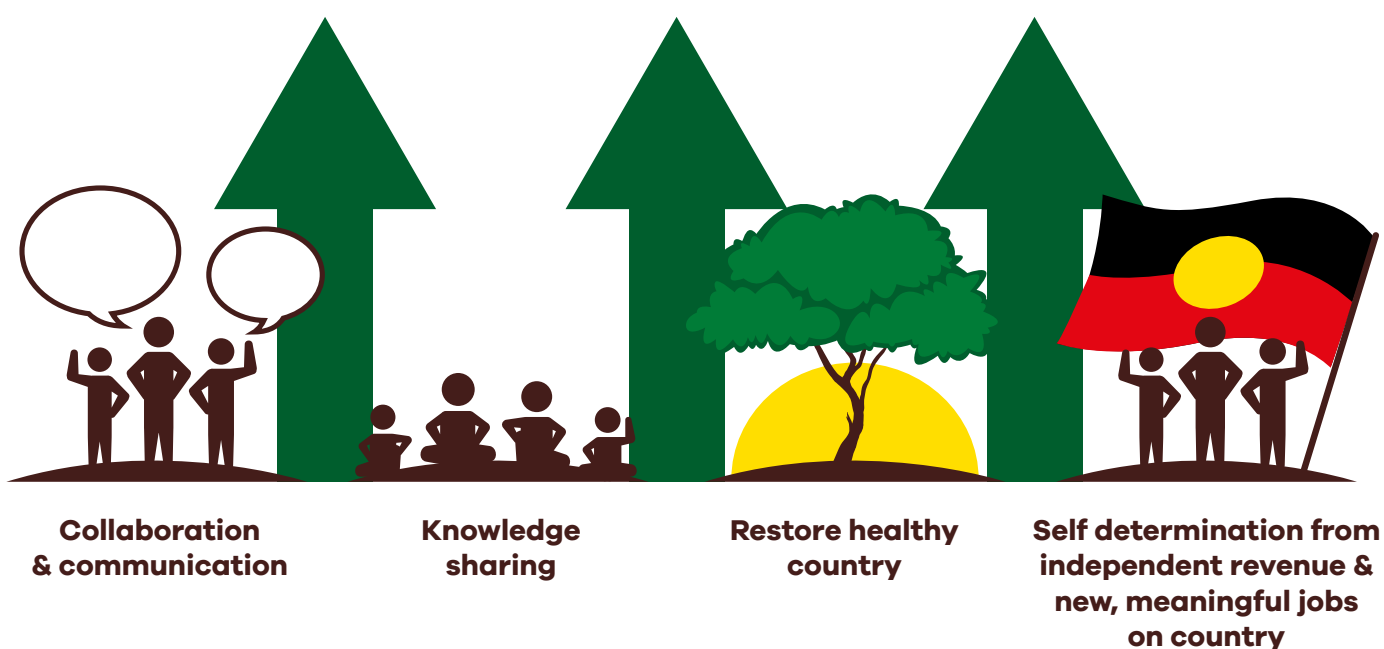


## KEY DRIVERS AND INVESTMENT PRIORITIES

At several of the North Australia Savanna Fire Forums discussion highlighted the key drivers of Indigenous savanna fire management projects, demonstrating that revenue from carbon projects is viewed as just one positive outcome of these projects, rather than being the sole or main driver. Similarly, the ICIN Member Survey (August 2019) demonstrated that the investment priorities of Indigenous carbon projects are centred around community benefit.



### *Key drivers of Indigenous carbon projects*



*Key areas for investment of carbon project revenue (top-bottom)*



## CASE STUDY - INVESTING CARBON FUNDS INTO THE COMMUNITY

ICIN member Warddeken Land Management is an Indigenous owned company and a founding partner of the first savanna fire management carbon project. This project (the Western Arnhem Land Fire Abatement project) covers 28,000km<sup>2</sup>, allows Traditional Owners to live and work on Country, and is a large producer of carbon credits.

Historically, families in the Warddeken Indigenous Protected Area (IPA) faced the difficult choice of sending their children away from their homelands to access education. Unable to receive an adequate response from the state department of education, concerned elders worked with Warddeken to chart an independent path forward.

In 2015, Warddeken carbon funds facilitated the founding of the Nawarddeken Academy, an organisation dedicated to delivering bicultural community driven education in remote communities. Its first registered, independent primary school opened in Kabulwarnamyo in 2019, and further schools were opened in Manmoyi and Mamadawerre in 2021. All three schools offer Early Learning Programs and are now formally registered as independent schools and receive ongoing Federal funding. Now Nawarddeken is looking into secondary level education.

Supported by Nawarddeken Academy staff, Bininj teachers, governance facilitators, and cultural experts, this initiative secures educational opportunities for Indigenous children in these remote areas, made possible due to the foundational investment of carbon revenue.



Warddeken ranger in a helicopter 2020, photo: David Handcock

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