

Coming soon: High-Integrity Forest Carbon Credits

Financed by the World Bank



What are forest carbon credits?

Forest carbon credits are units equal to one ton of carbon dioxide reduced, sequestered or avoided through forest conservation. They can be bought and sold through carbon markets.

Carbon markets offer great potential to both support countries and communities working to reduce emissions while offering additional pathways to decarbonization for governments and companies.

The World Bank is committed to advancing climate action through robust and verified carbon crediting programs that support developing countries and local communities to access carbon markets.

Climate change is an existential yet preventable risk to the world – and transparent, high-integrity carbon markets have the potential to accelerate climate action.

How does the World Bank support buyers to invest in forest carbon credits with confidence?

Since 2008, the World Bank, through the Forest Carbon Partnership Facility (FCPF), has supported 47 developing countries to prepare and implement activities focused on reducing emissions from deforestation and forest degradation.

Of the original countries involved, 15 countries have advanced into the FCPF Carbon Fund. Together the programs in these countries cover more than 111 million hectares of the world's forests. Through the FCPF, the World Bank has signed agreements with these countries to pilot results-based payments for high-integrity carbon credits generated from emission reductions programs covering large jurisdictions.



Photo: Chris Morgan/World Bank

At a glance

15 countries
across Asia, Africa,
and Latin America

270 million
credits by 2028,
of which 95 million
already generated

Up to **90%**
of the results-based
payments are directed to
benefit Indigenous Peoples
and Local Communities

126 million
can be available
for sale, of which
24 million in 2024

What makes FCPF's work unique?

FCPF carbon credits must be unique, real, permanent, additional, measurable and verifiable – mirroring the six criteria of the International Carbon Reduction and Offsetting Accreditation (ICROA) code of practice.

FCPF's cutting-edge jurisdictional programs with robust methodologies ensure the environmental integrity of carbon credits, setting ambitious baselines, mitigating leakage, mitigating the risk of and compensating for potential reversals, and providing comprehensive measurement, reporting, and verification (MRV) systems because they monitor whole regions. FCPF credits are:



Monitored, reported, and verified against the FCPF Standard and the World Bank's Environmental and Social Standards. All FCPF programs are required to set-aside a percentage of the verified credits to insure against reversals/potential losses and to incentivize improvement (reduction) in uncertainty of the estimation of emission reductions.



Recognized by the UN International Civil Aviation Organization (ICAO), which has approved the FCPF to supply Eligible Emissions Units under its CORSIA program for the 2021-2023 compliance period (pilot phase).



Inclusive of governments to ensure Indigenous Peoples, Local Communities and women are partners in the decision-making and benefits-sharing of these programs, with implementation and reporting overseen by the World Bank.



Generating additional non-carbon benefits such as biodiversity maintenance, improved yields and incomes and overall socio-economic conditions of forest communities.

The World Bank also supports countries with technical assistance to participate in carbon markets. Thanks to the collaborative nature of the FCPF programs, each country will choose whether to sell or retain its own credits.

Case study: Vietnam

Vietnam has already generated 16.2 million verified FCPF carbon credits for 2018 and 2019. The World Bank will pay for 11.3 million of these credits and the additional 4.9 million credits can be made available to the carbon market.



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These credits represent just the start of the World Bank's commitment to help developing countries finance emission reductions through the generation and monetization of carbon credits.



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