

CASE STUDY 2:

Loru Forest Carbon Project

This case study focuses on a forest-based carbon credit project in Vanuatu supported by Live & Learn and the Nakau Programme in partnership with the local Indigenous community. The case study links to the 'Programmatic' level of ACFID's Climate Action Framework and describes how forest carbon projects can mitigate climate change impacts and support Indigenous landowners at the same time.

While the case study focuses on carbon credits, it is not expected that all Australian NGOs move towards focusing on this type of project. Rather, key lessons for Australian NGOs are highlighted, showing how NGO strengths and knowledge of environmental and social safeguarding (including DFAT's Environmental and Social Safeguards policy) can play important roles in low carbon development projects.

DONOR/FUNDING PARTNER:

The project was initially implemented by Nakau⁴ and Live & Learn Vanuatu. EU was the original donor from 2012 to 2015. The project is currently self-sustaining and receives technical support from both Nakau and Live & Learn Vanuatu.

LOCATION:

Khole village, East Santo in Vanuatu.

TIMEFRAME

Began in 2012 and has a 30 year cycle.

PARTNER NGOS AND ORGANISATIONS

Nakau	Live & Learn
Live & Learn Vanuatu	Serthiac Rangers (Community)

OBJECTIVE:

The objective of the Loru Forest Carbon Project is to protect and restore rainforest through conservation carbon credits, while also supporting people, nature, culture and contributing to climate resilience. The project has a strong livelihood focus which is achieved through generating employment and income opportunities, enhancing food resilience, and promoting sustainable markets.

The project uses an innovative financing model that prioritises Indigenous land rights and stewardship, and secures payment for ecosystem services, resulting in income generation from carbon sales through a self-sustaining approach.

LINKS TO ACFID CLIMATE ACTION FRAMEWORK:

- PROGRAMMATIC
- Low carbon development

DEMONSTRATION OF ENABLERS:

- 1: Multi-year, core funding and flexible funding options
- 2: Partnerships, relationships, and knowledge exchange
- 3: Ongoing and holistic approach
- 4: Prioritising climate change action within organisations
- 5: Strength-based approaches, recognising traditional and local knowledge
- 6: Recognising the 'what' and 'how' of climate change integration



Photo: Serthiac member harvests local greens from the food gardens in the agro-forest plots which run next to the Loru Conservation Area. Photo credit: Alex McClean/Nakau.

BOX 1: THE NAKAU METHODOLOGY

The Nakau Methodology is a set of instructions and guidelines that enable Indigenous landowners to produce Payment for Ecosystem Services (PES) Units — also known as forest conservation carbon credits. These credits are sold and then reinvested by the landowners in local initiatives that support the cultural, social and environmental goals of Indigenous communities.

At the heart of the Nakau Methodology is a commitment to sustain benefits flowing to landowners — which is why all projects are owned by Indigenous communities. The Nakau methodology takes a community development partnership approach that is fair and transparent. Mutually beneficial collaborations that manage risks and optimise the conditions required for a successful PES projects ensure their work can stand the test of time. (Source: <https://www.nakau.org/methodology.html>)

CLIMATE CHANGE INTEGRATION APPROACH:

Nakau started working with the Serakar Clan in East Santo in 2012 to better protect the forest by establishing a Community Conservation Area under the Vanuatu Environment and Biodiversity Act (2010). Nakau continued to support the community by using the Nakau Methodology (see Box 1) to develop a source of income through conservation carbon credits.

Over more than a decade, the Loru Forest Carbon Project has embedded the connection between conservation and community resilience in the social fabric of the entire Khole village community. The project has contributed to the regeneration of the Loru forest and enriched biodiversity with birds, coconut crabs and other wildlife returning to the forest. A healthy forest also means the community is supported with resources because the forest area is likely to bounce back quickly after extreme weather events.

The extended Serakar family and community of around 50 people are now managing and protecting 293 hectares of kastom (customary, traditional) rainforest and reducing 3029 tonnes of CO₂ verified emissions each year. In 2019, the project won the United Nations Equator Award for local innovative climate solutions.

4 Nakau is a social purpose company wholly owned by Live & Learn Environmental Education, a not-for-profit NGO registered in Australia.

The role of all partners has been, and continues to be, instrumental in the success of the project. Five key highlights of Nakau and Live & Learn's approach to low carbon development, in partnership with local communities, are described below.

The benefits and ownership of the project are retained by the local community. The project was established to enable the Serakar Clan to lead the work in the forest under their business name, Serthiac. The carbon credits remain under Serthiac's ownership and there is equitable sharing of financial benefits, with at least 80% remaining in Vanuatu⁵. The money Serthiac receives through the carbon credit payments employs Serthiac Rangers to undertake conservation work protecting the forest. This demonstrates strong community ownership and local leadership (Enabler 5).



... Since the project started, the community has benefited. Serthiac has used the income to help build our houses, for water tanks and for school fees for the children. It is helping build the Nakamal are everyone within the community has benefitted."

Serthiac member.

See Box 2 for additional outcomes of the project, and examples of how this low carbon development project supports community resilience in a holistic way.

BOX 2: POSITIVE OUTCOMES OF THE LORU FOREST PROJECT

- Carbon sequestration
- Enriched biodiversity
- Increased food security through food gardens
- Local employment of Serthiac Rangers as well as payment to other families outside Serakar to work in the forest area clearing the invasive merremia weed
- Income from carbon credit sales funding water tanks, school fees, solar lights and set-ups costs for small businesses like shops
- Women's economic empowerment through promoting women-led small businesses
- Women's leadership through their involvement in the Serthiac Board, Finance Committee and Land Management Committee

The Loru Project is enabled through a partnership approach. Each partner has a clear role in making the project work (Enabler 2). Nakau's strong localisation strategy, emphasising local leadership and working with local partners, sets the foundation for the partnership approach. As noted above, the project is community owned, by the Serakar Clan. Live & Learn Vanuatu staff are based in Port Vila and Luganville, which is around 40 minutes from the Loru forest in Santo, and are available for responsive and ongoing visits to support actions on the ground (Enabler 3). Live & Learn Vanuatu access international support from Nakau and Live & Learn Network office in Melbourne through regular online meetings without the need for Australian staff to travel frequently to Vanuatu. This also demonstrates an organisational commitment from Nakau and Live & Learn on low carbon development through the reduced need for flights to Vanuatu (Enabler 4).

Long-term timeframes and flexibility in design are key. The Nakau Methodology recognises that time (2-3 years) and flexibility is needed to establish a forest carbon project in a cross-cultural context. At the same time, projects such as the Loru project have a 30-year cycle once established and registered (Enabler 1). Given these long timeframes, Nakau and Live & Learn Vanuatu take the time to build relationships with the Indigenous landowners, and an understanding of the local context (Enabler 2). This long-term approach has ensured mutually beneficial collaborations that manage risks and optimise the conditions required for a successful 'payment for ecosystem services' project that can stand the test of time (Enabler 3).

A strong focus on both 'what' technical support is needed and 'how' the project is implemented. Nakau has strong technical skills in forestry and ecosystem services, and are adept at navigating the carbon credit market, ensuring the traded carbon credits meet international standard for community-led payment for ecosystem services projects. These technical skills are complemented by Nakau and Live & Learn's approach to local implementation which is community driven as described above. A success of the project is the dual focus on the technical side (the 'what') and the way this translates to local implementation (the 'how') (Enabler 6).

LESSONS FOR NGOS FROM SUCCESSFUL OUTCOMES OF LORU FOREST CARBON PROJECT

There is a clear role for community development skills, expertise and experience in low carbon development projects. This case study demonstrates the importance of working in partnership, cross-cultural competencies and genuine appreciation of the localisation agenda to achieve successful outcomes. As the need for innovative climate action increases across the development sector, low carbon development investment opportunities will further arise. NGOs have an important role to play to help ensure human rights are protected, community perspectives are included, and equitable benefits reach all parts of communities. For example, NGOs will have roles to play in decentralised renewable energy projects, blue carbon initiatives and forest management projects – both in terms of the technical inputs as well as the community development aspects and knowledge brokering roles, where NGO skills are already well developed.



Carbon markets are highly technical, and there is a big gap in shared understanding between carbon market actors and customary landowners in the Pacific. We spend a lot of time working with our local partners and communities, in local language building their knowledge of carbon markets, how to benefit from them and how to protect their rights while engaging with them"

Chief Operating Officer, Nakau Programme.

Local knowledge brokers are key to the success of the project. Live & Learn Vanuatu acted as knowledge broker and intermediary between Nakau and the local Indigenous landowners and played a key role in the project. ANGOs engage in different ways with local partners in the countries in which they implement programs. This project intentionally leverages Live & Learn Vanuatu's understanding of the local cultural, political and environmental context in which the project functions. For example, Live & Learn Vanuatu played a crucial role in developing and negotiating the implementation of the Tabu system, traditionally used for natural protection, across an entire conservation area within a carbon project. This ensured that the legal protection of the project area held cultural significance and could be enforced through cultural means. Working through local partners and valuing their role as knowledge brokers is critical for effective climate action in low carbon development.

Partnerships are foundational to success. This case study has highlighted how the partnership between Nakau, Live & Learn Vanuatu and the Serakar Clan underpins the success of the project.



... Without our local partners and the relationships of trust we have with them, we would not see these values so strongly built into the fabric of the projects we run together with them..."

Chief Operating Officer, Nakau Programme.

The lesson for other NGOs looking to engage in, or strengthen their work in low carbon development, is that these partnerships take time to build trust and mutual cross-cultural understanding. Ongoing investments in relationships and partnerships is a worthy use of time and resources.

There are multiple and intersecting benefits of low carbon development that can be leveraged. The benefits of this project extend well beyond emissions reduction through carbon sequestration and income generation from the sale and trade of carbon credits. The subsequent and cascading outcomes achieved through this project (see Box 2 for examples) show how community resilience can be strengthened and reinforced in multiple ways.



The Loru Forest Carbon Project is one of our successful stories. The voluntary carbon market offers direct benefits to our people. We have managed to produce and sell carbon credits from the Loru Project. Buyers from as far as Europe have visited. It is a great story that shows how people and organisations can come together from different countries to reduce emissions, but also increase resilience to climate change in our vulnerable communities."

Project Staff, Live & Learn Vanuatu.

The lesson for NGOs is to take a systems-thinking approach when supporting low carbon development projects and consider the multiple and diverse outcomes relevant to the community. A community can become more resilient and experience improved wellbeing if a project considers income generation as well as GEDSI, governance, knowledge sharing, and strengthening local capacity – as has been achieved in the Loru Forest Carbon Project.

Look to existing skills in environmental and social safeguarding as the foundation to build on. While small and medium NGOs might not have technical capacity in low carbon development, their experience with environmental and social safeguarding can provide a foundation upon which further skills can be built.

CONCLUSION

The Loru Carbon Forest Project is a best practice example of low carbon development. The approach partners have taken demonstrates the important roles NGOs play in brokering relationships and knowledge exchange, and maintaining a clear focus on human rights, equity and local ownership. As transitions towards low carbon development and renewable energy ramp up, there will be increasing opportunities for NGOs to advocate for local communities to ensure their rights are protected and development occurs in sustainable and locally appropriate ways. This case study highlights specific ways NGOs can use their skills and expertise for effective and equitable low carbon development.

