CONCEPT NOTE

Unlocking Additional Income for Farmers through Agroforestry Carbon Finance

Clarifying Land Status, Carbon Standards and Pathways for Smallholder Participation

Date: 21 September 2026	**Time: 10:00 a.m. – 1:00 p.m.**
Venue: Juniper Hall, India Habitat Centre, New Delhi	**Organiser: The Energy and Resources Institute (TERI)**

Background and Rationale

Agroforestry is one of India's strongest opportunities to combine climate mitigation with rural income generation. Trees on farms can provide timber, fruit, fodder, shade, soil and water benefits while also sequestering carbon. If designed credibly, carbon finance can become an additional income stream for farmers, especially where aggregation through FPOs, cooperatives or other farmer institutions reduces transaction costs.

However, the pathway from trees on farms to carbon revenue is still constrained by policy, technical and market uncertainties. A recurring challenge is the tendency to treat forest land, forest cover, tree cover and agroforestry on agricultural or revenue land as interchangeable categories. Every tree-bearing parcel on revenue land is not automatically forest land. For carbon projects, legal land status, land records, historical land use, existing woody biomass and applicable regulatory criteria must be assessed together.

At the same time, international carbon standards are evolving. Requirements on additionality, baselines, pre-existing woody biomass, permanence, leakage, remote sensing, grouped projects, harvesting and monitoring are becoming more rigorous. A methodology or standard suitable for one agroforestry context may not be the best fit for another. India therefore needs a context-specific approach that protects environmental integrity while keeping participation feasible for small and marginal farmers.

The proposed roundtable is intended as a solution-oriented policy and technical dialogue. Rather than discussing the potential of agroforestry carbon finance in general terms, it will bring together government, State Forest Departments, carbon standards, validation and verification bodies, FPOs, investors, project developers, development partners and technical institutions to identify practical pathways for implementation.

Purpose of the Roundtable

Central proposition: Carbon finance should become an additional income stream for farmers, not an additional layer of complexity.

- Clarify how forest land, forest cover, tree cover and agroforestry on agricultural/revenue land should be distinguished for carbon-project screening and eligibility.
- Understand how evolving standards such as Verra, Gold Standard and Isometric can be used contextually for different Indian agroforestry systems rather than through a one-size-fits-all approach.
- Identify a practical pathway for small and marginal farmers to participate through aggregation, low upfront cost, clear carbon rights and transparent benefit sharing.
- Discuss credible approaches for baseline setting, treatment of pre-existing trees, additionality, rotational harvesting, permanence and MRV.
- Define the roles of government, Forest Departments, FPOs, investors, developers, VVBs and technical institutions in taking projects from feasibility to issuance and farmer payment.
- Identify 2–3 state-level pilot opportunities that can test a common framework under different agroforestry and land-tenure conditions.

Key Questions for the Panel

Land status and eligibility: What evidence should establish whether a farmer's parcel is agricultural or revenue land with agroforestry, rather than forest land? How should legal classification and satellite-observed tree cover be reconciled?

Existing trees and additionality: How should farms with scattered or low-density pre-existing trees be treated? Can additional carbon above an existing biomass baseline be credited where the relevant methodology permits it?

Carbon standards: Which agroforestry contexts are better suited to Verra, Gold Standard, Isometric or other credible standards? What are the main differences in baseline, permanence, harvesting and monitoring expectations?

Smallholder economics: What minimum scale is needed for project viability? Who bears feasibility, validation, verification, registry and MRV costs before the first issuance?

Farmer safeguards: How should carbon rights, revenue sharing, contract duration, harvesting, land transfer and grievance redressal be handled so that farmers understand and benefit from participation?

MRV and verification: What minimum evidence package should combine land records, historical satellite imagery, field inventory, plantation records and ongoing digital/field monitoring?

Government enablement: What clarifications, datasets or facilitative measures can MoEFCC and State Forest Departments provide without becoming project proponents?

Scale-up: Which states and agroforestry systems are most suitable for immediate pilots, and what would be required to move from pilot to scalable national practice?

Expected Outcomes

- A practical decision framework for distinguishing agroforestry on agricultural or revenue land from legally classified forest land for carbon-project screening.
- A context matrix indicating which carbon-standard approaches are most relevant for common Indian agroforestry situations, including zero-baseline, non-zero-baseline, rotational and grouped smallholder projects.
- A minimum evidence package for eligibility, baseline and MRV that can be understood by project developers, VVBs and government agencies.
- A set of farmer-centric principles covering aggregation, upfront project costs, carbon rights, transparent benefit sharing and payment architecture.
- Identification of 2–3 state-level pilot opportunities and a small technical working group to convert the roundtable discussion into a concise policy & technical roadmap.

Proposed Participation

Government and State Forest Departments: MoEFCC; Forest Departments of Punjab, Haryana, Uttar Pradesh, Uttarakhand, Assam, Rajasthan and Tamil Nadu.

Carbon standards and assurance: Verra; Gold Standard; Isometric; CRI; Carbon Check; Ecolance, Earthood.

Farmer organisations and aggregators: Kisan Chamber of Commerce (KCC); selected FPOs & farmer representatives; CSOs or NGOs like Seed Foundation, Gujarat.

Investors and project developers: Value Network Ventures (VNV); Acorn, Rabobank; Removall, France; other relevant carbon-finance investors & developers.

Financial institutions and development finance: National Bank for Agriculture and Rural Development (NABARD); Agence Française de Développement (AFD); other relevant financial and development-finance institutions.

Development and international organisations: GIZ; Conservation International; other relevant development partners.

Technical and forestry experts: Dr J. V. Sharm; Dr Dipankar Saharia; Dr T. P. Singh; Mr Shailesh Tembhurnikar; other TERI professionals; and invited experts from forestry, agroforestry, legal and carbon-market domains.

Tentative Agenda

Time	Session	Lead	Focus
10:00–10:10 a.m.	**Welcome Address**	**Dr Vibha Dhawan, Director General, TERI**	Opening remarks on agroforestry, farmer income and the role of credible carbon finance.
10:10–10:25 a.m.	**Context Setting: Agroforestry Carbon Finance in India**	**Dr J. V. Sharma, Senior Director, TERI**	Additional income potential; forest land vs. forest or tree cover vs. farm agroforestry; barriers to scaling; and the need for context-specific application of carbon standards.
10:25–10:40 a.m.	**Technical Presentation: From Farm Parcel to Carbon Revenue**	**Mr Sayanta Ghosh, TERI**	Land eligibility, historical land use, existing biomass or non-zero baseline, additionality, grouped smallholders, MRV, verification and pathways to farmer payment.
10:40 a.m.–12:40 p.m.	**Panel Discussion**	**Chair: Mr Amit Anand, Deputy Inspector General of Forests, MoEF&CC, Government of India;** **Moderator: Dr J. V. Sharma, Senior Director, TERI**	Solution-focused discussion on land-status clarification, evolving carbon standards, treatment of existing trees, smallholder economics, farmer safeguards, investor/VVB requirements and potential state-level pilots.
12:40–12:55 p.m.	**Key Takeaways and Proposed Way Forward**	**Chair & Moderator**	Actionable recommendations, possible pilot states and a follow-up technical and policy roadmap.
12:55–1:00 p.m.	**Vote of Thanks**	**Dr Syed Arif Wali, TERI**	Closing reflections and formal Vote of Thanks.
1:00 p.m. onwards	**Lunch and Informal Discussions**		

Emcee: Mr Rachit Kumar, TERI;
Rapporteur: Ms Madhuparna Majumder, TERI

Panel Discussion Session

The 10:40 a.m.–12:40 p.m. segment will remain a single moderated panel. The moderator may structure the discussion around the following four solution blocks:

1. Clarify the land-status question: every tree-bearing revenue parcel is not forest land; agree on the evidence needed for project screening.

2. Match standards to context: compare how different standards address existing trees, baselines, additionality, harvesting, permanence and grouped projects.
3. Make the economics work for smallholders: aggregation, upfront finance, transaction costs, carbon rights and transparent benefit sharing.
4. Move to implementation: identify state pilots, investor conditions, VVB evidence requirements and specific follow-up actions from government and technical institutions.

Suggested Follow-up Output

Roadmap for Agroforestry Carbon Finance and Additional Farmer Income in India: a short post-roundtable note capturing land-status clarification, context-specific standard selection, smallholder safeguards, minimum MRV requirements and 2–3 pilot pathways.