



UNDERSTANDING CARBON & CARBON MARKETS: AN INDIGENOUS PERSPECTIVE



A RAD NETWORK SUMMARY SHEET

WHAT IS CARBON AND WHY DOES IT MATTER?



Carbon is a natural element found in all living things. It moves through the environment in different ways—through plants, soil, air, and water. But too much carbon in the air, mainly from burning fossil fuels, is a source of climate change.



CARBON EXISTS IN MANY PLACES

- **Forest Carbon:** Stored in trees, roots, and soil.
- **Blue Carbon:** Found in oceans and coastal areas like seagrass and mangroves.
- **Freshwater Carbon:** In lakes, rivers, and wetlands.
- **Peatland Carbon:** Locked in organic materials like muskeg and permafrost.
- **Agricultural Carbon:** Held in farmland plants, trees, and soil.
- **Soil Carbon:** Stored underground and influenced by land management.
- **Urban Carbon:** From cities, cars, and human activity.
- **Atmospheric Carbon:** The carbon in the air, which has increased due to industrialization, leading to global warming.

WHAT ARE CARBON MARKETS?

Carbon markets are where businesses and governments can buy and sell "carbon credits" to reduce net pollution. The goal is to cut carbon emissions and slow climate change.

➤➤➤ THERE ARE TWO MAIN TYPES OF CARBON MARKETS:

1. **Compliance Markets**: Governments set rules for industries to reduce emissions.

These include:

- **Cap and Trade**: Companies get a limit (cap) on emissions but can buy or sell credits to stay within the limit.
- **Carbon Tax**: Companies pay a fee for polluting, encouraging them to cut emissions.

2. **Voluntary Markets**: Businesses choose to buy carbon credits to offset their emissions. These credits support projects like planting trees or restoring wetlands.

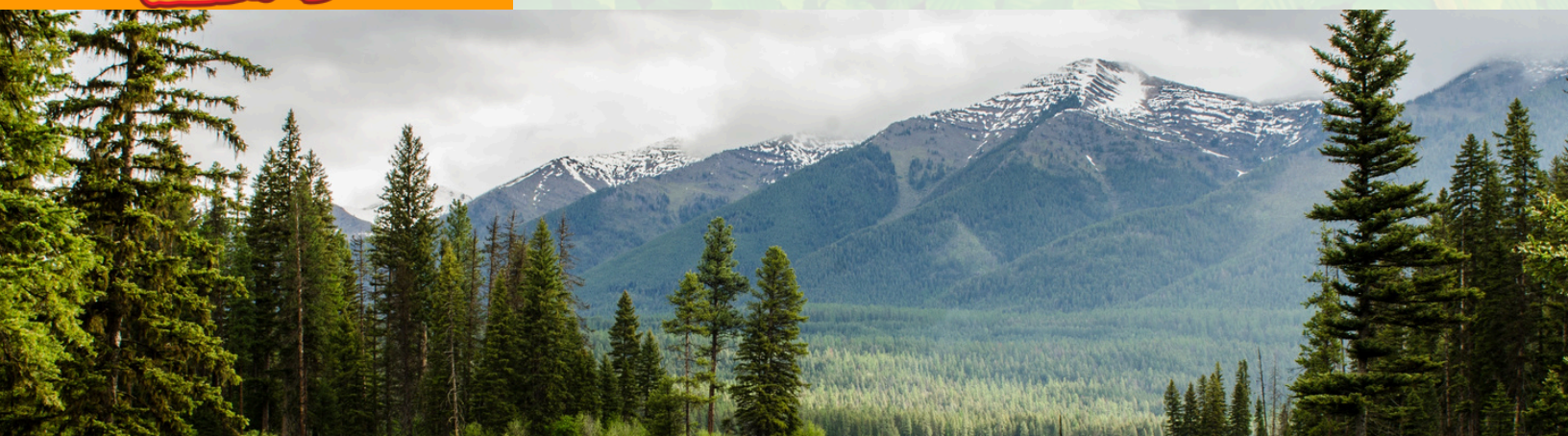
Other conservation finance mechanisms include [ecosystem-based service programs](#), [conservation impact bonds](#), [trust-based mechanisms](#), and biodiversity credits among others.

WHY DOES THIS MATTER FOR INDIGENOUS COMMUNITIES?



CARBON MARKETS CAN BRING FUNDING TO SUPPORT LAND PROTECTION AND CONSERVATION. HOWEVER, THEY ALSO RAISE CHALLENGES:

- **Commodifying Nature**: Putting a price on land and ecosystems can lead to exploitation.
- **Carbon Cowboys**: Some groups profit from carbon projects while Indigenous communities see little benefit.
 - [Read More: "How to Spot a "Carbon Cowboy"](#)
- **Land Access & Equity**: Carbon markets make land more valuable, sometimes increasing outside pressures on Indigenous lands.
- **Greenwashing**: Some companies use carbon offsets to continue polluting instead of making real changes.



INDIGENOUS-LED SOLUTIONS

TO ENSURE FAIR AND JUST CARBON MARKETS, INDIGENOUS LEADERSHIP IS ESSENTIAL. KEY PRIORITIES INCLUDE:

- **Indigenous Decision-Making:** Communities must lead carbon projects on their lands.
- **Recognizing Holistic Stewardship:** Indigenous land care goes beyond carbon storage—it supports biodiversity, food security, and cultural practices.
- **Challenging Capitalism:** Real climate solutions require reducing fossil fuel use and systemic change, not just buying and selling carbon.
- **Respecting Indigenous Laws:** Projects must align with Indigenous governance, values, and long-term sustainability.

CONCLUSION

Carbon markets are one tool in the fight against climate change, but they are not the full solution. Indigenous-led conservation offers a more holistic approach that respects the land, water, and future generations. To truly address climate change, we must decolonize market solutions and center Indigenous knowledge and leadership.



The RAD Network doesn't advocate for or against carbon markets. Rather, we want to offer a trusted, Indigenous-led space where communities can access unbiased information, explore options and connect with opportunities and partners. Carbon financing is one tool in the toolbox that Nations may choose to leverage to advance the visions they hold for their territories.

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