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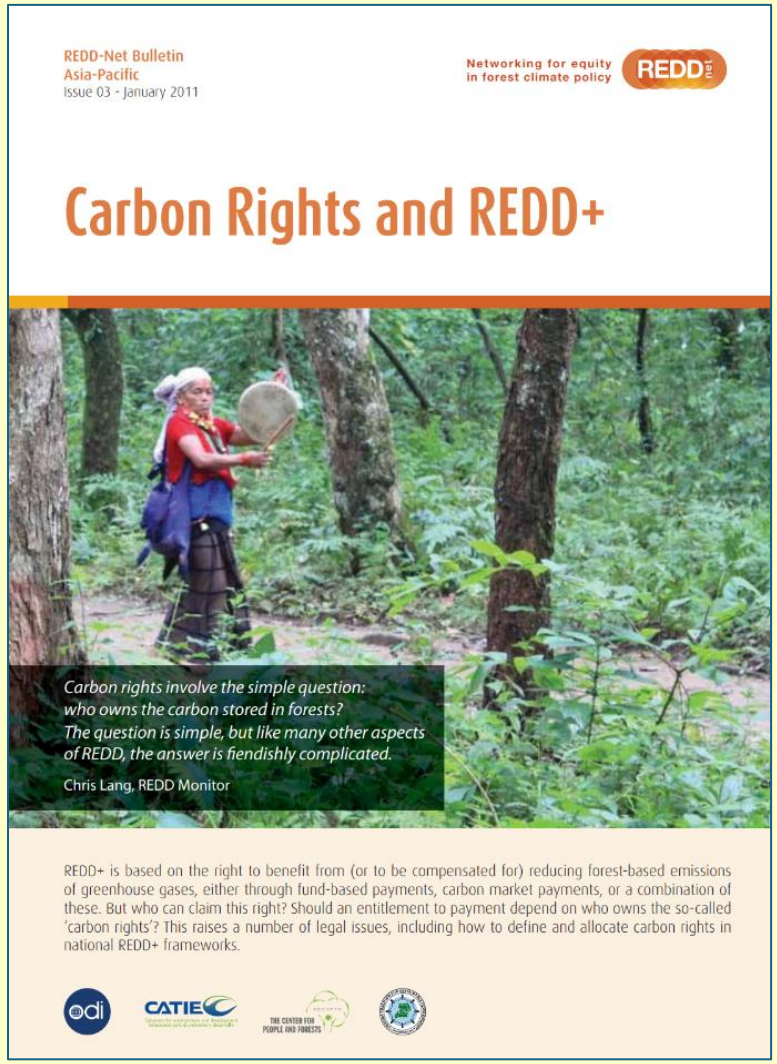
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CARBON GOVERNANCE IN SOUTHEAST ASIA

Examining the intersection of forest carbon rights and forest carbon investment-related risks: the Philippines, Laos and Vietnam

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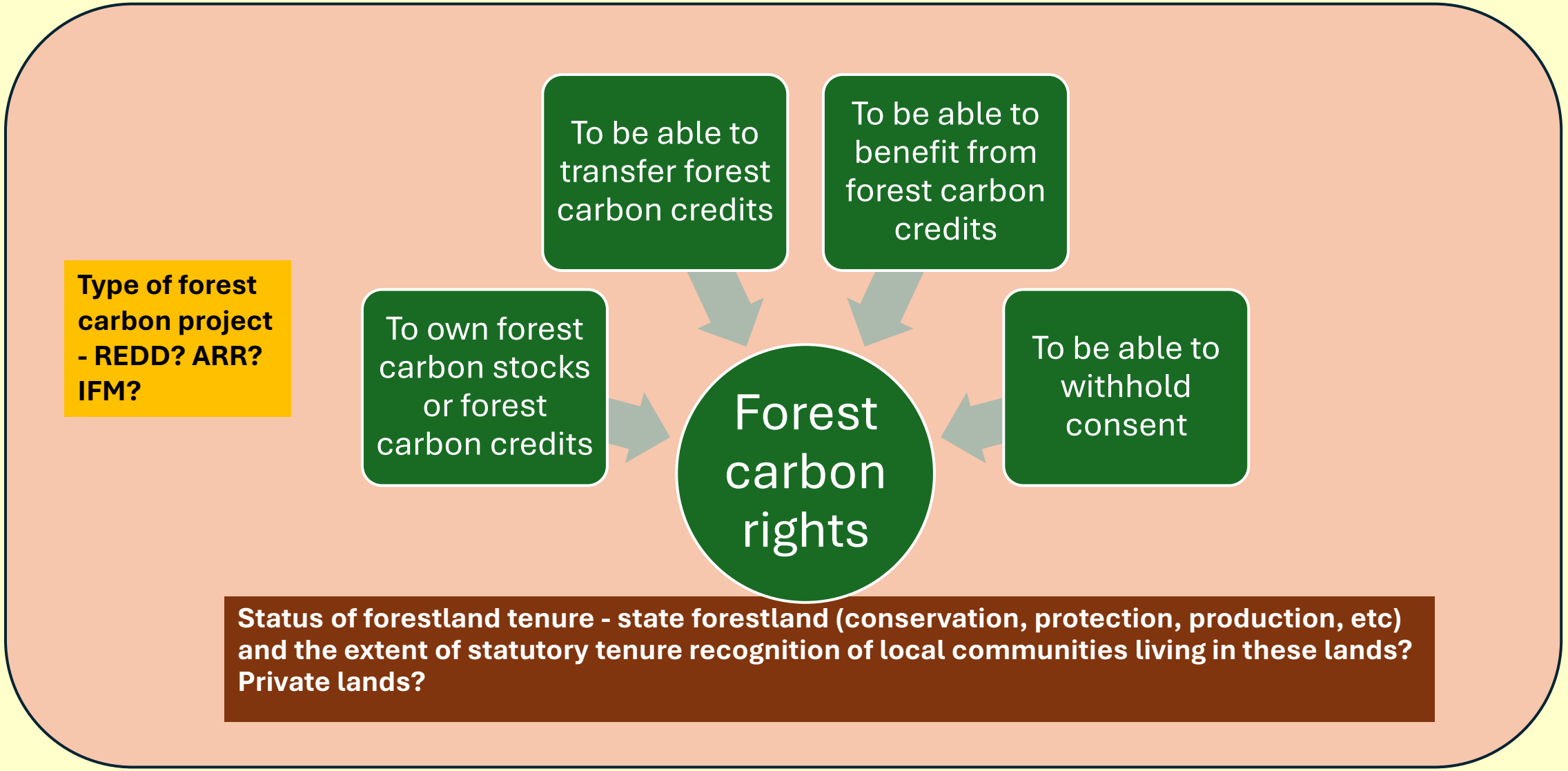
FLARE Annual Meeting, 21-24 October 2026, Bilbao, Spain

Background & Objective



- Idea of forest carbon rights mooted in early-2010s
  - Analyses mainly drawn from existing forest laws
  - Literature strongly rooted in IPLC inclusion and empowerment
- Now, host countries now developing their respective carbon legislations to attract and manage carbon investments
- **How can policies around forest carbon rights protect stakeholders against forest carbon investment-related risks?**

Forest carbon rights



Risks

VCS non-permanence risk tool
Internal risk – project management, financial viability, opportunity cost, project longevity
External risk – land tenure and resource access or impacts, stakeholder engagement, political
Natural risk – natural risk associated with climate change impact, natural risk not associated with climate change impact, sea level rise

Philippines DENR Adminstrative Order No. 2026-05

a. **Project Risks** – including risks of project failure, delay, or underperformance relative to projected carbon sequestration or emission reduction targets;

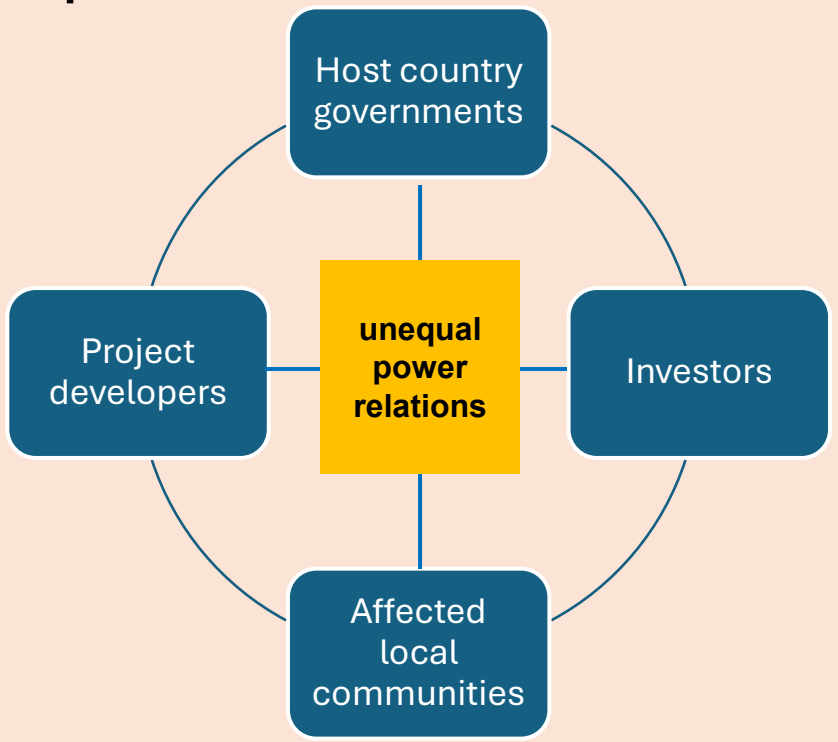
b. **Social and Tenure Risks** – including disputes with local communities, Indigenous Peoples, or overlapping tenure claims;

c. **Market and Financial Risks** – including carbon price volatility, demand fluctuations, or changes in applicable regulatory frameworks;

d. **Environmental and Natural Risks** – including disturbances such as fire, pests, invasive species, typhoons, floods, droughts, or other climate-induced events; and

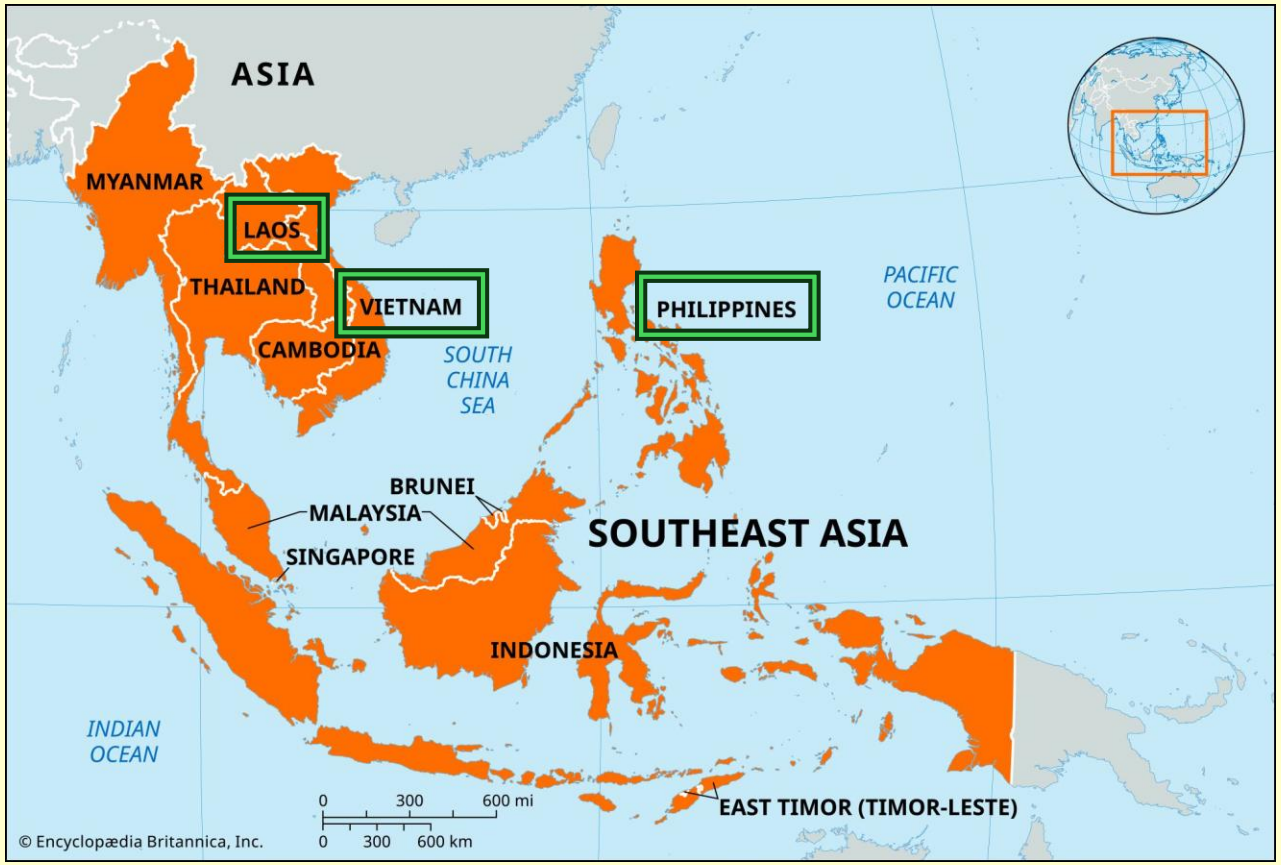
e. **Governance and Institutional Risks** – including those affecting tenure security, project partnerships, benefit-sharing arrangements, or changes in institutional mandates.

- Risks are inter-relational, between different stakeholder groups:



Geographical scope

Southeast Asia
- **Contains 15% of the world's tropical forests but has high carbon emission from the AFOLU sector**
- **Forest carbon rights legislations are relatively underdeveloped**



Study countries	*Governance system*	*Legal recognition of IPs*	*Forest carbon regime characteristics*
(i) Laos 	Centralised; authoritarian	No	• Jurisdictional REDD+ • Interest from private sector actors to develop projects
(ii) Vietnam 	Centralised; authoritarian	No	• Jurisdictional REDD+, • Comparatively strong policy and regulatory foundation for sustainable forest management (PFES, land use certificates) • Established a domestic carbon market and ETS (mid-2026)
(iii) The Philippines 	Decentralised; democratic	Yes	• VCM projects • Considering a domestic carbon market and ETS

Indonesia has been relatively well-studied in the literature

Methods

(a) What is the status of forest carbon rights and policies?

Forest carbon rights and policies in each study country

- Integrative literature review
- Qualitative documentary analysis
- (Inputs from practitioner-experts and key-informants)

(b) What kinds of forest carbon investment risks exist?

Mapping of forest carbon investment-related risks

- Reviewed 21 cases of past project failures / controversies around the world

(c) What are the imminent and/or likely forest carbon investment-related risks for each stakeholder group?

Identify imminent/likely forest carbon investment-related risks for each stakeholder group in each country

- Inputs from practitioner-experts / key-informants

(d) What are the strengths and weaknesses of policies around forest carbon rights in protecting each stakeholder group from forest carbon investment-related risks?

Understand how forest carbon rights and policies can protect each stakeholder group against investment-related risks in each study country

- Gap analysis
- (Inputs from practitioner-experts)

Risks **x** Forest carbon rights

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Host country governments

- Concerned about carbon accounting and carbon sovereignty
- In infancy stages of having a registration/coordination mechanism

Investors

- Importance of land tenure clarity
- Need for engagement of and cooperation by local communities

Risks **x** Forest carbon rights

Project developers

- Project aggregation is challenging
- Need feasible and supporting policies on benefit-sharing and engagement/consultation

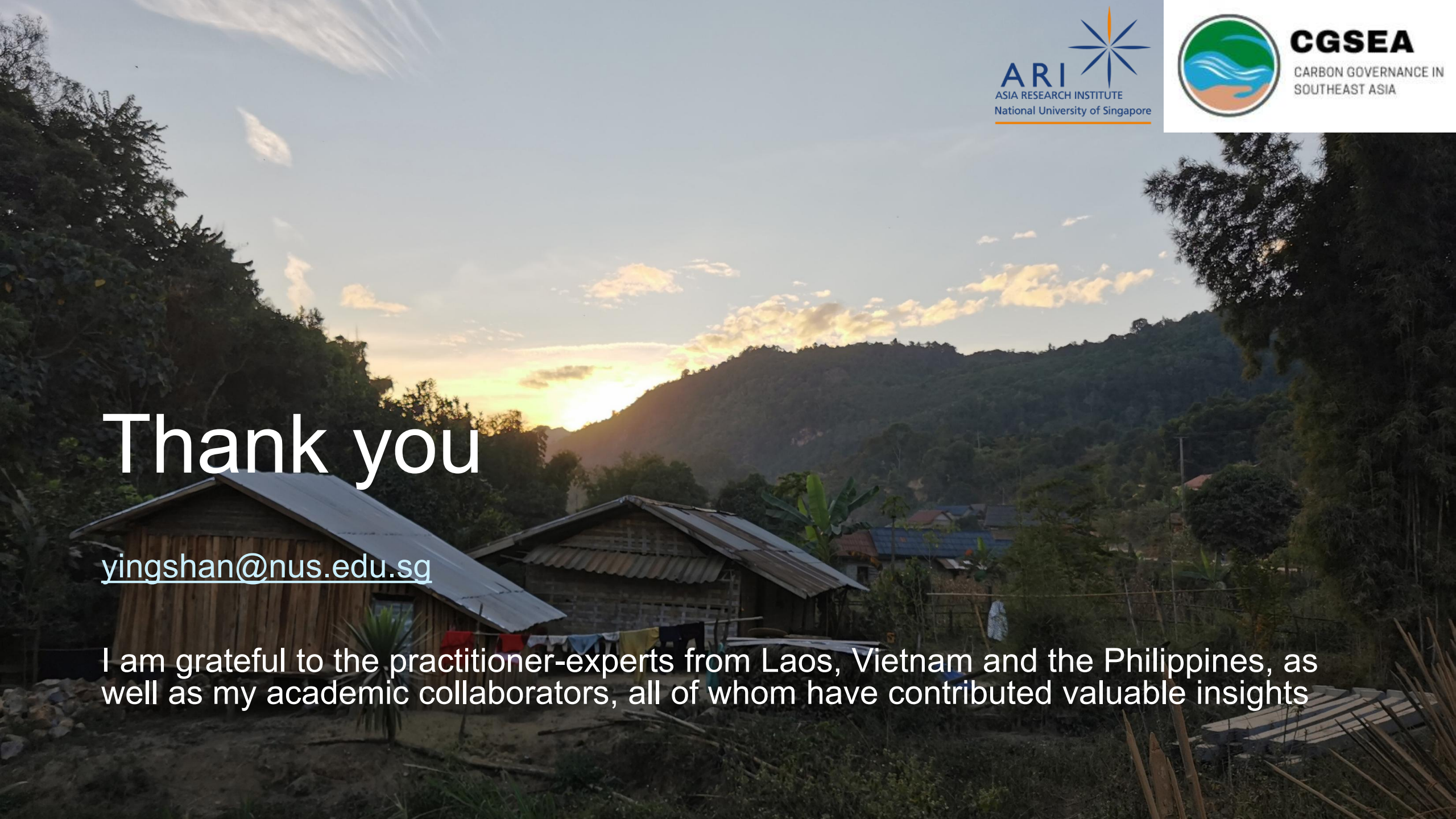
Affected local communities

- Yet to account for on-the-ground land tenure complexities
- Need to consider temporality

Conclusion

- Some risks are insufficiently addressed by forest carbon rights policies…
  - Unclear land tenure/administration
  - Temporality

- … while other risks lie ***outside the scope*** of forest carbon rights
  - Pricing and demand
  - Carbon standards
  - Local communities' negotiating capacity



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Thank you

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I am grateful to the practitioner-experts from Laos, Vietnam and the Philippines, as well as my academic collaborators, all of whom have contributed valuable insights