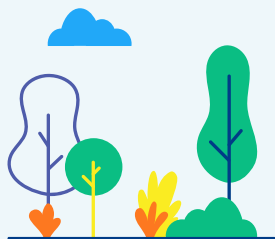


# Financing Urban Forests: How Cities are Leveraging Carbon Credits for Greener Futures



Cities have established themselves as pioneers in the deployment of nature-based solutions (NBS), utilising diverse strategies and techniques to achieve social and environmental goals. Increasingly, urban centres are exploring voluntary carbon markets as a novel mechanism to secure funding for conservation programs and climate mitigation initiatives. Through active participation in these markets and collaboration with certification organisations, municipalities are able to enhance the impact of their conservation investments by generating additional revenue streams.

## Innovative Approaches to Nature-based Solutions in Cities

Achieving ambitious sustainability and urban forestry targets requires significant resources. The maintenance and stewardship of the urban forests is often underfunded, highlighting the need for alternative and innovative funding mechanisms. A carbon credit programme provides an opportunity to generate new revenue streams specifically earmarked for these essential activities. While only a small number of cities have developed operational strategies that formally integrate voluntary carbon markets within their wider sustainability agendas, many others are considering the opportunities to leverage their environmental assets. Voluntary carbon markets provide a platform for entities to buy and sell carbon credits, enabling the offsetting of emissions outside of mandatory regulatory frameworks. The role of certification organisations is crucial, as they validate that the carbon credits correspond to verifiable and quantifiable emissions reductions.

**The European Union** (EU) has adopted robust policy frameworks to guide climate adaptation and nature-based solutions such as the [EU Adaptation Strategy](#), the [EU Biodiversity Strategy](#) for 2030, and the [European Green Deal](#) and the [EU Urban Agenda](#). EU initiatives such as [Horizon Europe](#) pilot projects, [NetworkNature](#), the [EU Green Infrastructure Strategy](#), and the [Urban Agenda for the EU](#), are helping cities across Europe and internationally to test, scale up, and mainstream nature-based solutions. International cooperation and knowledge sharing through the IURC promote innovations and the implementation of a range of best practices to improve community resilience.

### ▶ Atlanta's Leadership in Climate Action and Community Engagement

Atlanta is widely recognized as a global leader in environmental action, transparency, and its commitment to addressing the needs of marginalized communities. The city has established ambitious goals that are supported by several strategies ([Clean Energy Plan](#), [Resilient Atlanta Strategy](#), [Climate Action Plan](#), [2020 Fresh Food Access Report](#), [EV Readiness Ordinance](#)). More recently, Atlanta is creating its first Climate Resilience Plan building on their information

baseline and incorporating input from citizens, communities of interest, stakeholders, and city departments to ensure a holistic approach. This input is providing insights into how Atlanta's three primary climate challenges — extreme heat, drought, and flooding — affect the city's different populations and provides recommendations on how the city can respond at municipal and neighborhood levels to make the city more equitable and more resilient.

## Atlanta's goals

1. **Clean Energy** – 100% Clean Energy for All Atlantans by 2035
2. **Climate** – Reduce Greenhouse Gas (GHG) emissions by 59% by 2030
3. **Community** - Reduce Energy Burden for 10% of the Most Energy Burdened Households
4. **Transportation** - Fully Transition Municipal Fleet to Zero Emission Vehicles by 2040
5. **Urban Agriculture & Food Systems** – Fresh, Healthy Food Access within .5 accessible mile of ALL Atlantans by 2030

The Climate Resilience Plan will broaden Atlanta's focus beyond clean energy, integrating additional critical objectives to better address the ways in which Atlanta is being affected by climate change. Atlanta's approach emphasizes "multi-solving"—the principle that effective climate and sustainability strategies must deliver multiple co-benefits. This means not only tackling the direct impacts of climate change but also generating positive outcomes for health, social equity, and community resilience.

Figure 1: Presentation from Chandra Farley, Chief Sustainability Officer at the City of Atlanta, for the IURC NA webinar *Financing Urban Forests: How Cities are Leveraging Carbon Credits for Greener Futures* on November 20th, 2025.



## ▶ A carbon credit program: innovative revenue generation

Atlanta values urban forests and green infrastructure for stormwater management, air quality, and biodiversity. The city seeks to provide every resident with greenspace access within a half-mile walk, supporting equity and community health. Revenue from the carbon credit program contributes funds towards urban forestry, climate resilience, and community projects, ensuring sustainable investment in green initiatives and broader social benefits.

Atlanta partnered with [City Forest Credits](#), a national nonprofit carbon registry that manages carbon and impact standards for metropolitan areas in the US. They connect conservation and urban forest leaders to a new source of funding; empower companies to invest in local climate action, and develop national carbon protocols with leading national urban forest and forest carbon scientists and professionals. The organisation provides **the Impact Scorecard**, a science-based and quantification tool to help design projects with communities, ensuring their needs are met and benefits maximised.

## Rule book for verified carbon projects

- Expert forest scientists and urban forest professionals on protocol drafting group
- 26 - year commitment for planting
- 40 or 100- year commitment for preservation
- Rules for location, site ownership, quantification, third-party verification, monitoring, and more
- Robust and secure system to issue and track credits



The city's first carbon credit project was **the Lake Charlotte Nature Preserve**, which safeguards nearly 200 acres of forested land, ensuring protection from future development within the city limits. The Conservation Fund saved the property from industrial development by purchasing it from Waste Management and selling it to the City of Atlanta for permanent protection. This purchase marked the first time the tree recompense fund was used to protect trees, instead of planting new ones.

Key project metrics include the generation of 36,365 tons of CO<sub>2</sub> carbon credits and projected revenue of approximately \$1 to \$1.2 million (858,000-1 million Euros), based on a sale price of \$30-\$35 (26- 30 Euros) per ton. Additionally, the project offers an estimated \$4 million (3.43 million Euros) in ecosystem services over 40 years. **Once the process is established to sell the carbon credits, a percentage of the revenue stays for other sustainability projects, and the rest goes to the Department of Parks and Recreation for preservation and development.**

Public education material has also been developed to profile the work and benefits of the Lake Charlotte project, including easily accessible [detailed reports](#) on the project design and verification.

## The City Forest Credit (CFC) Process

Figure 2: Presentation from Chandra Farley, Chief Sustainability Officer at the City of Atlanta, for the IURC NA webinar *Financing Urban Forests: How Cities are Leveraging Carbon Credits for Greener Futures* on November 20th, 2025.



## ► Scaling up Atlanta's carbon credit program

The success of the Lake Charlotte project allowed officials to propose the expansion of the program to include four new sites that will add over 200 acres of mature forest (Southwest, Utoy Creek, Mount Zion, and South River). The Mayor's Office of Sustainability and Resilience has been working with Sustainable Capital Advisors, and the City's procurement department to sell carbon credits and create a model process that would apply equally to the city's other environmental attributes such as renewable energy credits).

## ► Sharing lessons with peer cities

**Toronto, Canada** shares similar goals and challenges. City council has adopted the Offset Credit Policy to govern its approach for achieving the Net Zero corporate emissions by 2040. They are working to secure innovative financing to increase tree canopy to meet their goal of 40% tree cover by 2050. More recently, it has adopted its first 10-year Circular Economy Roadmap that will orient how it uses and manages resources in the future.

Securing dedicated funding to preserve and maintain the extensive ravine system and existing tree canopy is a challenge. The experience from Atlanta provides a valuable template and identifies opportunities.

### Toronto : A city within a ravine

- 11.5 million trees covering 28% of territory
- 11,000 ha of ravines covering 17%
- Invested CAD92M (56.58 M Euros) in 2025 for urban forestry
- Ravines are estimated to contribute 822M (505.6 M Euros) in ecosystem services and 2.4M (1.5 M Euros) in carbon sequestration

### Key learnings on setting and scaling a city-led carbon credit program

- Collaboration with a **certification organisation** is required, and all established protocol standards relevant to the project type must be met.
- Developing broad, robust **partnerships across internal departments** is critical for ensuring projects fulfil certification requirements and establishing an appropriate legal framework for contracts.
- **A long-term commitment** to conservation and maintenance (e.g., 40 years) is mandated by certification protocols, necessitating annual reporting within this period. Securing city buy-in may be challenging, but it remains vital.
- It is imperative to **articulate the economic rationale**, with benefits quantified as part of the process. Initial costs include application, verification, third-party certification, and the establishment of the legal framework; additional costs payable to the third-party partner occur at the point of sale.
- Legislating the **distribution or use of revenues**, alongside clearly defining partners' responsibilities to ensure compliance, is considered best practice.
- **Quantification and reporting** are integral to the process: appropriate tools are required for measuring benefits, and regular reporting is necessary.
- **Cross-sector benefits** must be addressed: certification of carbon credit projects demands the quantification of a variety of potential advantages, including impacts on human health, equity, and the environment, beyond CO<sub>2</sub> credit generation alone.
- Engaging the **community and stakeholders** in project design is recommended to maximize overall benefits.
- The ultimate revenue stream is contingent on market forces; however, engaging sustainability consultants to conduct outreach to the **business community** and leveraging major events (such as the FIFA World Cup) can enhance outcomes.

This factsheet was based on the webinar *Financing Urban Forests: How Cities are Leveraging Carbon Credits for Greener Futures*, featuring **Chandra Farley**, Chief Sustainability Officer at the City of Atlanta (USA), **Leslie Campbell**, Policy Officer at the City of Toronto (Canada).



'This factsheet was produced with the financial support of the European Union. Its contents are the sole responsibility of ICF S.A. and do not necessarily reflect the views of the European Union'

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For more information

[www.iurc.eu/na](http://www.iurc.eu/na)

[info-na@iurc.eu](mailto:info-na@iurc.eu)