

Carbon finance dynamics in international aid sector

Workshop at Action Contre la Faim
Tuesday 10 December 2024
2pm - 5.30pm



Table of contents

| | |
|--|----|
| Participants..... | 2 |
| Introduction..... | 2 |
| Initiatives..... | 2 |
| Q&A..... | 6 |
| Exercise 1 - Sharing questions and experiences between NGOs..... | 7 |
| Exercise 2 - Avenues for a collective approach | 11 |
| 1. The spread of climate philanthropy | 11 |
| 2. Relations with lessors..... | 11 |
| Conclusion | 11 |

PARTICIPANTS

| | |
|------------------------|-------------------------------|
| Anne-Cécile Ragot | Association la Voûte Nubienne |
| Frederic Moreau | Oxfam |
| Guillaume Quelin | Gret |
| Marie Leroy | CARE France |
| Jean-Baptiste Poncelet | GoodPlanet Foundation |
| Nadia Trainar | GERES |
| Louise Logre | PUJ |
| Olivia Pelegrin | ACF |
| Shayna Valentine | GoodPlanet Foundation |
| Aline Hubert | Groupe URD |
| Sylvia Maeght | Association la Voûte Nubienne |
| Chloé Orland | ACF |
| Axelle Schoeb | Planète Urgence |
| Frédéric Contin | AFD |
| Solène Renaudin | Entrepreneurs of the World |
| Thuy-Anne Stricher | CARE France |
| Vannina Pomonti | AFD |

INTRODUCTION

An increasing number of humanitarian and development players are looking into financing mechanisms for projects that store, avoid or reduce greenhouse gas emissions.

The best-known mechanism is "carbon offsetting", which involves offsetting one's own greenhouse gas emissions by purchasing carbon credits on the voluntary carbon market. Because of the various limitations and constraints of this mechanism, other initiatives are being developed, particularly in the international solidarity sector.

With this in mind, we have decided to meet on the afternoon of Tuesday 10 December 2024 to :

- "Picking up the pieces
- Discuss some collective ideas

Resources were made available and a questionnaire was sent out in advance to gauge people's expectations and positions. The results of the survey can be found in the appendix.

NB: this workshop was not an exercise in common positioning (around carbon offsetting in particular) or an ethical debate around these mechanisms (although of course it is possible to share ethical considerations during this workshop).

INITIATIVES

Six carbon finance initiatives were briefly presented at the workshop. Some focused on the development of projects and the sale of carbon credits (Association la Voûte Nubienne, Entrepreneurs du Monde, Fondation GoodPlanet), on the development of alternatives to carbon credits (Planète Urgence), or on the voluntary carbon offsetting of one's own organisation's carbon footprint (Groupe URD), possibly via funding to reduce the carbon footprint of one's own value chain - a mechanism known as *insetting* - (Oxfam).

- **Carbon credits from the Nubian Vault Association, currently being certified**

"As part of the FFEM/UNDP funding, we have begun the process of certifying the carbon credits associated with the construction and use of Nubian Vault houses. We are currently assessing the carbon potential of a Nubian Vault house and are starting discussions with standards organisations with a view to developing a bespoke methodology for calculating the CO₂ emissions avoided. We are also thinking about setting up a

company to run this carbon credit project, so as to be able to mobilise impact investors. According to our initial estimates, the company will be economically viable from year 5.

CONTRIBUTION CLIMAT SOLIDAIRE
LE VOÛTE NUBIENNE

Les crédits carbone Voûte Nubienne

Une solution innovante pour les entreprises qui souhaitent contribuer à la neutralité carbone, tout en soutenant l'adaptation des populations les plus vulnérables aux changements climatiques.

Afrique de l'Ouest ⊕ Construction terre ⊕ Zéro arbre coupé
Habitat décent et confort thermique ⊕ Emplois pour les jeunes
Développement rural ⊕ Renforcement des économies locales

- **Entrepreneurs of the World carbon credits**

"EdM is giving families in Togo, Burkina Faso and Haiti access to gas cookers to replace traditional wood and charcoal cookers. This initiative has a number of positive impacts, including lower fuel costs, fewer harmful emissions for families and considerable time savings for the women and children who are often responsible for collecting fuel and cooking. It also has a significant impact on forest conservation and greenhouse gas emissions. We have already certified nearly 200,000 carbon credits via the Gold Standard.

ENTREPRENEURS DU MONDE

3 projets de Clean Cooking

200 000 crédits carbone certifiés Gold Standard

- ✓ Réduire des émissions de gaz à effet de serre
- ✓ Préserver les forêts et la biodiversité qu'elles abritent
- ✓ Améliorer le quotidien des familles : réduction des fumées nocives, économies financières, et gain de temps pour développer des activités génératrices de revenus.

RECO : réduction puis retrait de crédits carbone pour nos émissions résiduelles liées à l'aviation

- **The choice of *insetting* at Oxfam**

"Development of an internal financing fund to reduce our footprint.

FONDS POUR LA TRANSITION VERTE D'OXFAM

CONTEXTE :

Oxfam s'est engagé à réduire l'empreinte environnementale de ses opérations.

L'adoption de pratiques plus respectueuses de l'environnement, comme la réduction des émissions de GES nécessite dans certains cas des investissements significatifs. (e.g. solarisation)

Le financement des solutions vertes par les donateurs reste encore timide. Le financement des projets offre peu de marge de manœuvre pour absorber de tels investissements.

CONCEPTE :

- Constituer un fonds interne pour financer la transition verte.
- S'éloigner de l'approche de compensation par des achats de crédit carbone.
- Balancer les émissions résiduelles par le soutien au financement de projets internes (*insetting*).
- Établir un prix interne du carbone assez ambitieux pour financer des projets de qualité avec possibilités de réduction significatives des émissions.
- Contribuer à une approche de justice climatique en faisant financer par le Nord des projets au Sud.

DÉFIS :

- Passer de l'intérêt à l'action.
- Obtenir une masse critique de financement.
- Concevoir un projet pilote porteur.
- Mesurer les gains environnementaux et possibles co-bénéfices.
- Identifier des sources externes de financement pour bonifier l'enveloppe. (phase 2)

ATELIER FINANCE CARBONE - REH Contact: Frédéric Mousau - Responsable de la durabilité environnementale, Oxfam International - frédéric.mousau@oxfam.org

- **Carbon credits from the GoodPlanet Foundation**

The GoodPlanet Foundation is involved in a number of projects and activities:

- Renewable energies and waste management (avoidance projects)
- Supporting the development of certification skills
- Carbon footprint

La finance carbone chez la Fondation GoodPlanet

Sensibilisation et accompagnement de des entreprises et particuliers

- Sensibilisation du grand public et des organisations aux enjeux environnementaux
- Réalisation de bilan carbone
- Calculateur carbone [GoodPlanet](#)

Action terrain: Mise en œuvre des projets de réduction de GES

- Co-développement des projets carbone avec des co-bénéfices avec les partenaires terrains
- Suivi et certification des projets
- Gestion des stocks et commercialisation des crédits

Les thématiques de nos projets carbone



Biodigesteurs



Cuiseurs solaire



Déchets

FONDATION
GoodPlanet

- **Groupe URD's voluntary carbon offsetting scheme**


"Carbon offsetting for flight-related emissions (but does not count as a reduction). Expenditure included in budgets when projects are set up (provisional budget based on the ADEME monetary ratio for flights - which is a cause for concern, by the way). Actual compensation afterwards. Price per tonne at €80/tonne (deliberately high). Semantic questions currently being asked about the word "compensation" (should we switch to "contribution"?). Questions to come on the projects to be financed (for the moment GERES).

These are ideas that could be extended to a collective dynamic:

- the compensation (or contribution) budget line in project development
- the high price per tonne
- inter-NGO financing (purchasing NGOs --> selling NGOs) based on a trust mechanism (PU's climate sponsorship?) which could then be extended to the private sector".

Compensation depuis 2022

- **systématiser la compensation carbone dans les projets** en ajoutant, lors de chaque montage, une ligne budgétaire « compensation carbone » équivalente à 10 % de la ligne budgétaire des billets d'avion
- **Dépenses aux réelles des émissions**, à la fin de chaque année, sur projet, à 80€/tonne. Achat de crédits au GERES
 - En 2023 : 12,690 tCO2e
 - En 2023-2024 : 56,42 tCO2e



| | Unités | Nb unité | Coût unitaire | Total |
|--|--------|----------|---------------------------|-----------------|
| A. Honoraires | | | | |
| Expert 1 | Jour | 35,00 | 700 € | 24 500 € |
| Expert 2 | Jour | 26,50 | 600 € | 15 900 € |
| B. Remboursables | | | | |
| Transport national | A/R | 1,00 | 110 € | 110 € |
| Transport international | A/R | 1,00 | 1 000 € | 1 000 € |
| Perdiems | Jour | 1,00 | 2 016 € | 2 016 € |
| Compensation carbone (10% du montant du transport international) | | | 10% | 100 € |
| C. Total | | | | 43 626 € |
| Plafond budget vol 3,3% | | 2% | Pas de dépassement | |

* Afin de compenser l'empreinte carbone de nos vols internationaux, nous appliquons une surcharge de 10% sur le montant total des vols internationaux pour acheter des crédits carbone. Nous pourrions bien sûr justifier ces achats en temps utiles.

• Planète Urgence's climate philanthropy

"Climate philanthropy is an innovative financial mechanism designed to be an alternative or complementary tool to carbon credits, with the main objective of developing climate and biodiversity projects developed by NGOs. It is the missing tool between NGOs and companies wishing to have an impact on the climate outside their value chain, without buying credits, while still having proof of impact.

It responds to a twofold observation:

On the one hand, the carbon finance market is not always an effective tool, as between 40% and 60% of the value of the financing is captured by intermediaries (consultancy agencies, certification fees, brokers, credit resellers, etc.).

On the other hand, this financing mechanism is often not adapted to the projects carried out by NGOs: in 2021, a survey carried out with the CCD among 40 NGOs revealed that for 72% of them, carbon finance did not allow them to finance their projects, and 62% of them called for the creation of an alternative mechanism.

Despite their potential, carbon credits are not well suited to the challenges faced by associations and NGOs working in the field.

In response to these issues, Planète Urgence has developed a financing tool based on a robust methodology for quantifying the carbon impacts of projects carried out by NGOs on carbon sequestration. This mechanism makes it possible to integrate corporate philanthropy into companies' climate strategies, as a contribution outside the value chain (BVCM), through the direct financing (without intermediaries) of projects with a measured and verifiable impact on the climate (in terms of mitigation but also adaptation), biodiversity and human beings (socio-economic impact). This methodology has been tested in 3 countries: France, Madagascar and Indonesia, financed by innovative companies and supported by carbon experts".

REMETTRE LES ONG AU CŒUR DES STRATÉGIES CLIMATIQUES

72% Des ONG & Fondations affirment que les financements climatiques actuels ne sont pas adaptés aux besoins des acteurs terrains

Climate Philanthropy Methodology

- Une méthodologie d'estimation de l'impact carbone des projets de reforestation, permettant un suivi sur 10 ans des impacts
- Un outil de financement ciblant spécifiquement les projets portés par des ONG, dans une logique de mécénat plutôt que de marché carbone (pas de possession de crédits)
- La maximisation de l'impact de l'investissement : sans intermédiaires, dans le cadre du mécénat et via une méthodologie plus accessible que les certifications carbone
- Une autre voie de la contribution climatique des entreprises, valorisable dans les cadres de reporting
- Possibilité d'élargir les thématiques si d'autres ONG souhaite développer de nouvelles méthodes de mesure pour des projets climatiques (océan, conservation, méthaneiseurs, foyers améliorés, etc.)

Les Relecteurs principaux : SWEEP, CIRAD, NET ZERO INITIATIVE, VieForest, ADEME

- ✓ Un guide présentant le contexte, l'approche méthodologique et le protocole technique de la méthode de mesure
- ✓ Une méthode technique détaillant chaque étape, codéveloppée avec un expert carbone
- ✓ Trois projets pilotes financés : en Indonésie, à Madagascar et en France

Q&A

- How much does certification cost?

The cost is significant but difficult to quantify. It can be up to 50% of the total cost of the project, but as the cost of the audit is fixed, it really depends on the number of carbon credits generated by the project and the carbon price.

The high/excessive cost of intermediaries is one of the main reasons behind the development of a climate philanthropy methodology. This method is also of great interest to AFD, which is considering stopping the purchase of carbon credits to offset its own carbon emissions, and switching to climate philanthropy.

- Why is certification so expensive?

The certification process used to be simpler. As a result of scandals, the process has become tougher to avoid "bad carbon offset projects". As the process has become more complex, it has also become more expensive, and NGOs are bearing the brunt of this price increase.

- Do improved cookstove projects have an impact on deforestation?

Sometimes people always collect as much wood and, thanks to improved stoves, they sell the surplus generated. In urban areas, on the other hand, people buy wood but don't sell it. In this way, we can influence demand rather than supply.

Labels such as the Gold Standard, for example, take into account the fraction of non-renewable biomass (fNRB), which represents the proportion of woody biomass harvested unsustainably. This factor has been heavily criticised in the past for generating a risk of over-crediting. The values used have since been revised.

- Why did Groupe URD change its compensation method?

In 2015, Groupe URD chose to "informally offset" its greenhouse gas emissions by financing SAS Centrales Villageoises Sud Baronnies (a cooperative for the production of renewable energy and energy savings). This choice made sense ecologically and was part of a local dynamic that Groupe URD wanted to support. Since 2022, as carbon offsetting has become standard practice for projects (Groupe URD does not have any of its own funds), Groupe URD has chosen to purchase labelled carbon credits so that these expenses can be considered eligible by donors.

EXERCISE 1 - SHARING QUESTIONS AND EXPERIENCES BETWEEN NGOS

Beforehand, participants were asked to list the issues on which they would like to ask the group for help.

A total of 8 questions were proposed:

| N° | Questions | Carrier |
|----|---|----------------------------|
| 1 | Financing the decarbonisation of your organisation: What system should you put in place to finance it internally? | Frédéric - Oxfam |
| 2 | How can we mobilise more "carbon credit buyers" at a fair price, both individuals and businesses, particularly in the light of recent controversies? - What kind of communications and marketing strategy? | Shayna - GoodPlanet |
| 3 | Gain a better understanding of all the stages involved in the certification and verification of carbon credits: what is the work involved and what resources/skills does the project developer need to mobilise? | Anne-Cécile - Nubian vault |
| 4 | Is it worth setting up a company to generate and sell carbon credits? | Anne-Cécile - Nubian vault |
| 5 | What is more effective and profitable: investing in a certification process with a recognised standard or in a marketing approach to attract climate philanthropy (Climate Philanthropy, Climate Solidarity Contribution, Green Transition Fund, Climate Dividend, etc.)? | Sylvia - Nubian vault |
| 6 | What safeguarding mechanisms can be put in place to limit the social risks inherent in carbon credit projects? | Marie - CARE France |
| 7 | What role do the communities we work with play in carbon markets? How can we support them, or not? | Chloé - ACF |
| 8 | What is the compatibility with the operating methods and timeframe of humanitarian NGO projects and what are the risks for NGO project leaders in selling carbon credits? | Olivia - ACF |

The participants chose to deal with 4 of these questions, seeking to answer the following sub-questions for each of them:

- What is the question behind the question?
- What am I missing to answer this question?
- What am I learning about my question and what are my next steps?

1. How can we mobilise more "carbon credit buyers" at a fair price, both individuals and businesses, particularly in the light of recent controversies? - What kind of communications and marketing strategy?

What is the question behind the question?

- ➔ How are recent controversies affecting the perception of carbon credits? Scandals linked to the lack of transparency and shortcomings in the certification of certain carbon credits have raised doubts. Studies and articles have revealed that certain projects financed by these credits, such as reforestation or conservation, do not always achieve the promised emissions reductions. Faced with this criticism, some players, both individuals and companies, are turning

away from this mechanism, while others are becoming more demanding and seeking guarantees of the real effectiveness of the credits they acquire.

- What messages or arguments could convince buyers of carbon credits of their value and impact? As NGOs and players in development and international solidarity, we must act as a **safeguard** against the potential abuses of this mechanism. To do this, it is essential to :
- **Guaranteeing the transparency and reliability of credits to restore confidence:** The certification of projects by more rigorous labels is essential to guarantee their credibility. In response to the recent controversy surrounding carbon credits, several labels have strengthened their certification criteria and processes, which partly explains the increase in costs associated with these quality guarantees.
 - **Highlighting co-benefits:** in addition to the project's impact on carbon reduction, it is crucial to highlight their overall impact, particularly through co-benefits in terms of biodiversity, local economic development and improved living conditions for communities.
 - **Adopting a global and coherent approach:** It is essential to promote a progressive approach based on the "**avoid - reduce - offset/contribute**" principle. Priority must be given to reducing emissions at source, before using the carbon contribution as an additional lever to achieve climate objectives. At the GoodPlanet Foundation, this message of a global approach is promoted to contributors through tools such as an online carbon calculator, as well as carbon footprint assessment and CSR support services, enabling them to adopt a coherent and responsible climate strategy.

What am I missing to answer this question?

- How to present the price as "fair".
- Lack of legal framework/ transparency/ positioning and advocacy note on this fair price

2. What is more effective and profitable: investing in a certification process with a recognised standard or in a marketing approach to attract climate philanthropy (Climate Philanthropy, Climate Solidarity Contribution, Green Transition Fund, Climate Dividend, etc.)?

What is the question behind the question?

- Why certification?
The main purpose of certification is to create confidence and reassure customers about the quality and veracity of the carbon credit, protecting them from the risk of being accused of greenwashing. But the cost of certification can become prohibitive (inflation of costs over the life of the project), which can *ultimately* lead to a loss of money for the project promoter.
On the other hand, what credibility would a small project promoter have if he proposed a project that did not use any recognised independent certification? It's not necessarily enough to have a tangible, high-quality, well-documented project.
- What stage have we reached in the international negotiations on carbon trading?
The Baku COP approved new rules to standardise and regulate the market. These consequences remain unclear and little understood. *In principle*, there will be two parallel markets, the one governed by the United Nations (Art.6) and the current one, which will continue to operate in parallel. This will not necessarily result in greater clarity for customers, but could potentially lead to a higher price for credits validated under Article 6 of the Paris Agreement.
- What motivation do companies have? Do they just want to tick a box? Or do they really want to make an impact?
In fact, small SMEs that do not have a carbon register would potentially be more receptive, and the bond of trust between the project promoter and the customer would be based more on the proximity that the project promoter will have been able to create with the customer. But without carbon

accounting, the justification for investing in a carbon project is seen as less of a necessity. It is much more a question of climate philanthropy in the broad sense of the term, rather than a carbon project. Their capacity and need to invest in the climate is less than that of large companies, so they need to mobilise a large number of SMEs and deal with a large number of people when a single large company has the capacity to buy the whole batch of carbon credits.

- Will we be able to move away from the logic of pure compensation "1 tonne avoided" for "1 tonne emitted"?

The profitability of carbon projects depends largely on the purchase price of the credit. However, companies are in a purchasing process where it is difficult for them to justify the choice of quality for a higher price as part of their responsible purchasing policy (e.g. AFD, which has to manage to offset the agency's emissions with a fixed allocated budget).

AFD is considering long-term climate philanthropy as a way out of this impasse. Ideally, companies should commit to devoting a percentage of their turnover to climate philanthropy as part of a multi-year agreement...

What am I missing to answer this question?

- What will the CSRD be asking for in the years to come? A question for everyone.

What is the question behind the question?

Who is it for? The answer depends on your point of view, whether you are a "seller" or a "customer".

3. What is the compatibility with the operating methods and timeframe of humanitarian NGO projects and what are the risks for NGO project leaders in selling carbon credits?

What is the question behind the question?

- There are questions about the feasibility of selling carbon credits by "humanitarian" NGOs (potential incompatibilities over the timing of preparation, the duration of projects over several years, appropriate human resources, good methodology, etc.).

Why take an interest in carbon finance?

- Because NGOs are asking themselves the question: what would be the ethical approach to taking part in the drive for decarbonisation on a global scale?
Because NGOs want to mobilise internally and reduce their own footprint (incentive);
Because NGOs want to finance their own internal carbon transition, i.e. *insetting* (on operating methods, such as reducing the supply chain footprint, digitalising training, solarising buildings);
Because NGOs want to find additional ways of funding their activities, which also have a positive impact on reducing the footprint;
Because NGOs want to offset their residual carbon footprint

What are the timescales for this type of project?

- For nature-based solutions :
 - Reforestation: 40 year project according to Verra. Planète urgence has chosen to implement them over 10 years; NB: avoided deforestation projects (REDD+ type) account for 25% of carbon credits in the voluntary market (but this is completely different from reforestation projects).
 - Mangrove: 40 years ;
 - Building renovation: shorter, as credits are applied as soon as savings are proven;
 - For energy efficiency projects (around 10% of the world's CC): project that fits in with an existing methodology, duration of the work may be a few months/years.
 - Cooking stoves improved over 15 years with the Gold Standard carbon certification, with verification possible every year or 2 years (and therefore funding at that time, bearing in

mind that the methodology for certification takes 1 or 2 years) (15 years = 5 years renewable twice)

It is possible to validate part of the carbon credits as the project progresses (have carbon credits verified after 5 years, for example, for mangroves) over the years, and to receive part of the funds during the course of the project.

NB: GERES supports local players who are holders of carbon credits and receive funding for their activities after GERES has left.

NB: criticism of the approach to risk-taking by local players.

What are the risks associated with these projects?

- ➔ Are the NGOs able to maintain a presence in the project areas for the duration of the certification? Climatic hazards (fire, cyclone, etc.) represent a risk: these hazards are supposed to be taken into account by finance, with an estimated level of risk, by reducing the % of carbon credits that can be sold due to the risk of "non-permanence". This is a buffer measure in order not to overestimate its impact and to remain conservative. In this way, Planète Urgence sets aside 30% of the estimated impacts in the event of a hazard (fire, tree-killing disease, etc.).

The consequences of these risks for NGOs/project sponsors depend on the conditions set out in the contract (who bears the risk between them and the funder), the terms of sale/payment, and whether or not they take out insurance to mitigate the effects. If the financier prepays for a project before the credits are issued or before the impacts are measured, it takes the risk that the project will not achieve its impacts. On the other hand, if they buy credits that have already been issued, they are not taking any risk, as these have already been verified.

There are various sales options:

- Ex-ante sale (or upfront): the financier takes the risk (and pays less) because it does not know exactly the result of the volume of CO₂e that will be avoided/sequestered;
- Ex post sale (once certified): once they are already certified (after about 5/7 years for mangrove/forest or about 3 years for an improved cookstove project).

Sharing CARE's experience :

The NGO has self-financed its carbon credits, by carrying out its own projects to offset its footprint with a broker who supports and assumes the risks, via CARE's subscription to a "premium" package which includes insurance in the event that the expected CO₂e reductions do not take place.

CARE has gone through a Dutch "non-profit" organisation (*Fair Climate Fund*) which manages the technical aspects of certification. CARE still has to bear the risks, but they can concentrate on their core business

◆ Interest in financing its own projects, with members of the CARE network who have pre-financed carbon credits 5 years in advance (reserve fund created by CARE France since 2017 and fed by an internal carbon tax on air travel, from its own funds, following the example of Groupe URD - but the latter buys externally and at a higher carbon price).

NB: some players share risks (partial pre-financing), but no approach is easy or risk-free.

What am I learning about this issue?

- ➔ These factors raise the question of the relevance of the choice between carbon credits and climate philanthropy (although carbon credits bring in more money). See Planète Urgence's experience in climate philanthropy;

In all cases, carrying and selling carbon credits (or certificates in the case of climate philanthropy) is a complex and time-consuming task for organisations that are not in the business of doing so.

What am I missing to answer the question?

- ➔ Capitalising on similar organisational approaches.

4. What role do the communities we work with play in carbon markets? How can we support them, or not?

Who owns carbon credits and who can benefit from them?

- ➔ The carbon credits initially belong to the communities. For example, with the Nubian Vault, the carbon credits initially belong to the owners of the houses, who transfer them to the Nubian Vault association in exchange for the association taking charge of the masons
The voluntary carbon market is above all a market where prices fluctuate and where players can speculate. Other players can therefore profit from it
In addition to the impact of projects, it is possible - and in some cases compulsory - to set a share of sales (in % or amount) which then goes back to the community (via the "*benefits sharing mechanism*").
See also "*carbon rights*" in some labels

What is the question behind the question?

- ➔ In some areas - particularly where there are mangroves and forests - local people are increasingly faced with proposals for projects to generate carbon credits. But the communities don't necessarily have the key to understanding what is being proposed. And people can sometimes be "taken in" (see the REDD+ scandals) Should an NGO be involved in informing/raising the awareness of communities on this subject? What advice should they give if they are approached by stakeholders? Is it appropriate for an NGO to act as an intermediary/project sponsor?
Stakeholder consultation is included in the certification process but can be very complex (mandatory at different levels, at different times, etc.)

Is there a risk of land grabbing, whether by Northern players or local elites?

- ➔ This is one of the main criticisms levelled at the voluntary carbon market. More generally, there is a risk that Northern players will monopolise emission reductions in Southern countries;
There are therefore issues of local governance. Representativeness (classic):
Interest in involving players in environmental law.
Hence the importance of relying on trusted players.

EXERCISE 2 - IDEAS FOR A COLLECTIVE APPROACH

In the end, we were unable to carry out this exercise due to lack of time. Nevertheless, we present below, for possible future inspiration, the way in which the exercise was conceived

A world café format focusing on two subjects:

1. The spread of climate philanthropy
2. Relations with lessors

1. THE SPREAD OF CLIMATE PHILANTHROPY

- Developing a common methodology: how to assess the carbon impact of its projects (how to develop other methodologies apart from reforestation, what are the needs)?
- Quality criteria for projects and funders

2. RELATIONS WITH LESSORS

This group had to deal with the three topics below:

- How can the cost of the carbon contribution be factored into NGO project budgets?
- What is the eligibility of the different forms of carbon finance (carbon credits but also climate impact certificates (climate philanthropy)?
- How could the carbon contribution of the donors themselves support the projects carried out by their partner NGOs?

CONCLUSION

This workshop highlighted the current dynamics of carbon finance in international solidarity and identified the opportunities and challenges associated with these mechanisms. The discussions revealed a growing interest on the part of NGOs in carbon finance, not only as a means of financing, but also as a tool for reducing their own carbon footprint.

The discussions explored different approaches, ranging from the certification of carbon credits to the alternative of climate philanthropy, via insetting mechanisms. A number of questions remain unanswered, notably about the complexity and cost of certification processes, the real impact of projects, and the need for a clear ethical and governance framework to guarantee a fair distribution of benefits within the communities concerned. Nevertheless, the current framework for carbon offsetting, which is highly bureaucratic and a source of speculation, does not currently seem to be very favourable to NGOs as project promoters. Furthermore, potential buyers from the international aid sector (UN, donors, but also NGOs wishing to offset their greenhouse gas emissions) should pay attention to both the quality of the projects financed and the cost of certification. As for the other systems, they still need to be developed further or extended to other sectors (for example, climate sponsorship currently only covers forestry projects). In all cases, it is a question of finding the right balance to guarantee projects of good socio-environmental quality, thanks to an appropriate and reasonable control mechanism.

Although it was not possible to structure a collective approach, the workshop laid the foundations for inter-NGO relations, enabling us to continue these discussions and envisage future collaboration between the various stakeholders. The next step should be to develop the ideas raised and to strengthen the synergies between the players involved in this transition towards a more ethical form of carbon finance, adapted to the challenges of the humanitarian and development sector. In particular, it would seem appropriate to involve both NGOs and donors in the discussions to lay the foundations for a mechanism that can be validated by both parties.