Working Group Meeting 1

Responsible Carbon Finance for Clean Cooking Initiative

19th June 2024

Welcome and Introductions

Feisal Hussain
Clean Cooking Alliance

1

Overview of Today's Agenda

Agenda item	Mins
1. Introductions • Welcome, introductions and icebreaker	0:00 - 0:15
2. Context • Vision for the Responsible Carbon Finance initiative • The purpose of the Working Group, expected commitment, and inputs sought • Reactions and reflections from the room	0:15 - 0:30
3. The Code of Conduct Approach • Purpose of the CoC and the proposed Approach • Discussion and feedback from Working Group	0:30 - 0:55
4. Closing • Final questions and adjourn meeting	0:55 - 1:00

CLEAN COOKING ALLIANCE

Introducing the Confirmed WG Members

- Malcolm Bricknell
- Modern Energy Cooking Services
- International Liaison Manager

- Molly Brown
- BURN/ Project Developer Forum
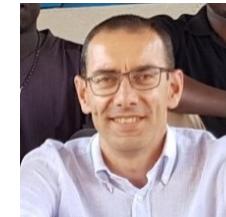- Head of Carbon Strategy

- Laura Clough
- SNV
- Global Technical Advisor for Clean Cooking

- Edwin Cogho
- TASC
- Carbon Portfolio Manager

- Tim Cowman
- Climate Impact Partners
- Director, Article 6 solutions

- Alessandro Galimberti
- AVSI
- Head of Climate Change, Energy and Environment

- Antonia Peart
- C-Quest Capital
- Investment Director

- Dwain Qalovaki
- Pacific Clean Cooking Collective
- Chief Operating Officer

- Neera van der Geest
- Fair Climate Fund
- Director

If you have not already done so, please provide a short bio so that it can be added to CCA's RCF webpage

Introducing the project team

Feisal Hussain
Leading Responsible
Carbon Finance Initiative

Ronan Ferguson
Co-leading development
of the Code of Conduct

Hilda Galt
Co-leading development
of the Code of Conduct

**Sanggeet Mithra
Manirajah**
Stakeholder Engagement

Anna Kovacs
Stakeholder Engagement

CLEAN
COOKING
ALLIANCE

Why we launched the Responsible Carbon Finance (RCF) initiative

Access to carbon revenue is needed to accelerate market growth

Companies that have carbon projects are generating higher revenue, and attracting more investment, than those without it.

Quality concerns must be addressed to restore buyer confidence

Carbon credit buyer concerns persist around the general integrity, fairness and transparency of carbon credits.

Work is underway to improve quality, but gaps for clean cooking remain

Ongoing initiatives, e.g. IC-VCM's CCP address many carbon credit quality concerns, but there are gaps specific to clean cooking: the Principles seek to fill this gap.

CLEAN COOKING ALLIANCE
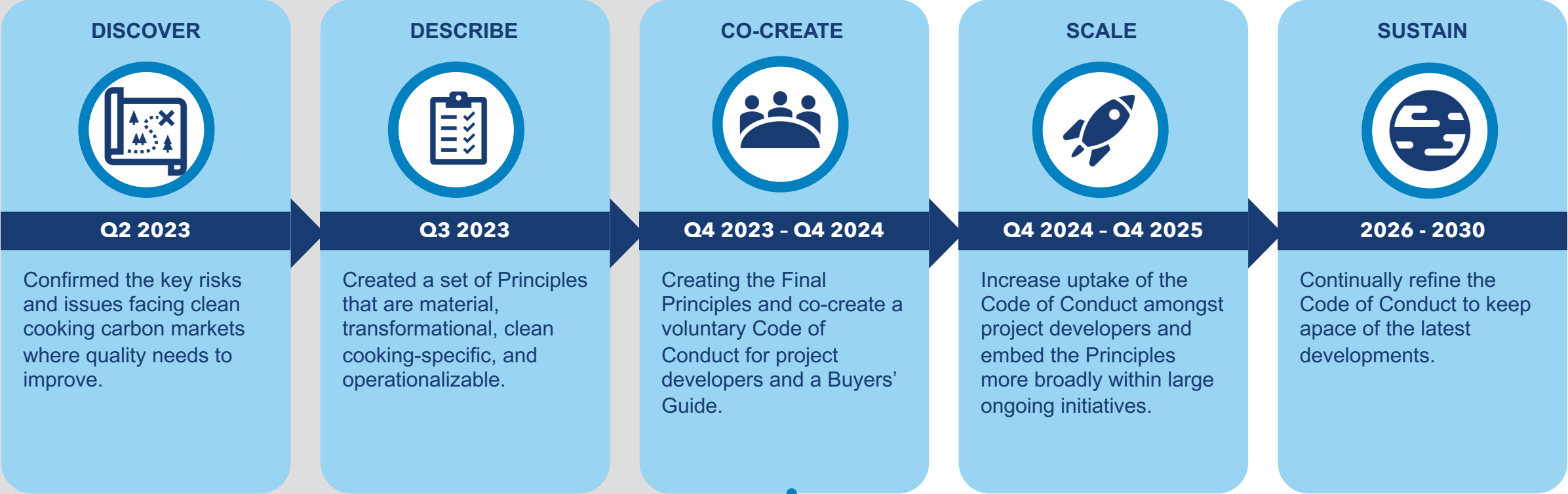
The Goal and Vision for RCF

Our vision is a mature, flourishing clean cooking carbon market that operates with integrity, transparency, fairness, and sustainability.

Our goal is to help buyers and governments to engage in clean cooking carbon projects with confidence, to see more investment flow into clean cooking, and to ensure households are heard.

High-level Project Timeline

DISCOVER	DESCRIBE	CO-CREATE	SCALE	SUSTAIN
Q2 2023	**Q3 2023**	**Q4 2023 – Q4 2024**	**Q4 2024 – Q4 2025**	**2026 - 2030**
Confirmed the key risks and issues facing clean cooking carbon markets where quality needs to improve.	Created a set of Principles that are material, transformational, clean cooking-specific, and operationalizable.	Creating the Final Principles and co-create a voluntary Code of Conduct for project developers and a Buyers' Guide.	Increase uptake of the Code of Conduct amongst project developers and embed the Principles more broadly within large ongoing initiatives.	Continually refine the Code of Conduct to keep apace of the latest developments.

We are here

CLEAN COOKING ALLIANCE

8

We are driving towards three key products

Code of Conduct Approach

Outlines a facility for recognizing the achievements of Project Developers in meeting the Principles, and an accountability process.
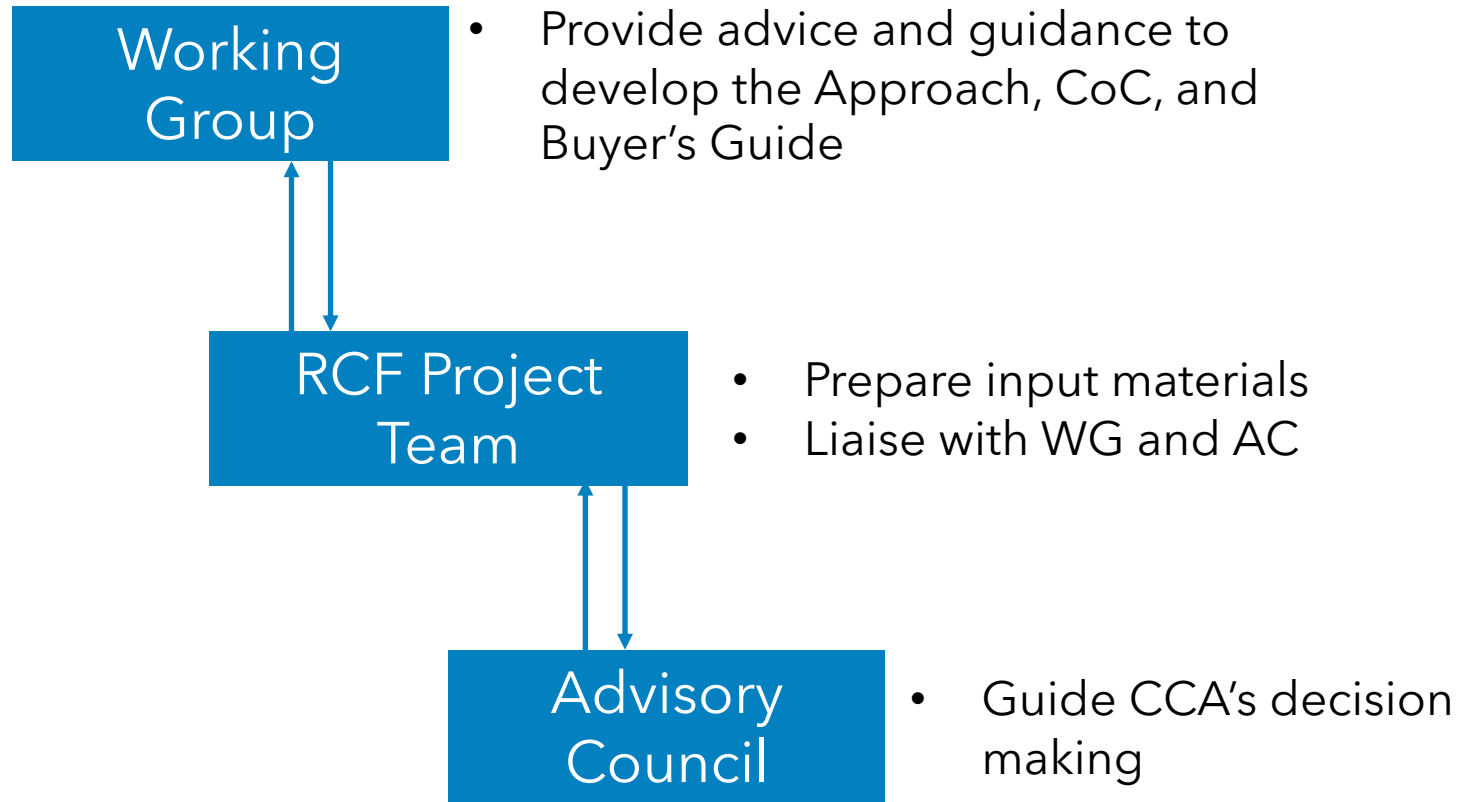
Code of Conduct

Outlines the actions to be taken by project developers to fulfil the Principles. It needs to be pragmatic, yet ambitious.

Buyer's Guide

Outlines the actions buyers can take to enable project developers to enact all the actions outlined in the Code of Conduct.

CLEAN COOKING ALLIANCE

How the Working Group fits in

Working Group
- Provide advice and guidance to develop the Approach, CoC, and Buyer's Guide

RCF Project Team
- Prepare input materials
- Liaise with WG and AC

Advisory Council
- Guide CCA's decision making

Your inputs will be captured and reflected in the:

- **CoC Approach**, to go to the Advisory Counsil for their review.

- **CoC** and **Buyers' Guide**, with a log of changes made as a result of WG feedback. This will also be shared with the Advisory Counsil for their review.

CLEAN COOKING ALLIANCE

Introductions and Icebreaker

- Name
- Role and organization
- Where in the world are you calling from?
- What's your favorite way of cooking?

Working Group engagement

Ronan Ferguson
Clean Cooking Alliance

2

Expectations of the Working Group

i. Provide expert advisory and recommendations on development of CoC Approach and CoC, via the review period, WG meetings, and follow-ups

ii. Attend six meetings between June– October; 50% quorum

iii. Declare any potential conflicts of interest before engaging in discussions where such conflicts may be relevant.

Request of the Working Group

iv. Consider engaging your network (organization or constituencies) to assist with the development of the CoC Approach and CoC.
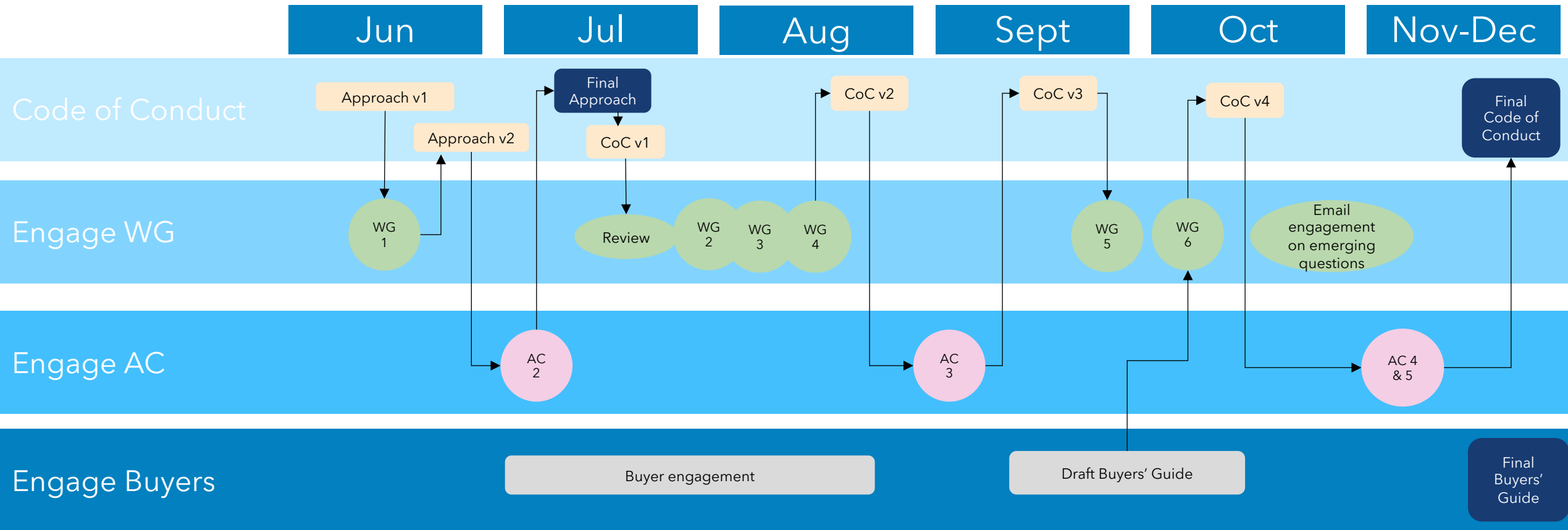
Please feel free to:

- ✓ Schedule a call within your organization to gather a range of persepctives and ideas
- ✓ Check your CEO is comfortable with what you are suggesting
- ✓ Use any of the slides from these meetings to help your consultation
- ✓ Record a meeting transcript for sharing back to us, if possible

But please do not:

- X Distribute the slides or video to an open audience
- X Instruct others to reach out directly to CCA with their feedback
- X Share the recordings from WG meetings externally (we want to encourage open dialogue in these WG meetings)

CLEAN COOKING ALLIANCE

Timeline and products overview

	Jun	Jul	Aug	Sept	Oct	Nov-Dec

Code of Conduct
- Approach v1
- Approach v2
- Final Approach
- CoC v1
- CoC v2
- CoC v3
- CoC v4
- Final Code of Conduct

Engage WG
- WG 1
- Review
- WG 2
- WG 3
- WG 4
- WG 5
- WG 6
- Email engagement on emerging questions

Engage AC
- AC 2
- AC 3
- AC 4 & 5

Engage Buyers
- Buyer engagement
- Draft Buyers' Guide
- Final Buyers' Guide

CLEAN COOKING ALLIANCE

15

Temperature check…

Questions?
Reactions (I wish…, I like…)

The Code of Conduct Approach

Ronan Ferguson
Clean Cooking Alliance

To prime the approach for establishing a Code of Conduct, we need to answer three things:

1 What should a project developer do to claim they are following the Code of Conduct?

2 How will claims made by project developers be demonstrated?

3 What might continuous improvement look like?

Informed design of the Approach for establishing a Code of Conduct

We researched six initiatives to identify key lessons to inform the thinking for establishing the CoC Approach:

1. Extractive Industries Reporting Initiative (EITI)
2. Carbon Disclosure Project (CDP)
3. Fair Trade Initiative (FTI)
4. Better Cotton Initiative (BCI)
5. Global Reporting Initiative (GRI)
6. Taskforce for Nature-Related Financial Disclosures (TNFD)

We considered:

- Mission, target audience & uptake
- How the acknowledgement system works
- How the validation system works

Takeaways:

a. A simple, binary approach is common

b. Initiatives distinguish between "core" and "developmental" criteria

c. Verification tends to be done by independent auditors

d. Biannual revisions seem to be the norm

Initiative	Is it a simple 'in' vs. 'not in' approach?	Does it have core and optional criteria?	Is verification done by auditors?	Have revisions been made post launch?	Year of launch
1. EITI	✘	✔	✔	✔	2002
2. CDP	✔	✔	(✔)	✔	2000
3. FTI	✔	✔	✔	✔	1992
4. BCI	✔	✔	✔	✔	2009
5. GRI	✔	✔	(✘)	✔	2000
6. TNFD	(✔)	✔	(✘)	✔	2021/2015

Proposed approach for creating the Code of Conduct

1

2

3

1 — What should a project developer do to claim they are following the Code of Conduct?

Proposal:

Meet all the "core actions" and document any additional (developmental) **actions taken** (see option 'C 'on slide 21)
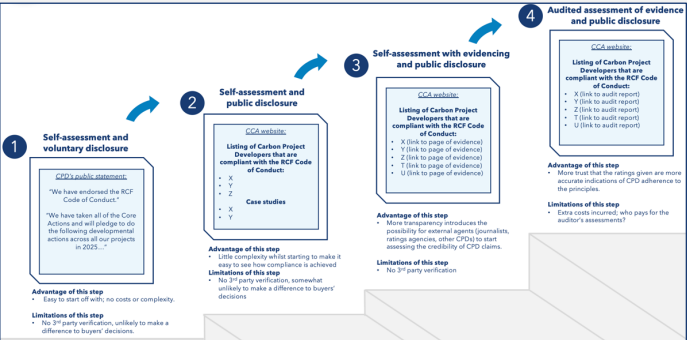

2 — How will claims made by project developers be verified (initially)?

Proposal:

Start with voluntary self-disclosure and, over time, progress towards public disclosure and (potentially) an audited assessment of evidence (see slide 22)
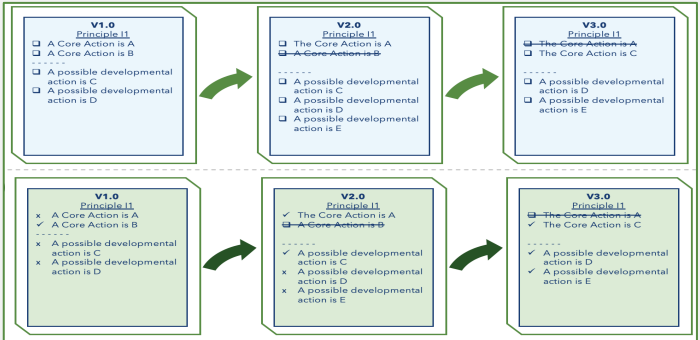

3 — What might continuous improvement look like?

Proposal:

Two parallel continuous improvements will happen: the Code of Conduct and associated Principles will be revisited biannually for revisions, and CPDs will continue to meet the latest core actions and add their developmental actions over time (see slide 23)

What should a project developer do to claim they are following the Code of Conduct?
RCF has considered three options: A, B, and C...

A Select one from a menu of potential actions, or

e.g., Principle I1

- One action for complying is A
- Another action for complying is B
- Another action for complying is C
- Another action for complying is D
- ...

How it could work

- The Working Groups suggest actions that can be taken today that could demonstrate compliance with each Principle.
- The Working Group would discuss the contentious ones.
- CCA would take a set of recommended actions per principle and note any actions that were shared but not unanimously agreed amongst the WG members.

Advantages of this approach

- Makes it likely that many CPDs will be able to demonstrate compliance, and therefore that the starting list of CPDs endorsing the CoC will be high.
- Achievable output with just four WG meetings.

Disadvantages of this approach

- Higher risk that it enshrines the status quo and therefore does not move the market forward.
- Poor optics: this could look like a long "shopping list" of items.
- Unlikely that a single action will enable meeting a given principle.

B Meet all items in a (short) prescriptive list, or

e.g., Principle I1

You can do this principle either by:
- Action a, and/or
- Action b

How it could work

- The Working Groups suggest actions that can be taken today that could demonstrate compliance with each Principle.
- The Working Group would discuss the contentious ones.
- CCA would take a set of recommended actions per principle and note any actions that were shared but not unanimously agreed amongst the WG members.

Advantages of this approach

- Good optics: a concise set of options will set the bar high from the start.
- Likely to move the market forward from where it is now (this is assuming that enough CPDs sign-up – many might be put off if it is too stringent).

Disadvantages of this approach

- Will be impossible to achieve a consensus on what the subset of actions should be
- Significant extra funding needed to handle the extra negotiations that will be required.

CLEAN COOKING ALLIANCE

1

What should a project developer do to claim they are following the Code of Conduct?
RCF has considered three options: A, B, and C…

C Meet all the "core actions" and document developmental actions taken

e.g., Principle I1

- ❑ A Core Action is A
- ❑ A Core Action is B
- - - - - -
- ❑ A possible developmental action is C
- ❑ A possible developmental action is D

How it could work

- We develop a set of practices for each principle that can be taken today that could demonstrate compliance with each Principle.
- We discuss any contentious phrasing and see if agreement can be reached on the phrasing of the set of practices proposed for each principle.
- We then look for agreement as to which ones are best practices and achievable today, best practices but require reciprocity from financiers, and good practices available today.
- We then look for agreement as to which practices should be considered core actions under each principle, and which practices should be listed as developmental actions for each Principle.

Advantages of this approach

- Good optics: a concise set of options will set the bar high from the start.
- Recognizes that not all projects will be able to adopt best practices (e.g. due to constraints in contracting obligations with buyers)
- Makes clear to the market what the best practice is (i.e., what the 'North Star' is for each Principle)
- Makes it likely that many CPDs will be able to demonstrate compliance, and therefore that the starting list of CPDs endorsing the CoC will be high.
- Leaves the door open to continuous improvement.

Disadvantages of this approach

- Likely that strong, different opinions will be expressed on what the Core Actions should be.

How will claims made by project developers be demonstrated?
RCF sees merits in a four-step approach…

4 **Audited assessment of evidence and public disclosure**

CCA website:

Listing of Carbon Project Developers that are compliant with the RCF Code of Conduct:
- X (link to audit report)
- Y (link to audit report)
- Z (link to audit report)
- T (link to audit report)
- U (link to audit report)

Advantage of this step
- More trust that the ratings given are more accurate indications of CPD adherence to the principles.
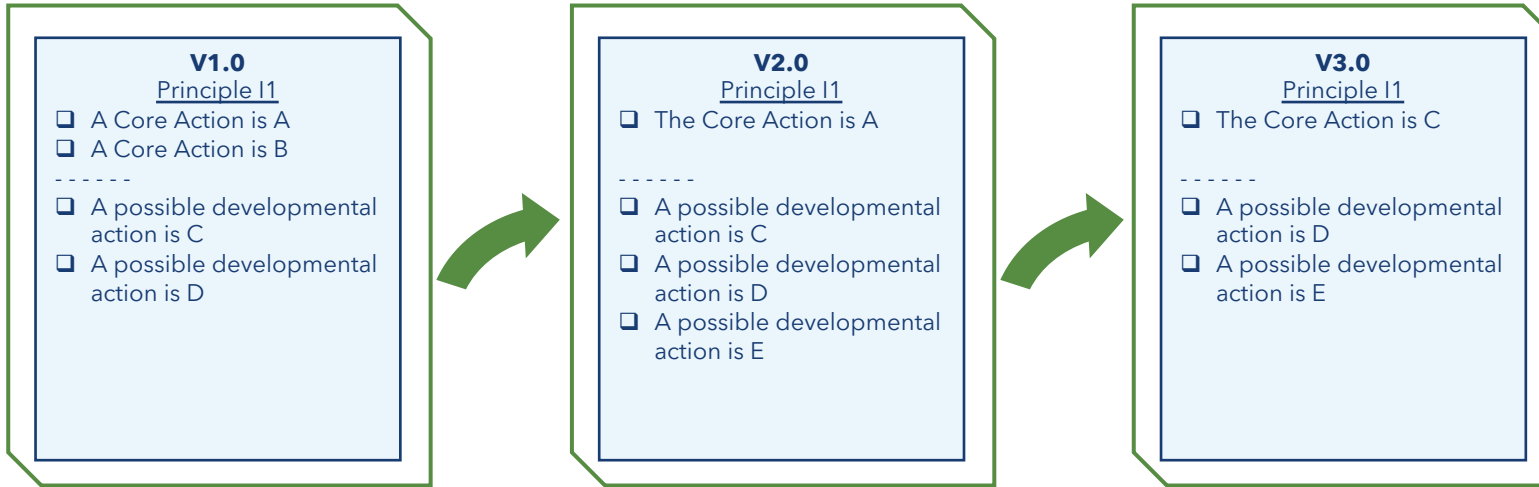
Limitations of this step
- Extra costs incurred; who pays for the auditor's assessments?

3 **Self-assessment with evidencing and public disclosure**

CCA website:

Listing of Carbon Project Developers that are compliant with the RCF Code of Conduct:
- X (link to page of evidence)
- Y (link to page of evidence)
- Z (link to page of evidence)
- T (link to page of evidence)
- U (link to page of evidence)

Advantage of this step
- More transparency introduces the possibility for external agents (journalists, ratings agencies, other CPDs) to start assessing the credibility of CPD claims.

Limitations of this step
- No 3rd party verification

2 **Self-assessment and public disclosure**

CCA website:

Listing of Carbon Project Developers that are compliant with the RCF Code of Conduct:
- X
- Y
- Z

   Case studies
- X
- Y

Advantage of this step
- Little complexity whilst starting to make it easy to see how compliance is achieved

Limitations of this step
- No 3rd party verification, somewhat unlikely to make a difference to buyers' decisions

1 **Self-assessment and voluntary disclosure**

CPD's public statement:

"We have endorsed the RCF Code of Conduct."

"We have taken all of the Core Actions and will pledge to do the following developmental actions across all our projects in 2025…"

Advantage of this step
- Easy to start off with; no costs or complexity.

Limitations of this step
- No 3rd party verification, unlikely to make a difference to buyers' decisions.

What might continuous improvement look like?
RCF thinks that two continuous improvements will happen in parallel...

## The Code of Conduct will evolve over time, being revisited biannually, and

V1.0
Principle I1
☐ A Core Action is A
☐ A Core Action is B
- - - - - -
☐ A possible developmental action is C
☐ A possible developmental action is D

V2.0
Principle I1
☐ The Core Action is A
- - - - - -
☐ A possible developmental action is C
☐ A possible developmental action is D
☐ A possible developmental action is E

V3.0
Principle I1
☐ The Core Action is C
- - - - - -
☐ A possible developmental action is D
☐ A possible developmental action is E

How it could work

- The Code of Conduct is systematically revisited every two years. The revision process involves a public consultation, synthesis of suggested changes using a Working Group, and approval from the RCF Advisory Council.
- Core or developmental actions that are no longer deemed to be advancing the market will be removed from the Code of Conduct
- Possible developmental actions may be promoted to being core actions
- New possible developmental actions could be added
- During these revision cycles, refinements can also be made to the phrasing of extant actions, if necessary.

CPDs will continue to meet core actions and add their developmental actions

V1.0
Principle I1
x A Core Action is A
✓ A Core Action is B
- - - - - -
x A possible developmental action is C
x A possible developmental action is D

V2.0
Principle I1
✓ The Core Action is A
- - - - - -
✓ A possible developmental action is C
x A possible developmental action is D
x A possible developmental action is E

V3.0
Principle I1
✓ The Core Action is C
- - - - - -
✓ A possible developmental action is D
✓ A possible developmental action is E
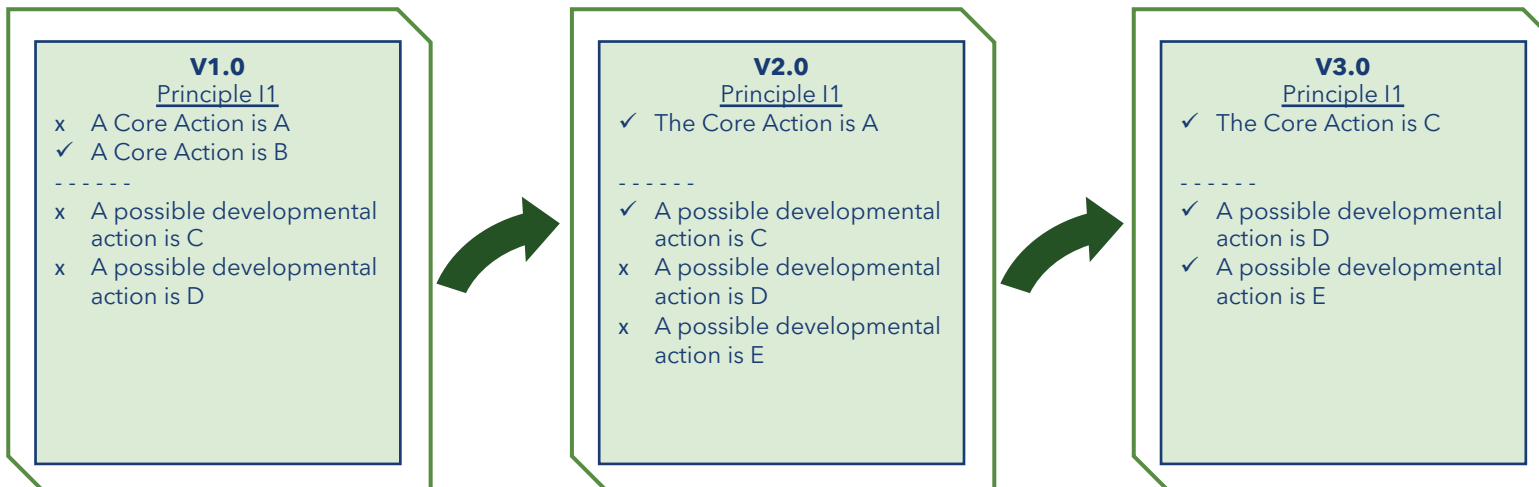
How it could work

- The revisions made to the Code of Conduct over time will mean that CPDs need to continue to develop new actions to remain compliant with the Code of Conduct.
- This continual improvement demonstrated by compliant CPDs will continue to advance the market.

Recap: Proposed approach for creating the Code of Conduct

1

What should a project developer do to claim they are following the Code of Conduct?

Proposal:

Meet all the "core actions" and document any additional (developmental) **actions taken** (see option 'C 'on slide 21)

Implications for the Working Group:

The Working Group will need to help RCF to create a set of actions for each Principle; some will be core and others will be an expanded set of possible developmental actions (future-focussed and optional).

Principle I1

- ❑ A Core Action is A
- ❑ A Core Action is B
- - - - - - -
- ❑ A possible developmental action is C
- ❑ A possible developmental action is D
- ❑ A possible developmental action is E

2

How will claims made by project developers be verified (initially)?

Proposal:

Start with voluntary self-disclosure and, over time, progress towards public disclosure and (potentially) an audited assessment of evidence (see slide 22)

Implications for the Working Group:

The Working Group will need to help RCF to understand the support CPDs will need to transition from self-assessment and voluntary disclosure through to self-assessment with evidencing and public disclosure, and potentially beyond; to audited assessment of evidence and public disclosure.

3

## What might continuous improvement look like?

Proposal:

Two parallel continuous improvements will happen: the Code of Conduct and associated Principles will be revisited biannually for revisions, and CPDs will continue to meet the latest core actions and add their developmental actions over time (see slide 23)

Implications for the Working Group:

The Working Group will not need to get the first Code of Conduct 'perfect'; there will be changes over time.
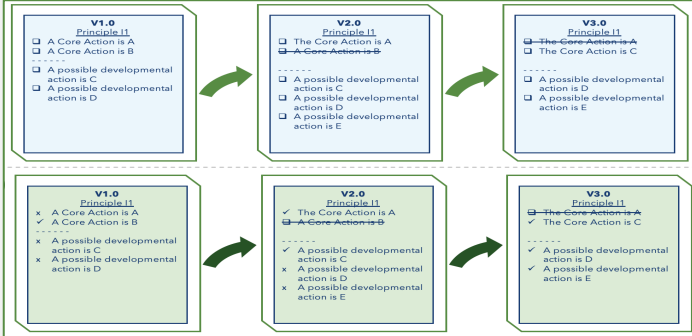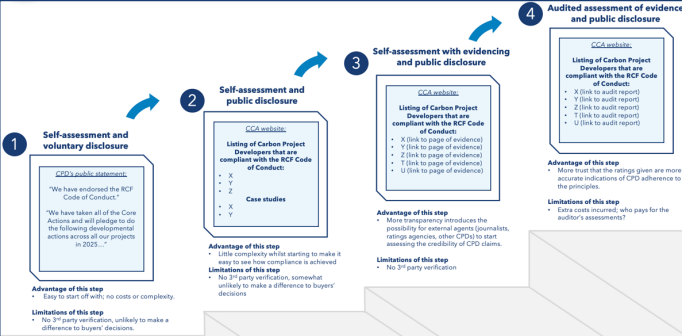
Before we launch into specific questions on the CoC Approach for you...

...Do you have any questions for us?

Discussion

Sanggeet Mithra Manirajah
Climate Focus

Feedback

1 Our research looked at six initiatives, have you encountered other approaches to similar problems elsewhere from which we could learn?

2 What changes to the approach (proposed in slide 25) do you suggest at this point?

3 What do you think are going to be the biggest challenges in implementing this approach and how might we mitigate them

Next Steps

Ronan Ferguson
Clean Cooking Alliance

Actions for you...

✓ Reflect on three key questions in the Feedback slide

✓ Provide written feedback to CCA by mailing carbon@cleancooking.org

"Developmental" Actions

- Engage and consult with your team/ organization/ key constituencies.

- Materials such as this slide deck and pre-read can be shared as a basis for discussion

- Use of transcription software encouraged

- CCA can try to join these conversations if helpful; do reach out

Next Steps

1. [Approach will be shared with Advisory Council and finalized – mid-July]

2. Co-reviewing and editing period of draft CoC v1 – **24th – 30th July**

3. WG Meeting 2: Integrity – **31st July**

4. WG Meeting 3: Transparency and Fairness – **7th August**

5. WG Meeting 4: Sustainability – **14th August**

6. WG Meeting 5: Updated CoC v2 – **18th September**

7. WG Meeting 6: Buyers' Guide – **2nd October**