



Working Group Meeting 2

Responsible Carbon Finance for Clean Cooking Initiative

31st July 2024

Welcome and Introductions

Ronan Ferguson
Clean Cooking Alliance

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Today's Agenda

Agenda item	Mins
1. Introductions <ul style="list-style-type: none">• Welcome, introductions by new members	0:00 - 0:05
2. The Code of Conduct Approach <ul style="list-style-type: none">• Updates since last meeting	0:05 - 0:15
3. The Code of Conduct <ul style="list-style-type: none">• What it is, who it is for and how it will be used	0:15 - 0:25
4. Actions for the Integrity Principles <ul style="list-style-type: none">• Integrity Principles & associated actions• Feedback received so far• Discussion	0:25 - 1:25
5. Closing <ul style="list-style-type: none">• Next steps	1:25 - 1:30

Introducing the new Working Group members



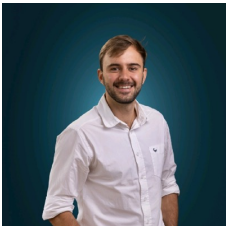
- Malcolm Bricknell
- Modern Energy Cooking Services
- International Liaison Manager



- 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



- Kevin Kinusu
- Africa Bioenergy Program Limited (ABPL)
- Managing Director



- Ed Agnew
- KOKO Climate
- Director

The Code of Conduct Approach: Updates since last meeting

Ronan Ferguson

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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.

Since our last meeting we:

Received feedback from the Working Group

1. Why should a project developer follow the Code of Conduct?
2. What should a project developer do to claim they are following the Code of Conduct?
3. How will claims made by project developers be assessed?
4. What might continuous improvement look like?

Tested a revised Approach with the Advisory Council

- Held an AC meeting on July 11th aiming to seek feedback on the Approach.

Minute from the AC Meeting on the CoC Approach

1. Start out by designing CoC compliance around project developers, rather than projects to avoid duplication with the work of existing registries. Suggestions included:
 - Exploring the provision of standardized documentation (that can be used in data rooms with buyers).
 - Designing the CoC to guide project developer conduct regarding previously existing projects, as well as for new projects that start after endorsing the CoC.
2. Leverage existing verification processes and institutions to expedite audited assessments for CoC compliance, whilst minimizing costs and complexity. Suggestions included:
 - Establishing a standardized template for VVBs to review project developer compliance (rather than project compliance).
 - Leveraging existing review cycles arising from existing VVB review processes.
 - Loading verification documents into existing carbon standards' infrastructure.
 - Engaging with ratings agencies to gather their feedback on the draft Code of Conduct and understand implications for the RCF Buyer's Guide.

Post-meeting note: During one-on-one consultations between CCA and AC members that were unable to attend the meeting, a view was raised that it might be best to approach independent auditors for an annual review of a project developer's operations, rather than leverage existing players such as VVBs. Independent auditors are outside of the carbon ecosystem, which could mean that their findings are more likely to carry more weight and are more likely to be trusted by buyers than VVB addendums.

3. Be inclusive of smaller or newer project developers. Suggestions included:
 - Providing training on the final CoC to make it accessible to smaller, newer project developers.
 - Asking the Working group to explore ways that any extra costs experienced by smaller project developers might be minimized.

High-level Summary of the AC Meeting



1. Revisit the approach later

Let's revisit it in November when we have a clearer idea for what the Code of Conduct looks like.



2. Proceed to audit ASAP

But do we do this through existing processes (VVBs) or through external auditors?



3. Design the CoC for Project Developers

...Not for projects. If possible, design it so that it can be for all activities, not just future ones.

We adjusted the CoC Approach based on the feedback

Guiding Question for the CoC Approach:

1

Why should a project developer follow the Code of Conduct?

2

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

3

How will claims made by project developers be demonstrated?

4

What might continuous improvement look like?

Comments from the Advisory Council:

"Ultimately the why will be proven out by the buyer interest in the CoC."

RCF's current thinking:

1. They will be seen as a market leader that is at the forefront of proactively developing responsible clean cooking carbon markets; helping to restore buyer confidence around the general integrity, fairness and transparency of clean cooking carbon credits.
2. They will benefit from positive 'spotlighting' from compliance with the CoC.
3. There is the possibility of them receiving premium pricing for their RCF-endorsed clean cooking carbon credits

Proposed Approach for the CoC Approach

Guiding Question for the CoC Approach:

RCF's current thinking:

1

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

2

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

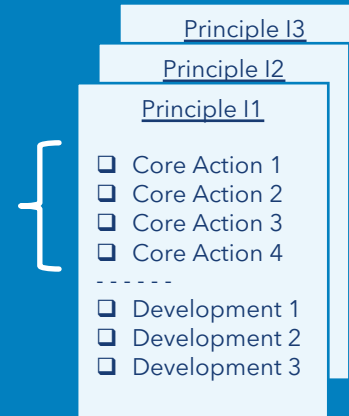
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How will claims made by project developers be demonstrated?

4

What might continuous improvement look like?

Project Developers should meet all the "**Core Actions**" for all the Principles to meet the minimum criteria for being RCF compliant. Core Actions will be the best practices.



Project Developers not meeting Core Actions can document their "**Development Actions**" to show progress towards attaining the Core Actions.

What claim can a Project Developer make?



Comments from the Advisory Council:

"Be inclusive of smaller or newer project developers. Explore ways for costs to be minimized"

"Provide standardized documentation that can be used in data rooms with buyers."

Proposed Approach for the CoC Approach

Guiding Question for the CoC Approach:

RCF's current thinking:

- 1 What should a project developer do to claim they are following the Code of Conduct?
- 2 What should a project developer do to claim they are following the Code of Conduct?
- 3 How will claims made by project developers be assessed?
- 4 What might continuous improvement look like?

<p>Stage 1:</p> <ul style="list-style-type: none"> ✓ Self-assessment ✓ Optional evidencing ✓ Public disclosure 	<p>Stage 1:</p> <ul style="list-style-type: none"> ✓ Self-assessment ✓ Mandatory evidencing ✓ Public disclosure 	<p>Stage 2:</p> <ul style="list-style-type: none"> ✓ Audited assessment ✓ Mandatory evidence ✓ Public disclosure
<p><u>Posted on the CCA website:</u></p> <p>Listing of Carbon Project Developers that are compliant with the RCF Code of Conduct:</p> <ul style="list-style-type: none"> → X → Y → Z <p>Case studies</p> <ul style="list-style-type: none"> → X → Y 	<p><u>Hosted on a central data utility, e.g., Centigrade</u></p> <p>Listing of Carbon Project Developers that are compliant with the RCF Code of Conduct:</p> <ul style="list-style-type: none"> • X (link to page of evidence) • Y (link to page of evidence) • Z (link to page of evidence) 	<p><u>Hosted on a central data utility, e.g., Centigrade</u></p> <p>Listing of Carbon Project Developers that are compliant with the RCF Code of Conduct:</p> <ul style="list-style-type: none"> • X (link to audit report) • Y (link to audit report) • Z (link to audit report)

Comments from the Advisory Council:

"Leverage existing verification processes and institutions to minimize costs and complexity."

"It might be best to approach independent auditors for an annual review of a project developer's operations, rather than leverage existing players such as VVBs."

Proposed Approach for the CoC Approach

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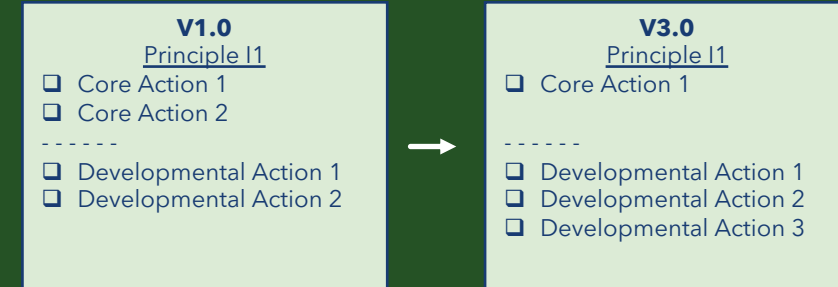
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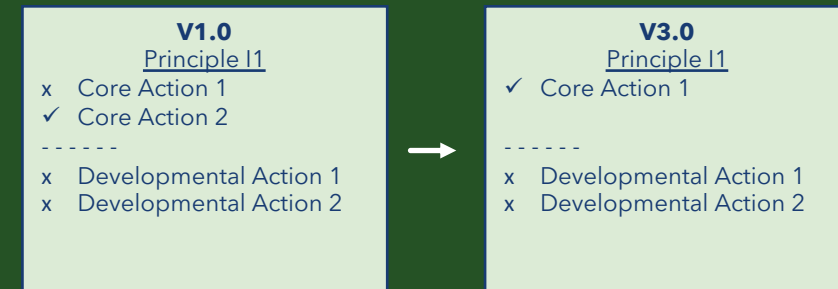
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What might continuous improvement look like?

The Code of Conduct will evolve over time...



...with Project Developers needing to keep up with how it evolves



Any questions so far?

The Code of Conduct

Ronan Ferguson

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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.

Code of Conduct: what it is, who it's for and how it will be used.

What is the Code of Conduct?

The Code of Conduct is a **set of actions** that carbon project developers are expected to take to **demonstrate fulfillment** of the Principles for Delivering Responsible Carbon Finance.

The Code of Conduct is organized according to **Principles**. Each principle is elaborated by:

- **Development Actions:** Actions that can be used to demonstrate progress towards fulfilling a Principle for companies that are not yet able to achieve the Core Actions.
- **Core Actions:** Actions required to be undertaken by carbon project developers to claim meeting the Principle.
- **Extra Actions:** Actions that can be implemented alongside the Code Actions to indicate extra, positive behaviors.

Who is the Code of Conduct for?

The Code of Conduct has two audiences:

- **Carbon project developers:** outlining the actions needed to meet each Principle.
- **Carbon credit buyers:** guiding what to look for when financing projects.

The Code of Conduct applies to organizations that:

- **Are operating, plan to operate, or have aspirations to operate** one or more clean/improved cooking project(s) certified by an independent carbon standard

How will the Code of Conduct be used by project developers?

To comply with the Principles for Delivering Responsible Carbon Finance, a project developer **must fulfil all the Core Actions specified under each Principle**.

Signing the Code of Conduct will be:

- **Subject to regular review:** It is expected that project developers will revisit the Code of Conduct on an annual basis, as they work to continuously improve their systems, operations and business practices.
- **The point at which evidence of compliance should be available:** The actions outlined in the Code of Conduct are intended to apply to project developers from the date of endorsing the Code of Conduct, onwards.

Actions for the Integrity Principles

Sanggeet Mithra Manirajah
Hilda Galt

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Some Initial Guidance


Self-interest vs. Industry-interest:

We appreciate you wearing 'multiple hats' for today's call.

Today's asks:

1. Is anything in the wrong bucket?
2. Sense-check: are the actions additional/ sufficiently important to reinforce?
3. Are any actions missing?





**Integrity:
Project claims should
be evidence-based,
case specific, and
substantiated.**

I1

Baselines are realistic, up-to-date, and geography-specific. Any assumptions made are transparent and substantiated.

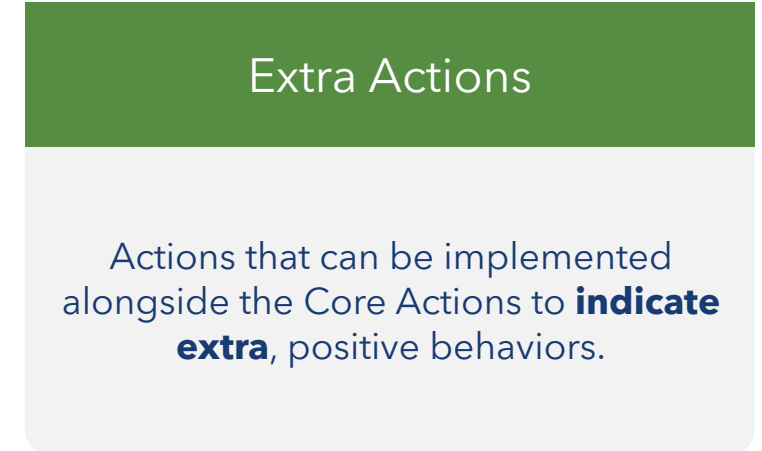
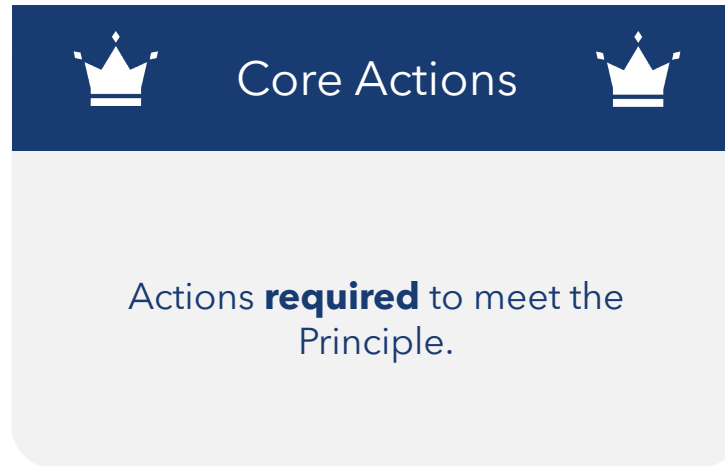
I2

Fuel consumption or stove usage are accurately monitored. Any assumptions made are transparent and substantiated.

I3

Only sustainable development benefits that are substantiated and can be evidenced are claimed.

The Hierarchy of Actions



Our aim is for actions to be:

- **Additional.** Must be clean cooking specific and not duplicative of existing actions.
- **Material.** Focus on the most material actions needed to achieve a given principle. We aim to have not more than 5 actions per category.
- **Concrete.** Avoiding vague terms that are subjective to the extent possible.
- **Ambitious.** Setting the bar high that is over and above methodological/standard requirements for most projects on the market today.
- **Verifiable.** Choose phrasing and criteria that allow third-party verification (in future).

I1: Baselines are realistic, up-to-date, and geography-specific. Any assumptions made are transparent and substantiated.

Development Actions

Development Action 1: Where **surveys** are used to determine baseline fuel consumption, the **sample size** must be determined in line with the Standard for sampling and surveys for CDM project activities and programmes of activities. In addition, projects must demonstrate that **conservative approaches** (e.g. projects take the lower bound estimate of the amount of fuel per bundle of firewood or bag of charcoal relevant for the project area) are used to determine the amount of baseline fuel used.

Development Action 2: Projects apply the most **recent version** of the applicable carbon accounting methodology and associated tools, regardless of the grace period allowed for by carbon standards for projects with renewable or fixed crediting periods.

Development Action 3: Where any assumptions are made in determining the baseline, the applied parameter must be based on the **best available data**, err on the side of caution to ensure that baseline emissions are **not overestimated**, and be clearly and **transparently articulated**.



Core Actions



Core Action 1: For calculating baseline and project emissions, apply a **fraction of non-renewable biomass (fNRB)** value that is [aligned with the UNFCCC outcome, expected November 2024].

Core Action 2: Baselines are established from in-field measurements of baseline fuel consumption using **Kitchen Performance Tests (KPTs)** following the latest version of the KPT Protocol. In the case of metered projects the baseline can be back-calculated using **Stove Use Monitor** measurements combined with specific fuel consumption ratios from **Controlled Cooking Tests** of the project and baseline stoves. Alternatively, a **default** of 0.5 tons/capita/year of fuelwood and 0.1 tons/capita/year of charcoal in baseline fuel use may be applied.

Core Action 3: If charcoal is used in the baseline, the project uses the **emissions factor for charcoal** to calculate the baseline emissions; not a wood-to-charcoal conversion factor. Alternatively, if a wood-to-charcoal conversion factor is used, the value applied is not higher than 6.0 kg of fuelwood (wet basis) per kg of charcoal (dry basis).

Core Action 4: Baselines are updated at least every **5 years**.

Extra Actions

Feedback received so far

Core Actions

- Core Action 2: KPTs should be done by an independent third party, not the project developer.
- Suggestion to put a cap on the maximum allowed baseline.

Development Actions

- Development Action 1: Surveys should not be used at all to capture the quantity of baseline fuel consumption. They can be used to determine baseline situation (e.g. number ppl per HH), however.
- Development Action 2: Require projects to update to the newest version of the methodology at CP renewal, rather than applying the latest version of the methodology when an update becomes available.

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Core Action 4: Baselines are updated at least every **5 years**.

Extra Actions

What Extra Actions could project developers choose to take to indicate extra, positive behaviors?

I2: Fuel consumption or stove usage are accurately monitored. Any assumptions made are transparent and substantiated.

Development Actions

Development Action 1: Where any **assumptions** are made in determining the project emissions, the project must demonstrate that the applied parameter is based on the **best available data**, err on the side of caution to ensure that emission reductions are **not overestimated**, and be clearly and **transparently articulated**.



Core Actions



For non-metered cooking projects:

Core Action 1: Usage rate (i.e., how much a cook uses the project technology within a year) is determined via **Stove Use Monitors**. If sampling is applied, [use CDM's Guidelines for sampling and surveys].

Core Action 2: Drop-off rates (i.e., the portion of technologies that drop out of the project altogether due to no longer being used) are established via **surveys conducted in person** that must be combined with **visual checks** to confirm the project technology is used. [Use CDM's Guidelines for sampling and surveys].

Core Action 3: Kitchen Performance Tests (**KPTs**) are used to quantify **fuel use during project** implementation. This will also capture any rebound effect and account for the occurrence of stove stacking. KPTs follow the latest version of the KPT Protocol. If sampling is applied, [use CDM's Guidelines for sampling and surveys].

For metered cooking projects:

Currently no Core Actions.

Extra Actions

Feedback received so far

Core Actions

For non-metered projects:

- Core Action 3: It is too costly to have KPTs meet CDM's sample size requirements. Instead, lower sample size with a discount (i.e CLEAR methodology approach).
- Add a core action to address leakage (both physical and non-physical) and venting management/prevention for liquid and gaseous fuel-based clean cooking solutions.
- Monitoring should ask whether the household works with another stove project and whether a waiver of rights to carbon credits has been signed.

For metered projects:

- Include a Core Action on rebound effect and stove stacking (e.g. Core Action 3 on KPTs)

Development Actions

No comments.

I2: Fuel consumption or stove usage are accurately monitored. Any assumptions made are transparent and substantiated.

Development Actions

Development Action 1: Where any **assumptions** are made in determining the project emissions, the project must demonstrate that the applied parameter is based on the **best available data**, err on the side of caution to ensure that emission reductions are **not overestimated**, and be clearly and **transparently articulated**.



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For metered cooking projects:

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What Extra Actions could project developers choose to take to indicate extra, positive behaviors?

I3: Only sustainable development benefits that are substantiated and can be evidenced are claimed.

Development Actions

Development Action 1: Any **negative sustainable development impacts are evaluated and disclosed**, and **mitigation measures** are put in place to minimize them.

Development Action 2: Projects **adopt clean cooking technologies** in line with the World Health Organization's definition of clean.

Development Action 3: Companies **manufacture and produce stoves locally**, providing local employment, training and customer services.



Core Actions



Core Action 1: Evidence is provided to substantiate any sustainable development benefits claimed. Where information is commercially sensitive, all evidence used to support the claim must be **available upon request** by a buyer or other third party (e.g., a verifier).

Core Action 2: Health benefits are only claimed if the project stove provided is in line with **WHO's definition of a clean stove**, and it is demonstrated that **stove stacking** occurs at a level low enough to yield health benefits (i.e., <3 hours per week). This includes claims made in carbon project documentation and all project marketing.

Core Action 3: Peer-reviewed tools are used to substantiate sustainable development claims and outline the rationale and evidence to support the claim (e.g., the latest versions of Gold Standard's Methodology to Estimate and Verify ADALYs from Cleaner Household Air, the Gold Standard's SDG Impact Tool, Verra's Sustainable Development Verified Impact Standard, or W+ Standard).

Extra Actions

Extra Action 1: Any sustainable development benefits claimed are **monitored annually**.

Feedback received so far

Core Actions

- Core Action 1: Provide examples of what sort of evidence can be provided to substantiate sustainable development claims.
- Core Action 2: Allow the use of ADALYs methodology to substantiate health claims for improved cookstoves.

Development Actions

- Development Action 1: Move to a Core Action (negative SDG impacts)
- Development Action 2: Include the ability to implement improved cookstoves that meet a certain quality threshold, recognizing that they are an integral interim solution.

I3: Only sustainable development benefits that are substantiated and can be evidenced are claimed.

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Extra Actions

Extra Action 1: Any sustainable development benefits claimed are **monitored annually**.

Next Steps

Ronan Ferguson



Next Steps

Please note the following dates (also shared in the WG ToR)

1. WG Meeting 3: Transparency and Fairness – **7th August**
2. WG Meeting 4: Sustainability – **14th August**
3. WG Meeting 5: Updated CoC v2 – **18th September**
4. WG Meeting 6: Buyers' Guide – **2nd October**

Action points for you

Provide feedback on the relevant CoC section latest by Monday before each meeting

- ✓ Reflect on the “for WG” questions included in the draft Code of Conduct
- ✓ Provide your feedback by leaving comments in the document
- ✓ Consider all three categories of actions: Core, Developmental, and Extra
- ✓ Consider if what’s drafted just be moved into a different “bucket” (Core, Developmental, Extra)