



Working Group Meeting 3

Responsible Carbon Finance for Clean
Cooking Initiative

7th August 2024

Welcome and Introductions

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Clean Cooking Alliance

1



Today's Agenda

Agenda item	Mins
1. Introductions	0:00 -
▪ Welcome, introductions by new members	0:05
2. The Code of Conduct	0:05 -
▪ What it is, who it is for and how it will be used	0:10
3. Actions for the Transparency and Fairness Principles	
▪ Transparency Principles & associated actions	0:10 -
▪ Fairness Principles & associated actions	1:10
▪ Discussion	
4. Suggested approach for Integrity Principles	1:10 -
▪ Discussion	1:28
5. Closing	1:28 -
▪ Next steps	1:30

Introducing the new Working Group members



- Ed Agnew
- KOKO Climate
- Director



- Donee Alexander
- C-Quest Capital
- Chief Carbon Officer



- 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



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



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



- Neera van der Geest
- Fair Climate Fund
- Director

The Code of Conduct

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2



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.

Actions for the Transparency and Fairness Principles

Sanggeet Mithra Manirajah
Hilda Galt

3



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?



The Hierarchy of Actions

Development Actions

Actions that can be used to demonstrate **progress towards** fulfilling a Principle.



Core Actions



Actions **required** to meet the Principle.

Extra Actions

Actions that can be implemented alongside the Core Actions to **indicate extra**, positive behaviors.

**Transparency:
Non-commercially
sensitive information
on clean and
improved cooking
carbon markets
should be accessible.**

T1

The monetary and/or non-monetary benefits reaching the project and technology/fuel users are transparent within a given transaction.

	Monetary	Non-monetary
Direct	Free stove Upfront subsidy on stove or fuel Direct payments e.g. for use or into a community fund	Availability of functioning appliances through maintenance and repair services offered Training provided to stove users
Indirect	User cost savings from recurrent clean fuel usage or reduced biomass usage Cost savings from reduced hospital visits	User time savings from reduced fuel gathering or increased cooking efficiency Increased income security from the productive use of the technology offered

T1: The monetary and/or non-monetary benefits reaching the project and technology/fuel users are transparent within a given transaction.

Development Actions

Development Action 1: Benefit-sharing arrangements (i.e. the mechanism through which monetary and non-monetary benefits are transferred) are transparent for all stakeholders (i.e. technology end-users, intermediaries, investors, end-buyers). Any changes to benefit sharing arrangements are communicated to all stakeholders in a given transaction in due time and transparently.

Development Action 2: The monetary benefits accrued to intermediaries and investors are available to all actors within a given transaction.



Core Actions



For project developers choosing to provide transparency of monetary benefits:


Core Action 1: The monetary value of direct benefits reaching end users is available to all actors within a given transaction. This is applicable to all transactions.

For project developers choosing to provide transparency of non-monetary benefits:

Core Action 2: The cost of providing the direct non-monetary benefits reaching end users and local communities is available to all actors within a given transaction. This is applicable to all transactions.

Extra Actions

Extra Action 1: Any monetary or non-monetary benefit sharing is publicly disclosed.



Fairness: Carbon projects solicit informed consent from users and share revenue fairly along clean and improved cooking value chains.

F1

Informed consent precedes each user's participation in a carbon project.

F2

Carbon revenues are shared by all stakeholders in a way that is proportionate to the risk they assume and the value they create.

F1: Informed consent precedes each user's participation in a carbon project.

Development Actions



Core Actions



Core Action 1: Project developers implement easy-to-understand, clear and simple standardized contracts that contain all the necessary information for end users to understand the project and the terms of the agreement into which they enter. This must be provided in the local language, and a copy of the contract (paper or digital) must be left with customers for their reference. Such contracts should contain information on:

- A statement on the transfer of rights to carbon credits
- A description of the benefits provided in exchange for transfer of rights to carbon credits
- Duration of the agreement
- Payment terms (if applicable)
- Obligations of the end user (e.g. agreement to participate in monitoring efforts)
- Any risks of participation
- Availability of alternatives (e.g., buying a stove without a subsidy, if they do not transfer their carbon rights)
- Grievance procedures and contact details to submit a grievance
- Contact details of the project developer/service provider in case of any need for servicing the technology provided
- Outline procedures to be followed should they wish to withdraw their consent (e.g. contact details of the project developer and any consequences this may have on payment terms, if applicable)
- A statement confirming that the end user has understood the terms of the contract and that consent is given freely.

Extra Actions

F1: Informed consent precedes each user's participation in a carbon project.

Development Actions

Development Action 1: Visual aids are used to support explanations of the terms of the agreement and its context.

Development Action 2: Measures are implemented to ensure that the customer engagement environment is conducive to discussion and asking questions.



Core Actions



Core Action 1: Project developers implement easy-to-understand, clear and simple standardized contracts that contain all the necessary information for end users to understand the project and the terms of the agreement into which they enter. This must be provided in the local language, and a copy of the contract (paper or digital) must be left with customers for their reference. Such contracts should contain information on: [list]

Core Action 2: Project developers provide regular training to customer-facing staff to ensure that any end user's consent is well-informed (i.e., they have a complete understanding of the consequences of their participation in a carbon project) and given voluntarily without coercion, intimidation, or deception. This includes providing training on common questions and how to answer them correctly.

Core Action 3: Project developers have procedures in place to ensure continual improvement, such as annual reviews with the customer-facing teams to reflect on any changes that are needed to standardized contracts or how these are communicated to customers.

Extra Actions

Extra Action 1: Standardized contracts are accompanied with visual explanations of the project and its context (including an intuitive explanation of climate change and carbon credits). This is provided in the local language.

Extra Action 2: Internal verification procedures are implemented to ensure that necessary information has been explained to the end user.

Best practices include:

- Verifying with each individual user that they received the necessary information through following up with them individually soon after the date of the agreement (ideally, within 2 weeks).
- Verifying with each individual user that they not only received the information, but that the information was explained well and that they understood it.

Good practices include:

- Conducting periodic spot checks on the two above listed points.

F2: Carbon revenues are shared by all stakeholders in a way that is proportionate to the risk they assume and the value they create.

Development Actions



Core Actions



Core Action 1: Carbon revenues and/or profits are shared with cookstove/fuel users.

Core Action 2: *[Action ensuring that intermediaries and investors capture shares of carbon revenues that are proportional to the risks they take on and the value they create.]*

Core Action 3: The portion of carbon revenues that are shared with end users is transparent to all actors involved within a given transaction.

Core Action 4: The method for sharing carbon revenues with end users is publicly disclosed (e.g. through provision of a subsidized stove, a direct payment for use, or to cover the costs of maintenance and repair services).

Core Action 5: The rationale behind the chosen mechanism for sharing carbon revenues and the portion shared is clearly articulated.

Extra Actions

Update on the Integrity Principles

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4



The Integrity Chapter of the CoC: Issue

Main takeaway:

We must avoid straying towards creating a “quasi standard”, with actions too focused on the project level.

Let’s focus on project developers, not projects.

What we heard you say (not exhaustive):

“We should prefer to avoid overlap with other initiatives like CCP or methodologies (e.g., CLEAR).”

“We should avoid getting further and further into the weeds on the technical requirements that align with the CLEAR methodology.”

“The elephant in the room is that it looks like we’re straying towards creating a quasi-standard.”

“Some of these actions feel like they are in the minutiae, are duplicative of Standards, and may be too prescriptive.”

The Integrity Chapter of the CoC: Proposal Overview

Development Actions

Development Action 1: Work towards populating the table below for all your operations.



Core Actions



Core Action 1: Populate the table annually for all your operations, regardless of what percentages you're reporting.

Core Action 2: Document the supporting evidence for each cell of the table.

Core Action 3: Make the table and all supporting evidence available for public access in a central data utility.

Extra Actions

Extra Action 1: Achieve a minimum percentage (TBD) for a particular cell (TBD).

Project Developer's Clean Cooking Carbon Credit Portfolio									
Reporting Parameters	Averages		Methodology 1			Methodology 2			...
	Historic Issuances	Forecasted Emission Reductions	All historic issuances to date	All forecasted future issuances from existing VPAs	All forecasted future issuances from new VPAs	All historic issuances to date	All forecasted future issuances from existing VPAs	All forecasted future issuances from new VPAs	...
For baseline and project emissions, the UNFCCC's value for fNRB has been applied	(Total issuances meeting this condition/ total historic issuances)	(Total ERs estimated to meet this condition/ total estimated ERs)	(x issuances meeting this condition/ total historic issuance)	(x ERs estimated to meet this condition/ total estimated ERs)	(x ERs estimated to meet this condition/ total estimated ERs)	...	...	...	...
KPTs were used to establish baseline fuel consumption	...	...	...	...	...	...	...	...	...
An emissions factor for charcoal has been used to calculate baseline emissions	...	...	...	...	...	...	...	...	...
Baselines have been updated at least every five years	...	...	...	...	...	...	...	...	...

What would the rows be?

The most important parameters should be here. We could adapt what's currently in the draft CoC for this.

Summary columns

Can this help show the meta picture, including past and future?

What should the sub-groupings be?

Can this help us to show the historic picture, but also looking ahead to future improvements?

What would the in the cells?

Each cell would contain a percentage value

What would be most useful as a grouping?

Ideas include grouping by:

- Methodology
- Project IDs
- Technology
- Country

Next Steps

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Next Steps

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

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

Action points for you

Provide feedback on the relevant CoC section 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)
- ✓ Consider engaging your network (organization or constituencies) to assist with the development of the CoC