

# Accessing Carbon Finance: Resources for New Project Developers

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# Contents

## 1. What is carbon finance?

- The financing gap
- What is the carbon market?
- How do carbon markets work?

## 2. Clean cooking carbon market pipeline

- Carbon credit issuances over time
- Distribution of project types
- Global distribution

## 3. Resources for new project developers

- Project Development Process
- Tool: Cost Benefit model
- Carbon Credit Transaction Structures
- Service Providers and Buyers
- Role of Voluntary Carbon Market
- SDG claims

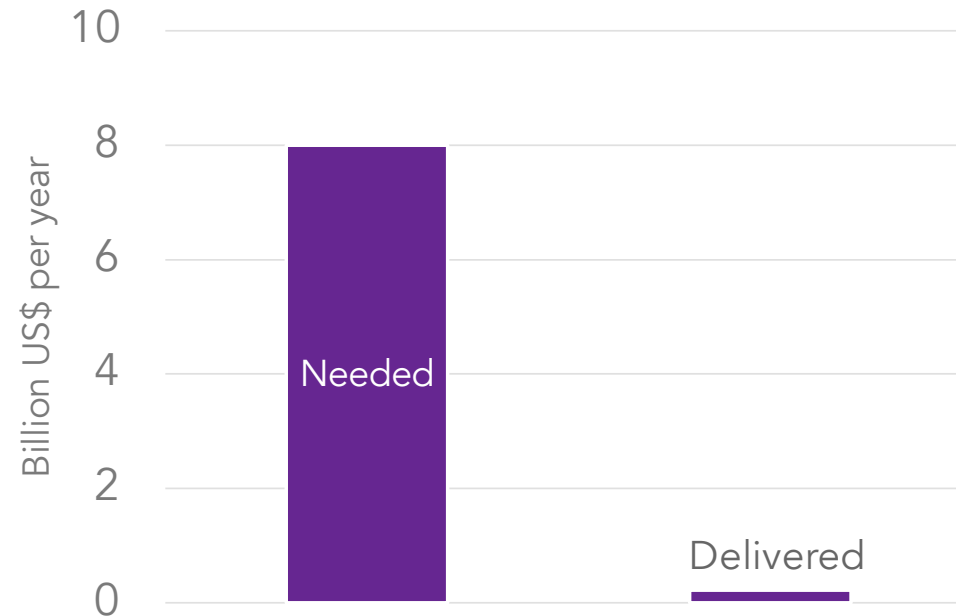


Photo credit: Christopher Lee Foto

# The financing gap



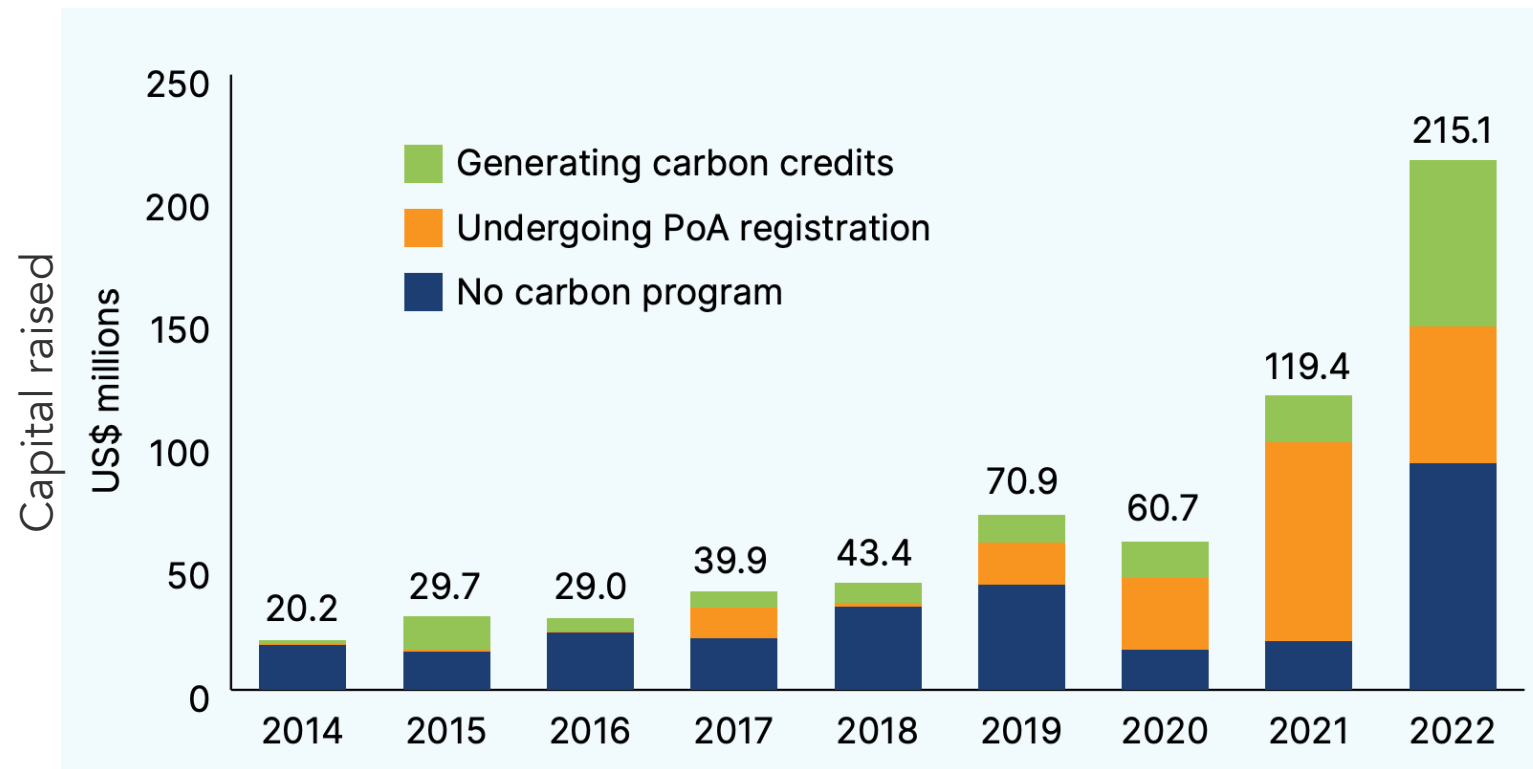
Almost half of the global population does not have access to modern energy cooking services



Source: International Energy Agency, SDG 7 Data and Projections. Access to clean cooking

**Carbon markets** can help the clean cooking industry scale up by **reducing investment risks**, **increasing affordability for the consumer**, and **facilitating faster company growth**.

# Carbon finance is a key driver for attracting investment to clean cooking



Source: Clean Cooking Alliance (2023) Industry Snapshot

# What is the carbon market?

- Mechanism for transferring finance to greenhouse gas mitigation activities in exchange for carbon credits
- Creates economic incentives for individuals, businesses, and governments to reduce their carbon emissions and invest in climate change mitigation
- Compliance vs voluntary markets



Photo credit: GAS360 (2023)

# What is the carbon market?

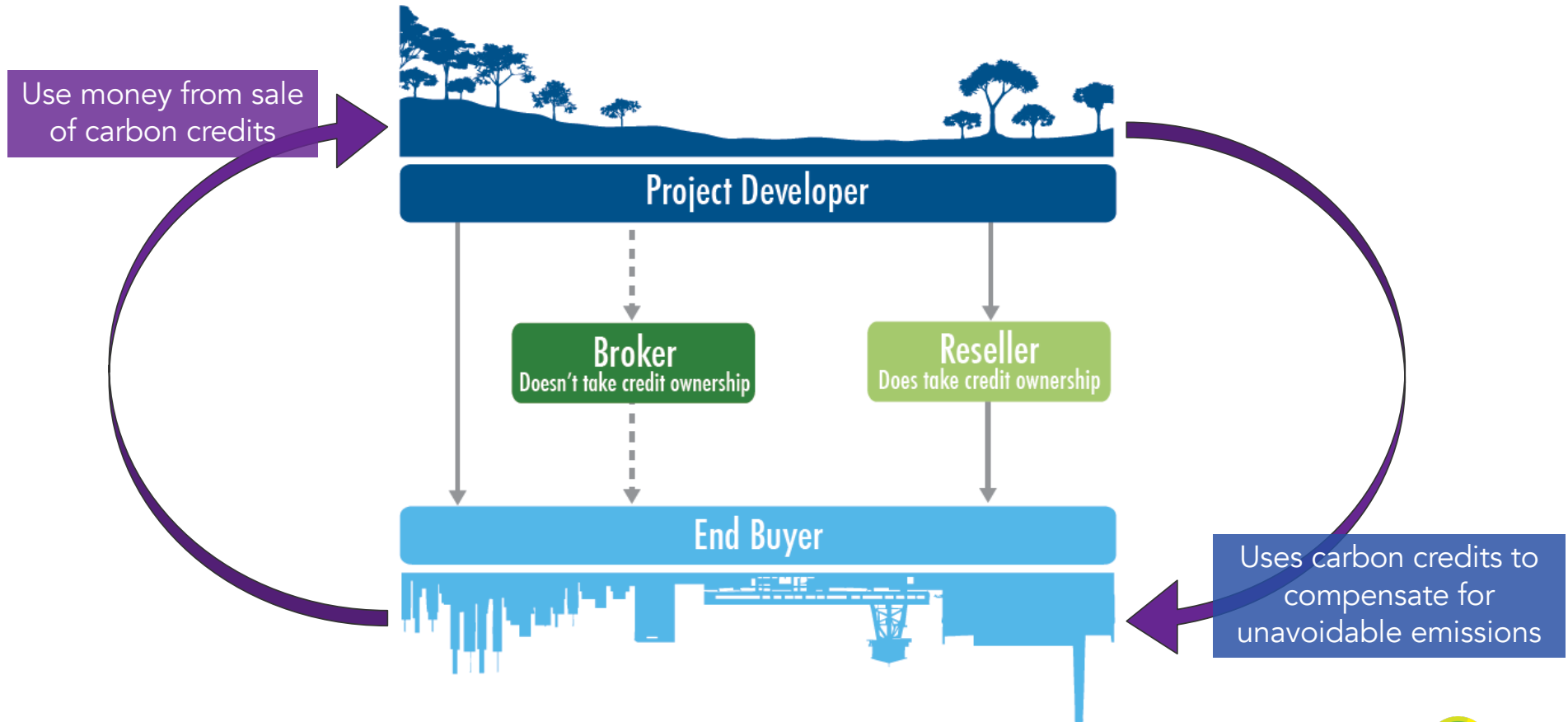
Carbon finance refers to:

- Results-based finance delivered in exchange for climate change mitigation outcomes
- (Usually) international payments channeled through voluntary or compliance carbon markets



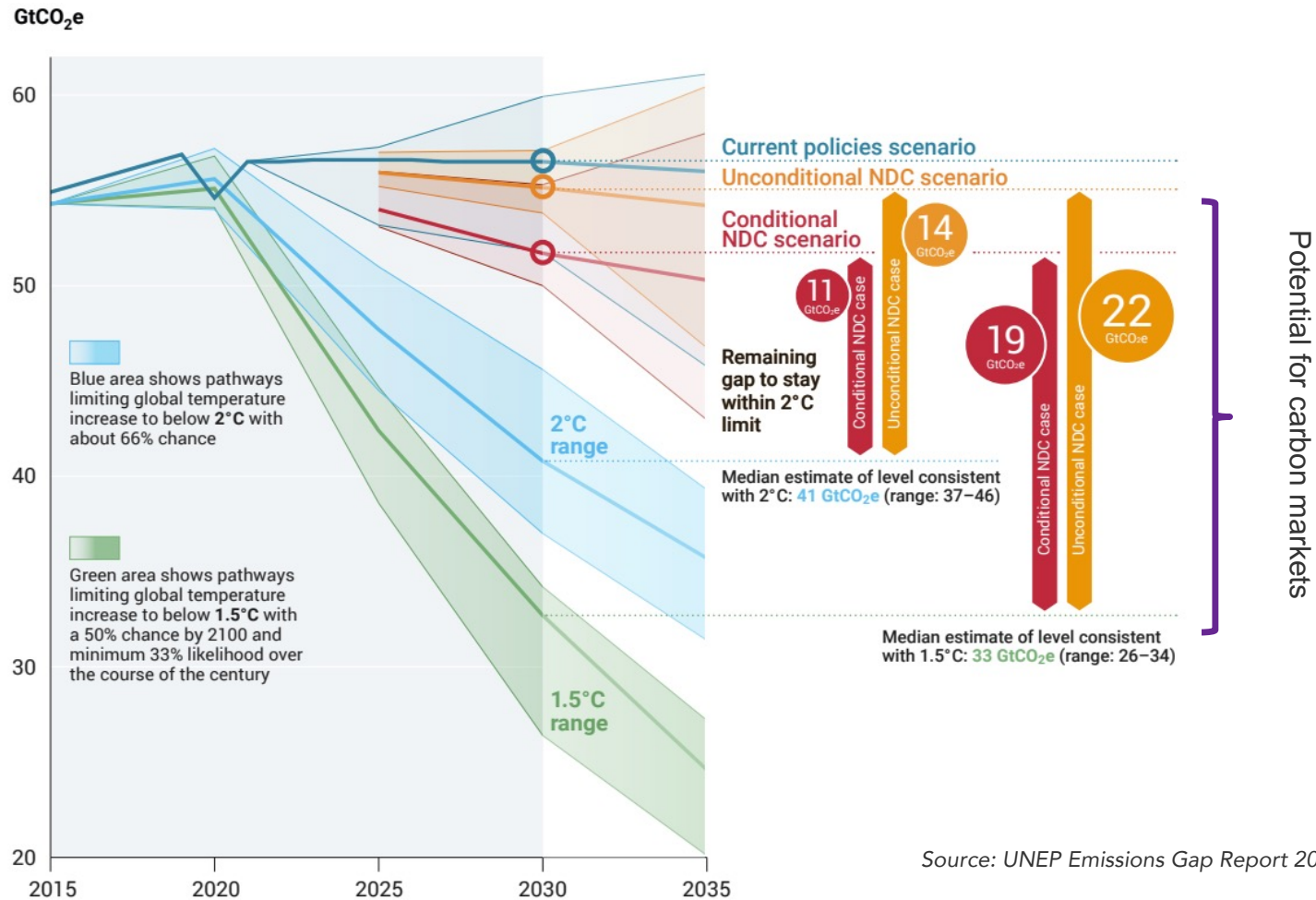
*Photo credit: GAS360 (2023)*

# How do carbon markets work?



Source: Forest Trends'Ecosystem Marketplace. State of the Voluntary Carbon Markets 2013

# Why do we need carbon markets?



Source: UNEP Emissions Gap Report 2023

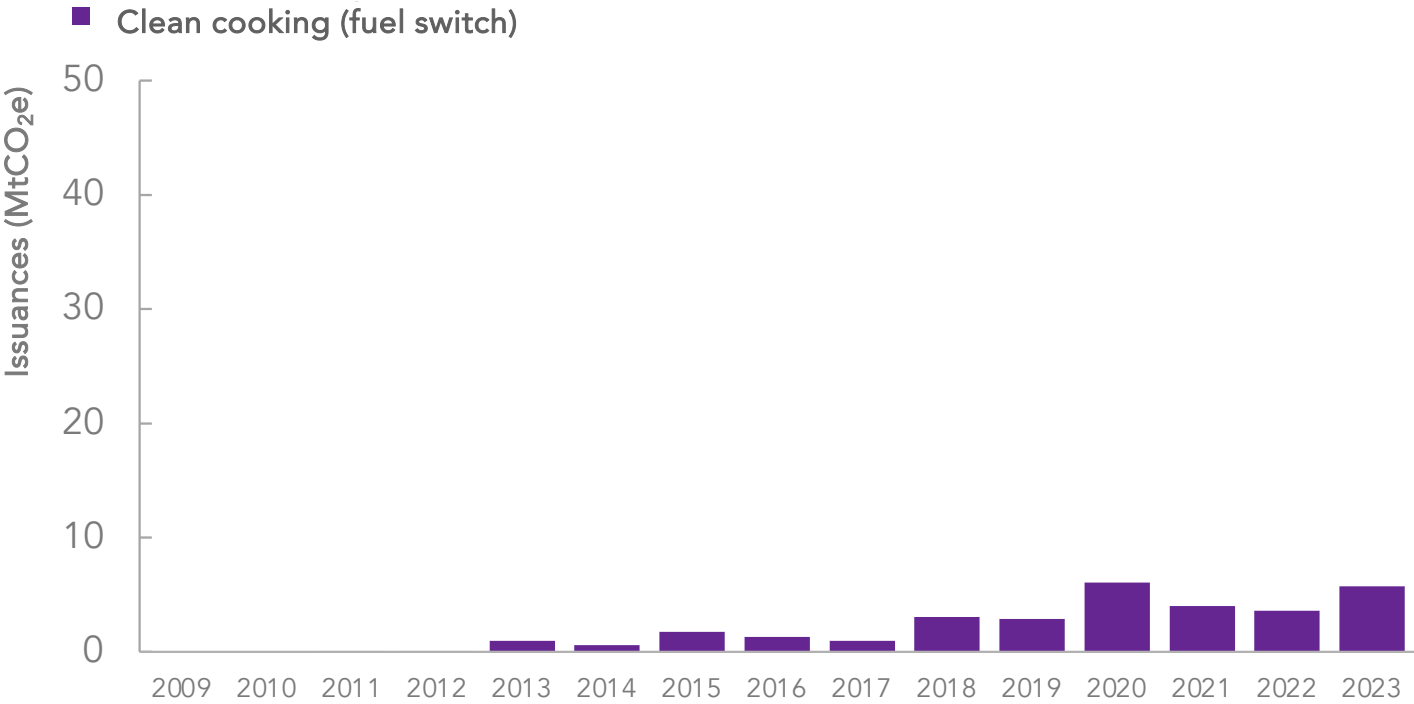


# Carbon Market Pipeline

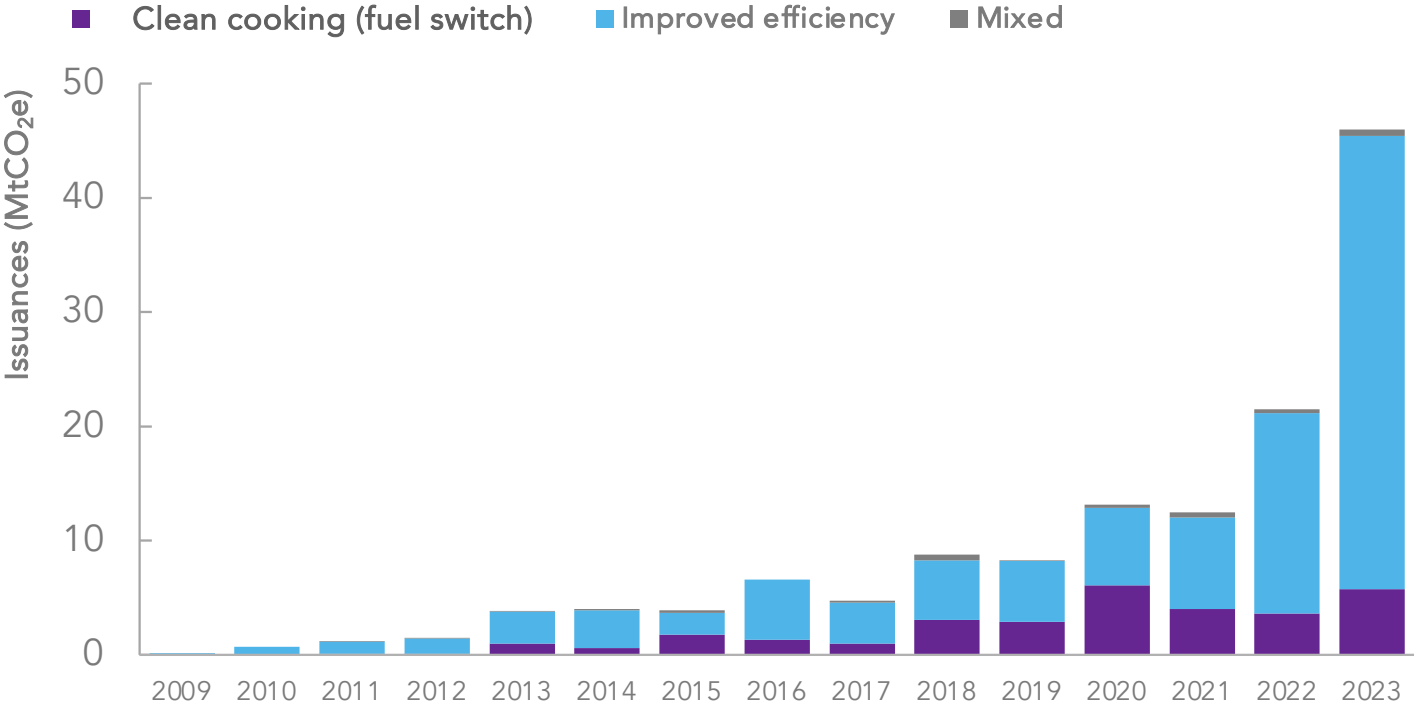


Photo credit: UpEnergy (2023) PowerUP electric pressure cooker

# Issuances from clean cooking technologies

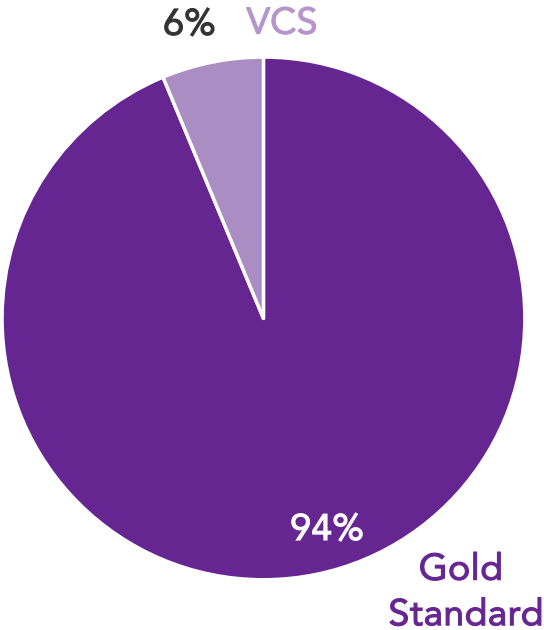


# Issuances from clean cooking + improved efficiency technologies

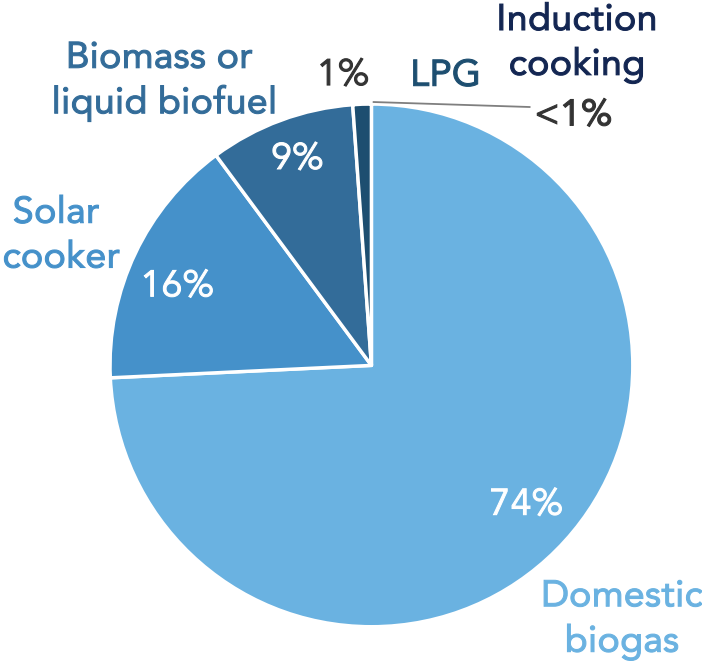


# Issuances by standard and technology (clean cooking only)

a) By carbon standard



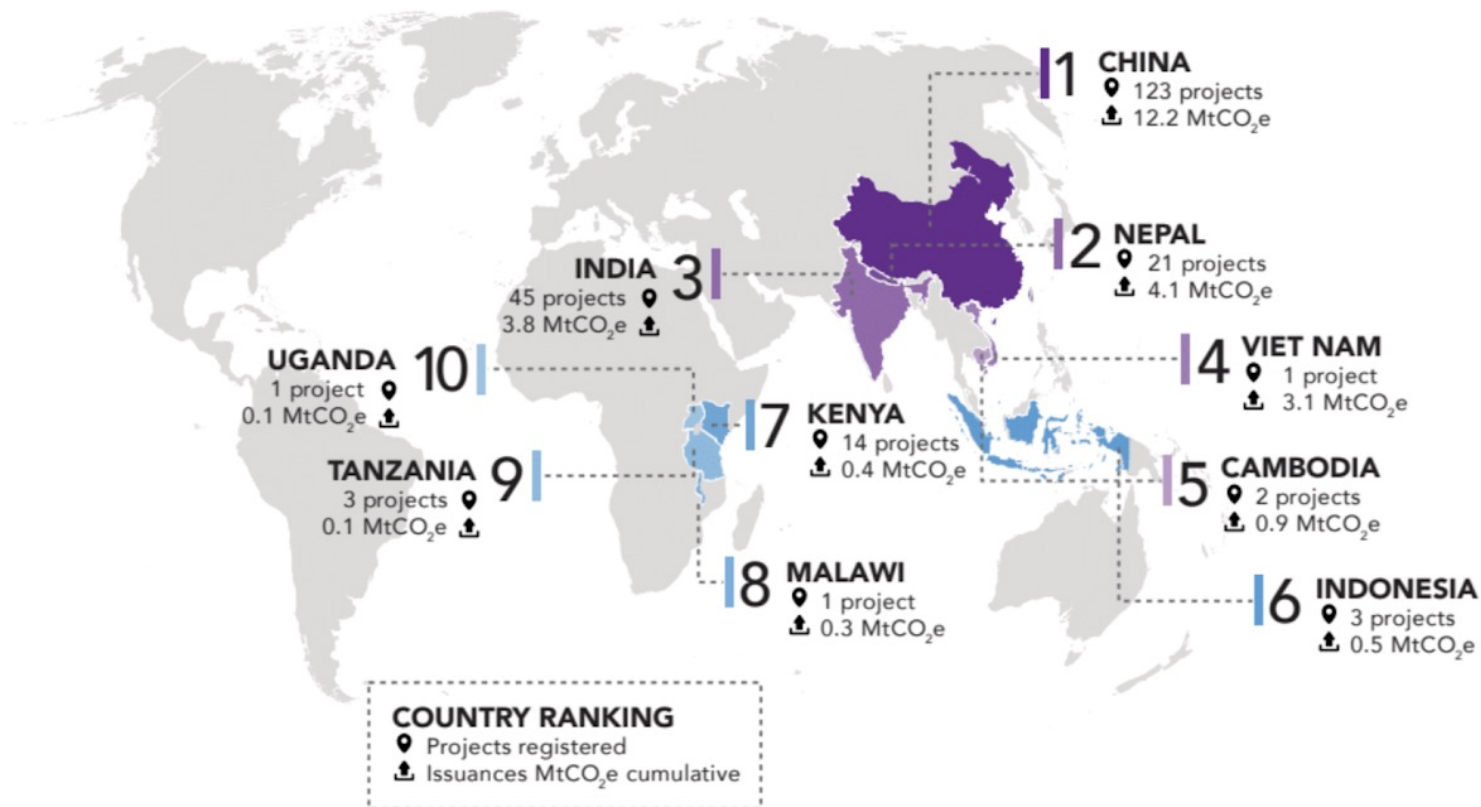
b) By technology type



Market up to January 2024



# Where are clean cooking projects located?



*Just five countries are responsible for 95% of global issuances from clean cooking (in purple).*



Where to start?

# Resources



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## Carbon Financing for Clean Cooking Projects

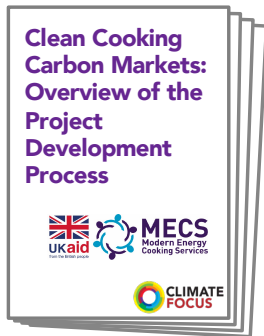
[Home](#) > [Resources](#) > [Carbon Financing for Clean Cooking Projects](#)

<https://mecs.org.uk/resources/carbon-financing-for-clean-cooking-projects/>



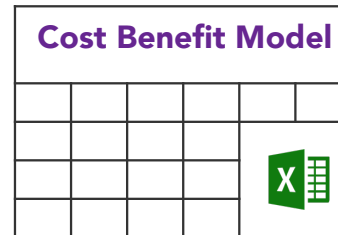
# Resources

If you are just starting to explore whether carbon financing might be suitable for your program:



## Overview of the Project Development Process

This briefing note provides a high-level overview of the carbon certification process for clean cooking projects.



## Cost Benefit Tool

This Excel-based tool helps you understand project feasibility under different scenarios.



# Cost Benefit Tool

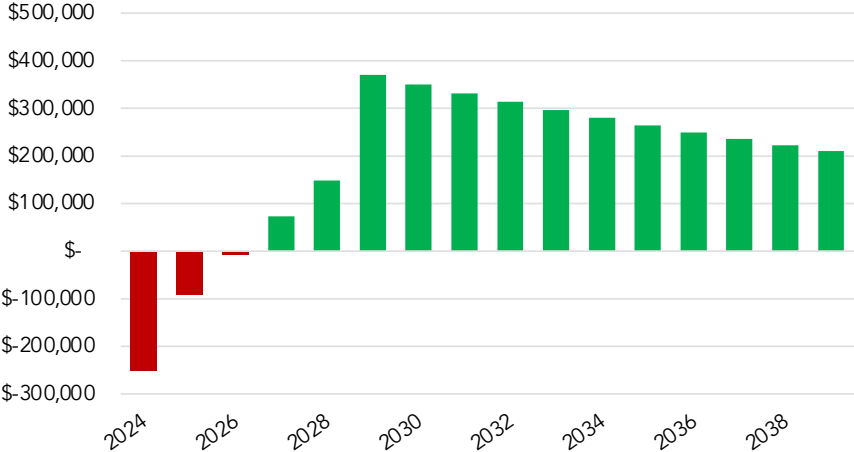
## Designed to:

- Allow you to estimate the potential carbon revenues of your project
- Allow users can add own cost model/ER calculation tabs to input into the tool
- Model different scenarios and compare these side-by-side (e.g. carbon pricing scenarios, production & distribution cost scenarios)



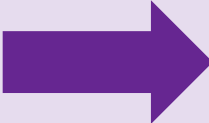
# Cost Benefit Tool

Figure 3: Cash flows Scenario 1



**What you'll need:**

- Stove implementation rates
- Emissions reductions per stove
- Operational costs

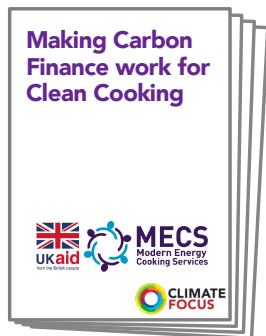


**What you'll get:**

- Cash flow estimates across project lifetime
- Return on investment

# Resources

If you are exploring how you might engage in carbon markets, and with whom:



## How different Carbon Credit Transaction Structures influence access to Carbon Finance

Provides information on how to engage with partners under different carbon credit transaction structures.

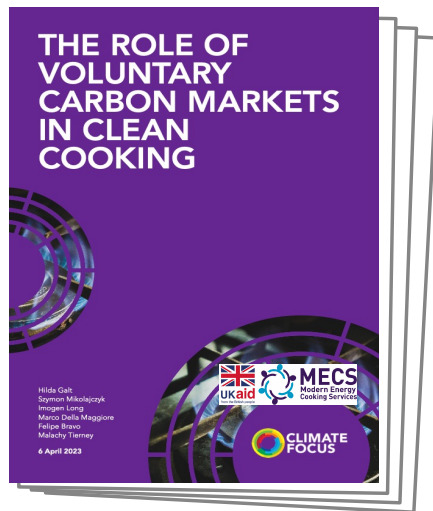


## An Overview of Service Providers and Buyers

Outlines when in the project cycle you might engage with service providers and is a reference resource to help with the identification of these. Also provides an overview of carbon credit buyers.

# Resources

If you are looking for a broader overview of clean cooking carbon markets:



## The Role of Voluntary Carbon Markets in Clean Cooking

- Overview of market trends
- Current project pipeline
- Carbon finance reaching the industry
- Potential impact of Paris Agreement (Art 6.2 and 6.4)
- Future prospects for the clean cooking sector.



How Clean Cooking Projects certified under the Gold Standard approach SDG claims  
Provides information on how clean cooking projects are proving their SDG claims.

# Resources



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<https://mecs.org.uk/resources/carbon-financing-for-clean-cooking-projects/>

