Case Study: towards double counting solutions in Peru

02 August 2018
Althelia was launched in 2014 to invest into projects that deliver financial, socio-economic and environmental returns.

Mirova (part of Natixis) acquired Althelia in 2017 as part of its plan to have €1 billion invested into natural capital in 5 years.

Ecosphere+ is a subsidiary focused on integrating environmental assets from the Althelia Climate Fund into corporates’ strategies for insetting, emissions compensation & sustainability goals.

Photo: Cordillera Azul
National Park, Peru
CORSIA’s emission unit criteria include ‘no double counting’

Risk of the same credit being sold more than once largely addressed through voluntary certification standards like Verra and linked public registries such as APX and Markit.

Risk of double claiming carbon credits at project level and what a state claims in the emissions reductions targets they set in their Nationally Determined Contributions (NDCs).

To be eligible to use in CORSIA, need to have proof that credits haven’t been double counted. Details on how this will be assessed is under discussion, with a decision anticipated by mid 2019.
Eliminating the risk of double claiming is something the REDD+ community have been working towards for some time, with a lot of progress made compared to other project types.

The national approach to REDD+ adopted under the UNFCCC does not mean that project scale activities will be phased out, very much the opposite, in order to achieve the ambitious objectives set we will need many more appropriately sized on-the-ground efforts to complement the governance and fiscal policies being enacted at state and national level.

Linking these project-scale emissions reductions to national accounting and allowing efforts to be recognised will also provide further certainty which will help unlock much-needed private sector financing & carbon pricing to keep the world’s forests standing.
The challenge comes in getting policy makers to work with the stakeholders involved in on-the-ground activities to define the role of these projects when it comes to external finance and the potential for some form of emissions trading of carbon credits.

Options to resolve double claims range from individual project developers negotiating with host governments to carbon certification bodies coming up with double counting guidelines to top-down rules being set by international institutions such as UNFCCC and the International Civil Aviation Organization.
OUR APPROACH

Working closely with our NGO partners in Peru and the Peruvian government, we aligned the emissions reductions generated by our Tambopata and Cordillera Azul projects with Peru’s national forest emission reference level. This marks a global first as no country has commenced the process to officially integrate forest carbon credits into their national REDD+ system.

Carbon credits generated at a local level by our projects between 2015 and 2018 and sold outside of the country by 2020 will be deducted from the Peruvian national inventory.

For the post-2018 emissions reductions the country will work with projects to achieve technical alignment of accounting mechanisms (i.e. full nesting).

Risk-based approach to allocate regional reference levels to specific project areas and then developing a partnership to monitor achievements on the ground.
LESSONS LEARNED

Understand host country’s NDC and accounting, e.g. the Peruvian government’s NDC proposes GHG reductions of 30% by 2030 compared to a BAU scenario with over 50% of this coming from land use, land use change and forestry.

Ensure the Government’s commitment to external financing as an integral part in achieving emissions reductions in the country, e.g. Peru’s NDC states that it will use its own efforts and investment to reach 20% below BAU emissions, but can reduce emissions an additional 10% with support.

Government commitment to projects, including that projects successfully generating emission reductions in their influence area will not be cancelled out by underperformance on the country level.
SOLUTIONS TO DOUBLE COUNTING

Why this matters
Tambopata-Bahuaja Biodiversity Reserve

Impact targets for 2021

**ECOSYSTEMS**
- 586,193 ha protected and 4,000 ha land restored to produce high value fine and aromatic cocoa.
- 1 million trees planted.

**SUSTAINABLE ENTERPRISE**
- Cocoa cooperative established. Target 100% organic & Fairtrade certified.
- 400 cocoa production jobs supported.

**INCLUSIVITY**
- 227 land titles secured to date for local farmers.

**CLIMATE**
- 4m carbon credits (tonnes CO₂)

**LIVELIHOODS**
- To date, 195 farmers are members of the cooperative supporting 780 people.
- 25% of farmers are women.

**SPECIES**
- Over 30 HCV species protected including giant river otters, spider monkeys and jaguars.

All numbers are targets for 2021 unless otherwise stated.
MILESTONE
1 million cocoa trees milestone number of trees planted.

Cocoa processing facility Built.

First cocoa harvest from the project Complete.
Thank you

Jessica Verhagen
VP Business Development & Strategy
jessica@ecosphere.plus