german cooperation
DEUTSCHE ZUSAMMENARBEIT

Co-funded by the European Union

Implemented by

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Expert Talk on Green Finance for the Cashew Sector: Mobilizing Climate Funds and Carbon Markets

Linking the smallholder's livelihoods to global climate finance

CashewTree

FarmerLink

FactoryLink

Agri-Business Facility for Africa

ComCashew

Wim Simonse

- **Agribusiness developer**, providing consulting services in value chains in Africa
- **25+ years' on-the-ground experience** in supporting farmers, farmer cooperatives and factories
- **Value chains**: cashew, vegetables
- **Innovation and technology**, link to the EU market
- Implementation: **partnerships and a local network** of service providers

Away 4 Africa

ExoLink

Services

CashewTree

Digital Solutions

FarmerLink

FactoryLink

2050 outlook : The farmer

- Climate change: degraded soils, erratic rainfall, yields
- Cashew trees: multipurpose, climate-resilient, suitable agro-ecological space
- Africa as supply basket of the world's cashews
- Who will pilot the farming? Ensure sustainable production and environmental services?

Question: Can we structure finance to protect this future?

Traceable and carbon compatible cashews

53

?

240 tCO2/yr

CashewTree

160 ha

16.000

80 Mt RCN

16 Mt kernels

1

FarmerLink

FactoryLink

Supporting Cooperatives

Supporting Factories

Market linkages

Away 4 Africa

ExoLink

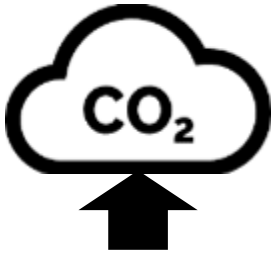
Sustainable production

Additional income

Traceability

Project “Cashew Captures Carbon”

FarmerLink



1.600 ton

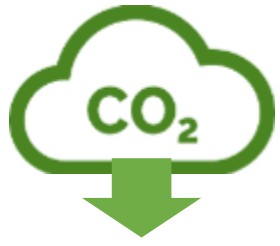
Compensating organizations

600 families in Benin have more to spend

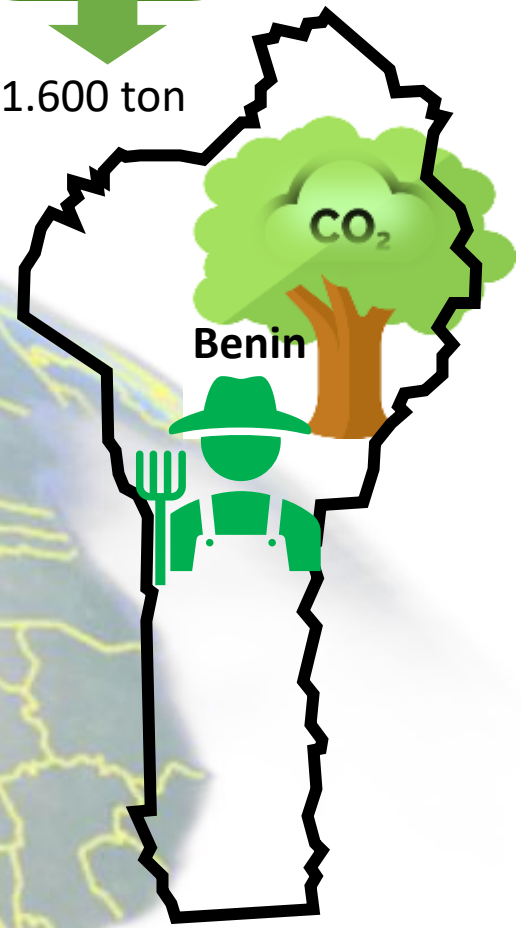
10% extra income for farmers

600 farmers in Benin improve their cashew plantations (agroforestry, biodiversity, improved yields)

120.000 trees on 1,000 ha sequestering 1,600 tons of CO_2 annually



1.600 ton



Fenapab

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The 10 Core Carbon Principles

THE INTEGRITY COUNCIL
FOR THE VOLUNTARY CARBON MARKET

GOVERNANCE

1. Effective governance
2. Tracking
3. Transparency
4. Robust independent third-party validation and verification

EMISSIONS IMPACT

5. Additionality
6. Permanence
7. Robust quantification of emission reductions and removals
8. No double counting

SUSTAINABLE DEVELOPMENT

9. Sustainable development benefits and safeguards
10. Contribution to net zero transition

Anchoring at different levels

1. Farmer level
2. Organizational level and service provision
3. National and international level

CashewTree

1. Farmer in the lead:
   - Active involvement and
   - Direct and indirect benefits for farmers and the plantations
2. Three interventions:
   - New tree planting
   - Improved plot management
   - Avoided degradation

How do we work: Project metrics

1. Results 1.1 tCO2e/ha/yr (including a 10% buffer)

No	Intervention type	Sequestration rate	Area realized	Sequestration baseline
		tCO2/ha/yr	ha	tCO2/yr
1	Avoided degradation	0,387	633	245
2	Improved plot management	0,586	735	431
3	New tree planting	1,329	102	136
	Total		**735**	**811**

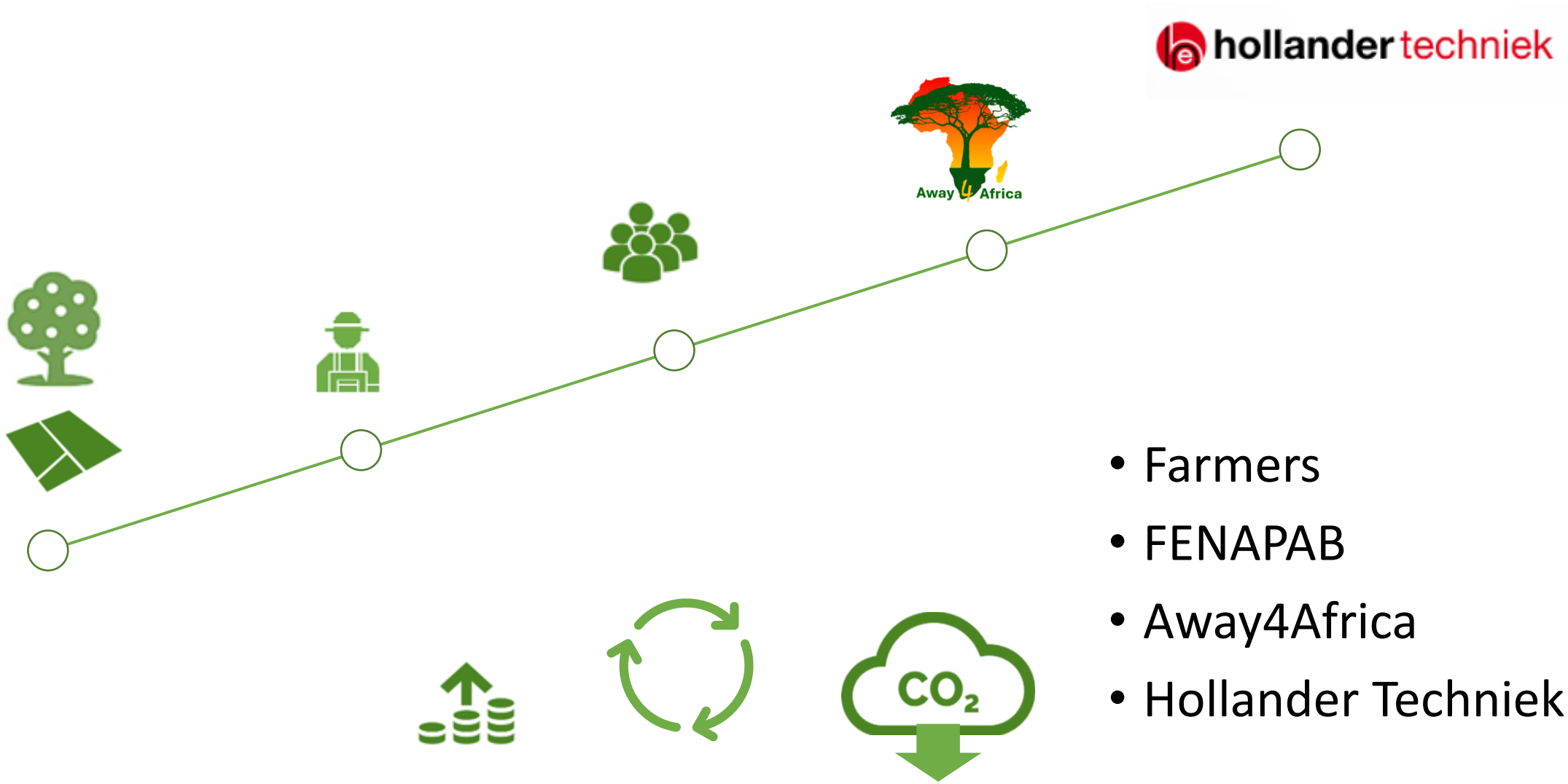
2. FarmerLink as data platform

Additionality: Investments in plantations

a. Ensure the application of good agricultural and management practices in the planting, cultivation and maintenance of **existing and new plantations and trees**:
   i. Tree inspection
   ii. Tree maintenance (pruning)
   iii. Fertilization (organic)
   iv. Protection of the plantation (fire corridors)
   v. Protection of trees (through phytosanitary measures and treatments)
   vi. Replacement of trees with new ones (or by grafting)
   vii. Prevent burning of pruned branches, but removal of wood and use or sale for renewable energy or timber

b. In addition, for **new plantations** that are created:
   i. Carbon-friendly land clearing: no burning of forests or trees to clear land for new plantations
   ii. Use of good quality planting materials and techniques for new trees and ensure a survival rate of >80%

Carbon Capture Chain



- Farmers
- FENAPAB
- Away4Africa
- Hollander Techniek

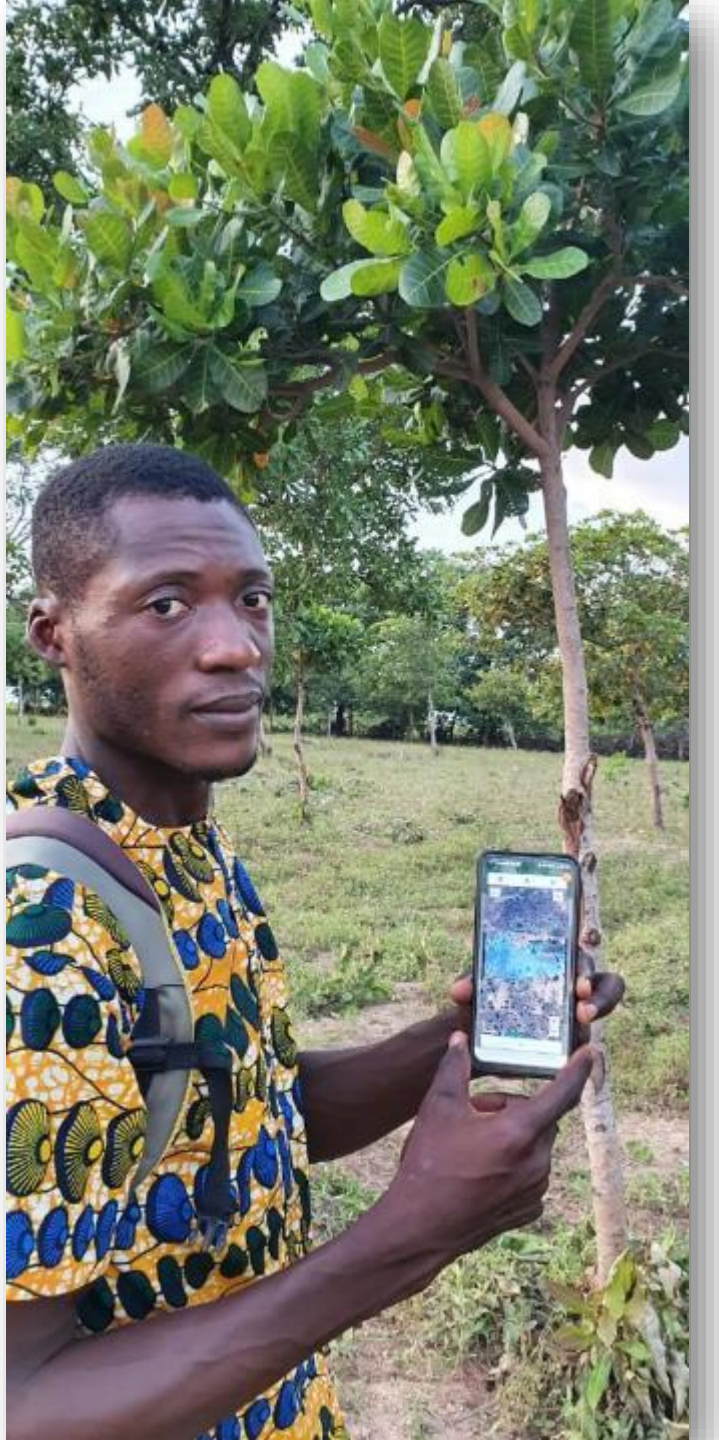
Anchored at different levels

1. Farmer level
2. Organizational level and service provision
3. National and international level

Tracking & Transparency

Data capture and sharing FarmerLink

1. Cooperatives
2. Producers
3. Plots
4. Tree measurements
5. Revenues
6. Investments
7. Biodiversity



Empirical method

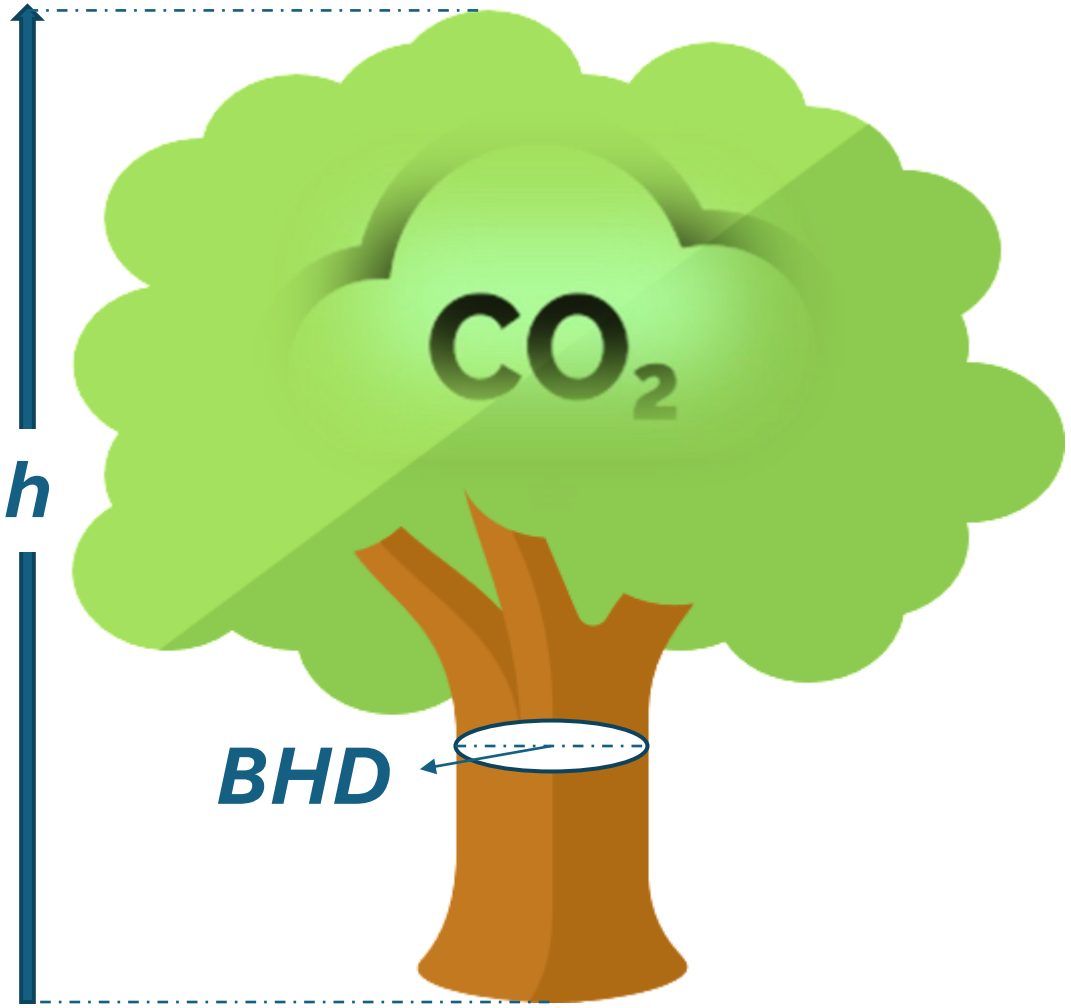
Biomass estimation

Circumference/π = *BHD (Breast Height Diameter)*

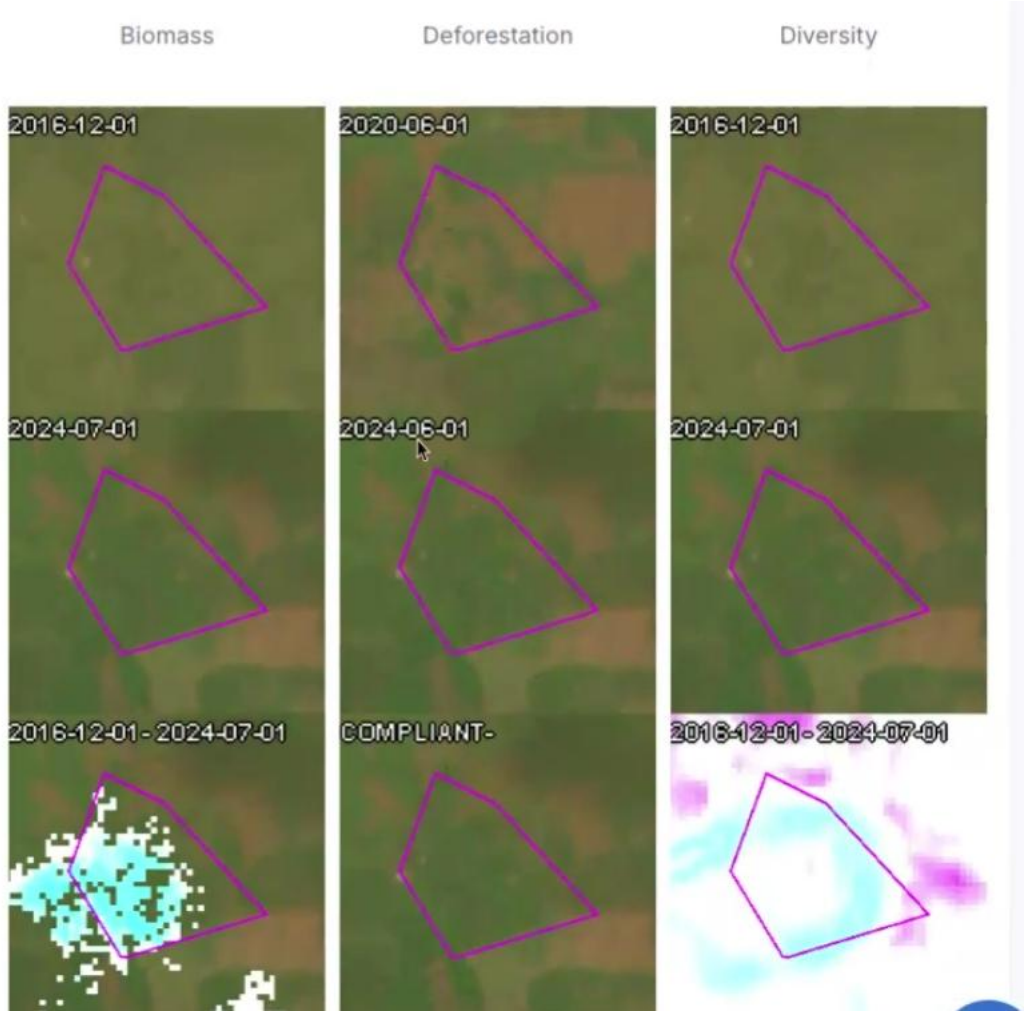
- *Diameter at breast height*
- Canopy height (h)
- *BHD x h x factor*

- Age of the tree

=> Carbon sequestration per year



Independent verification and validation



Valid Representation Statement - results 2024

epoch proba

Project Developer's Claim

- The Intervenor's intent is to claim 1240 Carbon Certificates (representing 1240 tCO2) over the period starting 01-01-2024 and ending 31-12-2024

Quality assurance

Verification of the Claim is done using the instruments and methods listed below, included in the guidelines of ISO14064-3:

- Peer-reviewed research regarding cashew tree growth
- Site inspections by remote sensing
- Site inspections of reference areas with remote sensing
- Ground-truthing of remote sensing models with partner-collected data

Certified carbon credits registered

proba

Crediting Period
Jan 1, 2021 - Dec 31, 2040

Project Period
Jan 1, 2021 - Dec 31, 2061

GHG Yield Information, Issued and Available Credits

Period	Estimated Yield (tCo2e)	Issued Credits (tCo2e)	Issued Credit IDs	Available Pre-Credits
2021	678.00	678.00	NFRY-197, NFRY-232 ... [Show More]	-
2022	761.00	761.00	NFRY-598, NFRY-684 ... [Show More]	-
2023	771.00	771.00	NFRY-1047, NFRY-1061 ... [Show More]	-
2024	1,091.51	1,240.32	NFRY-2646, NFRY-2648 ... [Show More]	-

Published registry: https://registry.proba.earth/PROBA.2023.0001

Land use management plans

Develop with the farmers and communities land use management plans to protect the environment

Carbon Credit Eligibility Procedure

1. Implementation partners and initial data collection with FarmerLink
2. Compile a Project Identification Note (PIN)
3. Alignment with the national policies and NDCs
4. Establish a baseline, scoping areas, types of reforestation, deforestation risk analysis (validation by a third party)
5. Determine carbon sequestration accounting: potential, method, growth rates (by a third-party audit)
6. Compile a Project Design Document (PDD) and external audit
7. Approval by the certification body to issue **certified carbon credits**

Capturing carbon with us

- **High integrity Certified** carbon credits
- Based on the **Gold Standard**, ISO 14064 GHG protocol
- **First** Certified carbon credits through cashew in Africa
- Embedded in **value chain development**
- **Transparency** and **connection** through
- **Low** overhead costs
- High potential for **extension** and **upscaling**

FarmerLink

Anchored at different levels

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Who are the buyers of carbon credits?

Insetting / Off-setting:

- Corporations with having an exceeding carbon emissions on their carbon balance
- Organizations with sustainability or CSR commitments

Legal and commercial considerations for EU:

- CSDDD (Corporate Sustainability Due Diligence Directive) - not directly regulate carbon credits, it incentivizes the use of traceable and climate-positive value chains
- SBTi (Science-Based Targets initiative) – removal-based carbon credits
- EU ETS (Emissions Trading System) - creates indirect demand

Traceable and carbon compatible cashews

53

?

240 tCO2/yr

Carbon offsetting / insetting partners:
- *Investing in (financing) the cashew value chain*
- *Optimizing and extending sustainable production*
- *Increasing performance of services*

160 ha

16.000

80 Mt RCN

16 Mt kernels

1

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Carbon finance in African cashew

2025		
Number of farmers	2,5	M
RCN produced	2,5	M Mt
Yield	500	kg/ha
Area	5	M ha
Revenues RCN sales	**2.000**	**M USD**
Carbon yield	1	tCO2/ha/yr
Carbon yield	5	M tCO2/yr
Sequestration service	20	USD/ha
Revenues from carbon	**100**	**M USD**
Extra revenues-%	5,0%	
Farmers business and resilience		
Revenue per farmer	800	USD/yr
Revenues from carbon	40	USD/yr

Investments in productive and sustainable plantations

2050		
Number of farmers	2,5	M
RCN produced	3,75	M Mt
Yield	750	kg/ha
Area	5	M ha
Revenues RCN sales	**3.000**	**M USD**
Carbon yield	1	tCO2/ha/yr
Carbon yield	5	M tCO2/yr
Sequestration service	20	USD/ha
Revenues from carbon	**100**	**M USD**
Extra revenues-%	3,3%	
Revenue per farmer	1.200	USD/yr
Revenues from carbon	40	USD/yr

Carbon finance for Traceable and carbon compatible cashews

CashewTree

FarmerLink

FactoryLink

- ✓ Farmer in the lead
- ✓ Certified carbon credits
- ✓ Investments in productive and sustainable plantations
- ✓ Empowering farmers
- ✓ Processing with performance
- ✓ Connecting actors in supply chains