Step 4 | Support action

Climate Contribution Hub

Climate Responsibility Approach

Defining your preferences for contribution projects

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Defining your preferences for contribution projects

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We recommend that your organisation spend the contribution budget raised in Step 3 to support climate action beyond its value chain. Channelling the money through climate contributions enables support for a wide range of projects that strengthen climate action in many parts of the world, with a particular focus on the Global South. To make a meaningful impact, your organisation should make an informed decision about the channelling option it chooses and the projects it supports. It is also important to develop strong safeguards and practices to ensure projects deliver positive outcomes without adverse effects.

The guidance below outlines three key steps to help organisations make an informed decision about which projects to support:

* Align your preferences with global objectives;
* Select your preferred types of projects;
* Prioritise projects in Global South countries.

At the end of the document, we elaborate on the risks and opportunities for each type of projects.

Aligning your preferences with global objectives

The first step consists in identifying which of the following global objectives your organisation aims to support:

* **Contributing to the global objectives of the Paris Agreement.** The contribution budget should be used to support mitigation efforts to maintain global warming under 2°C and pursue efforts to limit the temperature increase to 1.5°C compared to pre-industrial levels. It is also crucial to strengthen the capacity for adaptation to the changing climate and to align financial flows with low-emission, climate-resilient development pathways.
* **Achieving Sustainable Development Goals.** The contribution budget should be used to fulfil the goals of the Agenda 2030 to connect climate benefits with social, economic and other environmental objectives.
* **Helping the most vulnerable populations.** The contribution budget should be used to close the gap in international climate finance and support the most vulnerable populations. Projects should be implemented in the Global South as a priority and pay special attention to the most vulnerable groups of populations including women, Indigenous groups and ethnic minorities (See below).
* **Support to local stakeholders to meet local priorities.** The contribution budget should be channelled directly to local organisations, in support of local priorities. Projects minimise the involvement of multiple layers of Global North-based intermediaries – such as consultants, certifying bodies, and standard organisations – to ensure efficient and effective use of resources.
* **Focus on underfinanced sectors and projects.** The contribution budget should be earmarked to sectors with the greatest need for funding to ensure maximum *additionality* of the funds spent.

These principles will serve as the basis to monitor, report, and verify (MRV) the impact of your contribution projects.

Additionality
In the context of the Paris Agreement, a project is "additional" when it is sufficiently ambitious to avoid presenting any conflict with the host country's own ambition.

Selecting your preferred types of projects

The second step is about selecting your preferred types of projects. Climate contributions can cover a wider pool of critical activities than those suitable to carbon crediting mechanisms. Indeed, the projects funded are not required to produce quantifiable mitigation outcomes or confer ownership of those outcomes to the organisation funding the project. This broader set of activities may include projects where emission reductions are difficult to quantify, where there is a risk of non-permanence (i.e. land and forest projects), or where emerging technologies are challenging to scale.

We classify five categories of activities your organisation can prioritise:

* **Mitigation.** Activities reducing the amount of greenhouse gases emitted in the atmosphere compared to previous practices, defined as the *"high-hanging fruits of mitigation"*.
* **Biodiversity.** Activities intended to prevent the destruction of ecosystems and conserving and restoring natural carbon sinks.
* **Research and development (R&D).** Activities that support fundamental research in climate science and showcase technologies that can mature through their uptake into more commercially viable investment opportunities.
* **Advocacy.** Activities designed to influence decision-makers or advocate on behalf of vulnerable groups to drive transformative change in support of climate goals.
* **Climate adaptation.** Activities aimed at helping human systems adapt to current or expected climate conditions, in order to reduce harm or take advantage of potential benefits.

Selecting one or more project categories can be challenging, as each involves distinct trade-offs and risks. It is essential for your organisation to effectively identify and manage these risks, and to distinguish well-designed projects from those of lower quality.

High-hanging fruits of mitigation
Technologies and measures to decarbonise emission sources that remain otherwise entirely inaccessible to host country governments in the near- and medium-term future, on account of extraordinary costs or other barriers that cannot reasonably be overcome.

Prioritising climate contribution projects in Global South countries

We recommend that climate contributions be targeted in priority towards the needs of the most vulnerable populations in the Global South. This would ensure maximum additionality of the funds spent. Projects in the Global North can be considered as an exception but require doubling down attention to quality criteria and additionality.

Projects in the Global South can contribute more efficiently to closing the existing finance gap due in part to lower implementation costs (Wuppertal Institute and Foundation Development and Climate Alliance, 2024). Projects in the Global South are usually also better positioned to meet additionality and sustainable development requirements as the need for support is greater but there are comparatively lower financial capacities and more structural difficulties in financing and implementing activities. This is especially true for activities with a direct impact. Climate contributions present an equitable and transparent approach to mobilising funds for the Global South, encouraging investment in projects that voluntary carbon markets are unable to fund, such as those with high upfront costs or technological barriers.

Using climate contributions in the Global North can be funded under certain conditions. In recent years, there has been growing distrust among citizens toward top-down fiscal and regulatory climate policies, sparking crises such as the so-called 'Yellow Vests' in France, the anti-gas boiler ban movement in Germany and farmers protests across Europe. These crises revealed that one-size-fits-all policies cannot overcome territorial and socio-economical inequalities, calling for enhanced justice and equity in driving low-carbon transition. In response, governments sparked massive cuts in climate-related spending in Europe and in the United States and a global pushback against environmental norms.

In this context, supporting locally led action in the Global North through climate contributions can positively affect the perception and equity of climate action. However, it remains the responsibility of high-income countries to provide adequate fundings to support the economy-wide emissions reduction targets included in their NDCs and national policies. Therefore, if your organisation channels its contribution to Global North countries, it should guarantee that its money is truly additional to national level fundings.

Evaluating risks and opportunities for each type of projects

Each type of projects comes with its own risks and opportunities, which your organisation should assess against a set of core considerations, as outlined below.

Core considerations on mitigation projects

Types of activities

Contributions to mitigation projects should be restricted to the "high-hanging fruits" of climate action. These refer to the technologies and practices to decarbonise emission sources that remain otherwise entirely inaccessible to host country governments in the near- and medium-term future, on account of limited maturity, extraordinary costs or other barriers that cannot reasonably be overcome (NewClimate Institute, 2023). As such, they actively contribute to the mitigation targets of the Paris Agreement (Principle 1) and reduce the gap to underfinanced sectors (Principle 5).

In the simplest terms, the accessibility of a mitigation project depends on its **technology readiness** and **cost** in a particular local context. These criteria result in spectrum containing high- and low-hanging fruit projects (Figure 1).

The most expensive and least mature technologies represent the **high-hanging fruits** for which it is likely that projects are inaccessible without external support. The lowest cost and most mature technologies represent the **low hanging fruits** for which the additionality of project support would be contentious. Many technologies and measures fall into the **grey area**, in which the accessibility of measures may not be objectively categorised.

The identification of high-hanging fruit projects is highly challenging. A pipeline of projects is not yet available and will require interventions to develop. Projects can be identified as high-hanging fruits on account of their extraordinarily high costs, or if they introduce truly first-of-kind technologies and must be compatible with net-zero emission technologies and transitions.

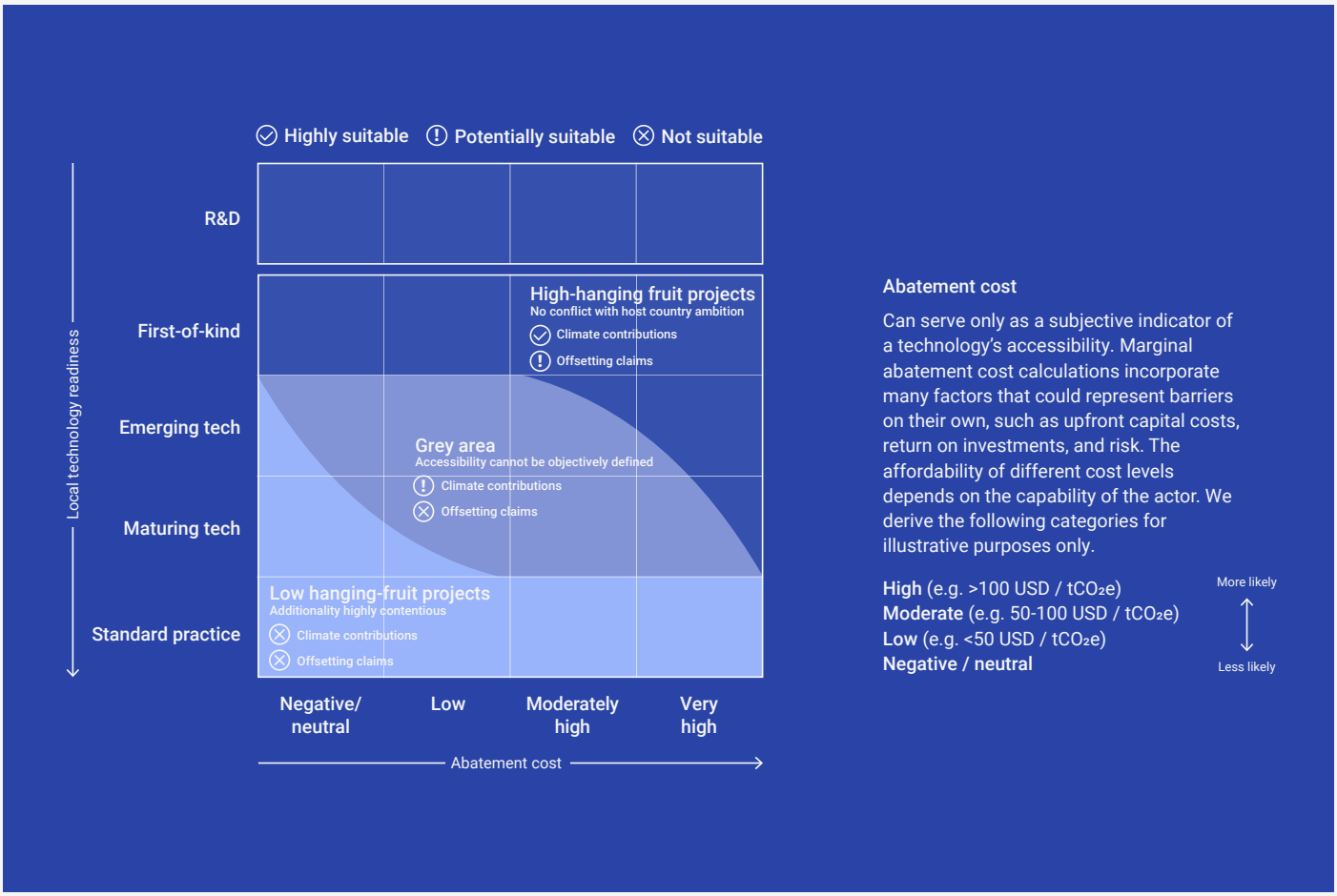

FIG 1: Spectrum of mitigation project inaccessibility
Source: NewClimate Institute, 2023

Marginal Abatement Cost
The estimated cost of a mitigation measure to reduce one marginal ton of CO2 emissions. It is used to measure the cost-effectiveness of a technology or a policy.

Trade-offs and risks

* **Target the right geographical level.** Established technologies in some parts of the world may be considered first-of-their-kind in other regions. To avoid creating perverse incentives that delay technology uptake by rewarding certain countries or regions, technology accessibility should be assessed at subregional or neighbouring country level.
* **Estimate the *marginal abatement costs*.** An investment analysis can indicate a marginal abatement cost for the activity. This quantitative indicator could be used to assess whether the cost is beyond the reasonable reach of host country governments in the medium term.
* **Set-up a conservative baseline.** Overestimating the impact of your project can be misleading and undermine the integrity of the climate contribution. A conservative, counterfactual baseline scenario will bring credibility to your approach when attributing impact to your project.

* **Determine a green list of technologies.** The accessibility of a technology could be assessed against a list of emerging, immature and expensive technologies and practices, that can be reasonably assumed to be inaccessible to most host country governments in the medium-term future. E.g. the International Energy Agency provides a classification of Technology Readiness Levels (International Energy Agency, 2022).
* **Quantify impacts.** Mitigation projects must be supported by quantifiable measure of their impact on emission reductions. These can be expressed in metric tons of CO_2, or using complementary proxy indicators such as the amount of electricity consumed, rates of efficiency, etc.
* **Align the project with a realistic timescale.** Mitigation projects may vary from short to long-term timescale, according to the nature of the intervention or the type of technology.

→ Find out more about the high-hanging fruits of mitigation in NewClimate Institute's Shifting Voluntary Climate Finance towards the High-hanging fruits of Climate Mitigation (2023).

Core considerations on biodiversity projects

Biodiversity projects support the goals of the Paris Agreement when they help to enhance and preserve the Earth's capacity to absorb GHG generated by human activities. Biodiversity projects protect life under water (SDG 14) and life on land (SDG 15) and deliver significant co-benefits for human health and economic prosperity. When chosen carefully, these projects can directly benefit local communities, e.g. through partnering with indigenous knowledge, training of local communities, or result-based payments. As the gap between current biodiversity funding and future needs continues to widen, efforts to protect biodiversity remains significantly underfunded (BloombergNEF, 2024; UNEP, 2023).

Types of activities

There is a clear typology of actions to protect natural ecosystems:

* **Avoided deforestation.** Activities reducing deforestation, based on a range of strategies such as improved monitoring, law enforcement and promotion of sustainable land-use practices.

* **Improved forest management.** Activities increasing above and below-ground carbon stocks, including by reducing timber harvest levels, extending timber harvest rotations, designating reserves, reduced impact logging, enrichment planting and stand irrigation or fertilisation.
* **Afforestation or restoration.** Activities to plant trees in an area with no recent forest cover (afforestation) to restore the forest cover of degrades or deforested lands (reforestation).
* **Blue carbon projects.** Activities to protect and restore coastal ecosystems such as mangroves, tidal marshes, seagrass meadows, such as rewetting or coastal revegetation.

Trade-offs and risks

* **Manage impacts over Indigenous Peoples and local communities.** Land-based natural carbon removal projects must respect the rights of Indigenous Peoples and local communities over their lands, territories and resources. Many offsetting projects perpetuate forms of "green grabbing" (IISD, 2024; Robert Bosch Shtiftung and TMG Research, 2025), "carbon colonialism" (Financial Times, 2025; Redvers et al., 2025; Lyons and Westboy, 2014) or "fortress conservation" isolating local populations from their natural environment. Conversely, community-based conservation projects deliver greater environmental and economic outcomes (Fariss et al., 2023).
* **Monitor non-durability.** Natural and human-induced disturbances (e.g. fires, logging, dead biomass degradation) can limit the durability of natural carbon sinks. This creates a risk of releasing stored carbon back in the atmosphere that vary according to the location and that must be closely monitor.
* **Prevent leakage and indirect land-use change.** By reducing human activities (e.g. farming, fishing, hunting, wood harvesting) in a given land space, conservation and restoration actions may inadvertently incentivise the expansion of harmful production by other actors, sometimes after a delay, and even in other countries (Balmford et al., 2025). To avoid these risks of leakage, and assure net biodiversity and carbon gains, priority should be given to high-biodiversity hotspots, or to places where few foods or wood production occurs, or by increasing yields near the protected area.
* **Pledge long-term financial support.** Biodiversity projects are a long-term involvement because restoring ecosystems takes time.

Core considerations on research and development projects

Research and development are essential to explore new technologies and approaches to mitigate or adapt to climate change, even if, in certain instances, their success may be limited. Climate contributions can help bridge investment gaps in high-risk climate mitigation R&D initiatives, enabling a deeper understanding of their potential and showcasing technologies that, through increased adoption, can evolve into commercially viable investment opportunities.

Types of activities

R&D actions eligible for climate contributions can be vast and diversified, if there is a strong link with climate mitigation or adaptation. These activities should focus on the continued research, testing and refinement of climate actions to evaluate their effectiveness.

* **Research projects.** Activities supporting research efforts to enhance the scientific knowledge on climate change as a physical phenomenon, but also the understanding of social, economic and political enablers and barriers to climate action, as well as the exploration of technological options for mitigation and adaptation (e.g. funding research to better understand the pace of methane releases due to the melting of the permafrost).
* **Pilot projects.** Activities which aim at piloting established technologies in a context where they are not accessible (e.g. piloting the use of heat pumps in extremely cold climates, or innovative cooling systems in cities exposed to increasingly prolonged heat waves).

Trade-offs and risks

* **Monitor overlaps with your own R&D efforts.** Ideally, R&D projects should not overlap with the organisation's own R&D. That ensures maximal additionality compared to business-as-usual R&D efforts. If your organisation prefers channelling its funds to R&D with impacts on their value chain because, for instance, of its own experience and fields of expertise, it should maximise the additionality of its contribution by exploring breakthrough technologies rather than incremental innovation.
* **Avoid the commercial/ industrial stage.** Even though some R&D efforts may eventually result into commercial or industrial applications, profiting private entities, R&D activities eligible for climate contributions should not draw any profit from the results of their actions.

* **Align the project with a realistic timescale.** Research and development projects may vary in timescale as they can consist in very punctual support, multi-year programmes or regular support to ongoing R&D efforts.

Core considerations on advocacy activities

This category addresses actions that contribute to raise awareness of the public, influence decision making processes or support civil society campaigns in favour of climate action. Advocacy activities can also align with SDGs. For example, shifting away from meat-based diets can reduce risks of cardiovascular disease (SDG 3) and reduce pressure on lands (SDG 15). Advocacy projects support the most vulnerable populations when they contribute to socio-economic, gender, racial or intergenerational climate justice.

Types of activities

* **Shift behaviours.** Activities aimed at transformative changes in the consumption choices of individuals, the social norms, the values or the policies that influence behaviours (e.g. promoting dietary shifts through the development of protein-based meat alternatives can significantly reduce emissions from the food system).
* **Promote awareness campaigns.** Activities aimed at improving knowledge and raising awareness among the public and decision-makers about the social, economic or environmental challenges posed directly or indirectly by climate change and other human-induced pressures on ecosystems (e.g. providing support to NGOs dedicated to the conservation of protected marine areas).
* **Support NGOs.** Activities carried out by NGOs specialised in engaging with policymakers, e.g. through organising mass mobilisation, writing analysis, or engaging in international negotiations (e.g. supporting organisations representing Indigenous peoples, women, small rural communities in vulnerable countries; funding Global South youth representatives to attend international climate conferences).

Trade-offs and risks

* **Demonstrate the financial additionality.** It is crucial to demonstrate the additionality of the fundings to advocacy activities. Your organisation should clearly explain how its climate contributions were necessary to realise the specific advocacy activities.
* **Target large-scale impact.** Advocacy actions should focus on the most impactful collective and corporate levers (avoiding flying, changing diets, calling for ambitious climate policy…) rather than incremental actions with limited transformational potential.
* **Check engagements with other groups.** Your organisation should make sure that its engagement with other professional, sectorial or interest groups is in line with its strategy on climate contributions.
* **Align the project with a realistic timescale.** The timescale of advocacy projects is variable, from one-off operations to long-term campaigns, and it is challenging to demonstrate direct impacts. Regardless of the timescale, impacts and effects of advocacy projects may only be observed after a long time.

Core consideration on adaptation projects

Adaptation projects directly contribute to the Article 7 of the Paris Agreement by "enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change". They also directly contribute to SDG 13 target 1 on adaptation and resilience and can carry many co-benefits for other SDGs. Adaptation projects can enhance the adaptive capacity of the populations which, because of social exclusion, weak governance, conflicts, are the most vulnerable to climate change. By nature, these projects should be designed for and with local populations. Transformational adaptation suffers a huge finance and implementation gap compared to mitigation and other no-regret, reactive and incremental adaptation measures (UNEP, 2024).

Types of activities

* **Institutional projects.** Activities aiming at creating or modifying policies, managing and planning action or supporting institutional arrangements like networks of stakeholders or coordination of decision makers (e.g. funding the vulnerability and risk assessment of a region, supporting platforms sharing good practices or networks of local governments cooperating on adaptation).

* **Technical projects.** Activities aiming at creating, rehabilitating or replacing infrastructures, or developing, implementing or mainstreaming a technology to support adaptation (e.g. early warning systems, renovating buildings).
* **Knowledge projects.** Activities aiming at building capacity through training, identification and sharing of good practices (e.g. training farmers to agroecological practices adapted to changing climate, or introducing new varieties of plants adapted to changing climate).

Trade-offs and risks

* **Design your adaptation portfolio at local or regional level.** Adaptation interventions should be tailored to the local context – there is no one-size-fits-all intervention. Ideally, the region or the city must be covered by a recent vulnerability study, based on a warming scenario, to ensure that the project meets the needs of local communities.
* **Anticipate future climate risks.** The relevance and efficiency of an adaptation intervention adopted at the beginning of a project may be impaired by future changing climate conditions – eventually calling for strategy shifts in the long-run. Therefore, an adaptation portfolio requires flexibility and capacity to anticipate unplanned events.
* **Deal with low short-term impact.** The impact of "soft adaptation" measures (institutional and knowledge projects) may appear less tangible than "hard adaptation" measures (technical). Therefore, it can be difficult to find strong impact indicators to communicate in the short-term.
* **Avoid maladaptation.** Not all adaptation measures are equally efficient. Poorly designed adaptation intervention can even create adverse effects that were not foreseen. Such interventions are called "maladaptation" by the IPCC, which it described as "increased risk of adverse climate-related outcomes, including via increased vulnerability to climate change, diminished welfare, or increased greenhouse gas (GHG) emissions, now or in the future" (IPCC, AR6 WGIII, Glossary).
* **Pledge long-term financial support.** Only long-term planning and durable action, sometimes over decades, can really strengthen a system's adaptive capacity. They require a systemic understanding of the vulnerabilities of a system (natural, social, economic).

The Climate Contribution Hub is set up by NewClimate Institute with initial support from the Allianz Foundation. This website aims at providing step-by-step guidance to help businesses and civil society organisations (e.g. NGOs, foundations, trade-unions) measuring and reducing their greenhouse gas emissions and setting up a climate contribution to take responsibility for their ongoing emissions.

www.climateresponsibility.org

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