ClieNFarms
Climate Neutral Farms

ClieNFarms Scaling Toolbox

Typologies, Criteria and Mechanisms to Obtain Sustainable Finance

Finance

This tool is a list of relevant measures, funding opportunities and rewarding mechanisms which are relevant to fuel projects and activities to scale carbon farming and other sustainable farming practices in Europe.

Purpose

This tool contains a list of criteria and mechanisms to help organizations and projects assess their impact and progress toward sustainability goals in each of the specified emission criteria typologies. Keep in mind that the specific metrics chosen may vary based on industry, location, and project objectives.

Expected outcomes of applying the tool

This tool is meant to help you get an overview of the diverse types of criteria your project or work ticks off and the measures my which you can report on them.

Suggested follow up steps

Once you have identified the types of emission criteria you meet with your project, you can investigate relevant funding mechanisms that are linked to the type of reductions that your project implements.

The tool provides a list of Typologies for Emission Criteria:

Carbon Emissions: Reduction or limitation of carbon dioxide (CO_2) emissions is a key criterion. This may involve setting targets to lower greenhouse gas emissions associated with production or operations.
Carbon emissions are measured in the following metrics:
Total CO2 emissions (in metric tons or equivalent units).
Carbon intensity (CO2 emissions per unit of production or output).
Reduction in CO2 emissions compared to baseline.
Percentage reduction in greenhouse gas emissions.
Carbon footprint per product or service.
Energy-related CO2 emissions.
Carbon offset projects or credits
Energy Efficiency: Demonstrating improved energy efficiency in operations, such as reducing energy consumption per unit of output or achieving specific energy-related certifications.
Energy efficiency is measured under the following metrics:
Energy consumption (kWh, MWh, etc.).
Energy intensity (energy consumption per unit of output).
Energy cost savings.
Energy performance indicators (EPI).
Energy efficiency improvements compared to baseline.
Energy-related certifications achieved (e.g., ISO 50001).
Adoption of renewable energy sources.
Water Conservation: Implementing measures to conserve water resources, reduce water usage, and minimize water pollution.
Water Conservation is measured under the following metrics:
Water consumption (cubic meters, gallons, etc.).
Water intensity (water consumption per unit of output).
Water reduction compared to baseline.
Percentage reduction in water usage.
Water recycling and reuse rates.
Water pollution prevention measures.
Water footprint per product or service.
Waste Reduction and Management: Implementing waste reduction practices, recycling initiatives, and proper waste disposal techniques.
Waste Reduction and Management is measured in the following metrics:
Total waste generated (metric tons, kilograms, etc.).
Waste reduction compared to baseline.
Recycling rate and percentage of waste diverted from landfill.
Hazardous waste disposal reduction.
Implementation of waste-to-energy or circular economy initiatives.
Amount of recycled content in products.
Waste management costs and savings.
Biodiversity Conservation: Promoting the protection and enhancement of biodiversity through sustainable land use practices and habitat preservation.
Biodiversityu Conservation is measured in the following metrics:
Area of land under biodiversity conservation.
Number of protected or restored habitats.

Number of native or endangered species supported.
Biodiversity index or score.
Adoption of agroforestry or sustainable land management practices.
Ecological impact assessments.
Community engagement and education initiatives.
Sustainable Sourcing: Ensuring that raw materials and inputs are sourced sustainably, avoiding deforestation, illegal fishing, and other unsustainable practices.
Sustainable Sourcing is measured in the following metrics:
Percentage of sustainable raw materials or inputs used.
Certification (e.g., FSC for wood, MSC for seafood).
Reduction in deforestation or habitat destruction.
Supply chain transparency and traceability.
Number of suppliers meeting sustainability criteria.
Avoidance of illegal fishing or logging practices.
Socioeconomic benefits to local communities.
Pollution Prevention: Implementing strategies to minimize air, water, and soil pollution from production processes.
Pollution Prevention is measured in the following metrics:
Reduction in air emissions (SO2, NOx, etc.).
Reduction in water pollutants (chemicals, heavy metals, etc.).
Soil contamination prevention measures.
Compliance with environmental regulations.
Implementation of cleaner production technologies.
Toxic waste disposal reduction.
Number of pollution incidents or violations.
Social and Labor Standards: Meeting certain social and labour criteria, including fair wages, safe working conditions, and adherence to human rights principles.
Social and Labor Standards are measured in the following metrics:
Percentage of workforce paid fair wages.
Occupational health and safety performance.
Labor turnover rate.
Number of workplace accidents or incidents.
Employee satisfaction surveys or indices.
Adherence to international labour standards.
Supplier compliance with labour practices.

Mechanisms to Obtain Sustainability Bonuses, Green Loans, etc.:

Performance-Based Incentives:
Achieving predefined sustainability targets can qualify a business or project for bonuses, reduced interest rates on loans, or other financial incentives.
Green Bonds: Issuing or investing in green bonds, which are debt instruments specifically dedicated to financing environmentally sustainable projects.
Discounted Financing: Obtaining loans at reduced interest rates for projects that meet specific sustainability criteria.
Sustainability-Linked Loans: Loans where the interest rate is tied to the borrower's achievement of sustainability performance targets.
Carbon Pricing Incentives: Participating in carbon pricing mechanisms, such as carbon trading or carbon offset projects, to generate revenue or obtain benefits.

Tax Incentives: Receiving tax benefits or credits for implementing sustainable practices that align with government priorities.
Grants and Subsidies: Accessing government or private sector grants and subsidies for projects that demonstrate a strong commitment to sustainability.
Eco-Certifications: Obtaining recognized certifications (e.g., LEED for buildings, organic certifications for agriculture) that can lead to financial benefits.
Corporate Social Responsibility (CSR) Initiatives: Aligning with a company's CSR goals and programs to access additional funding or support.
Partnerships and Collaborations: Forming partnerships with sustainability-focused organizations or initiatives to gain access to funding and resources.