



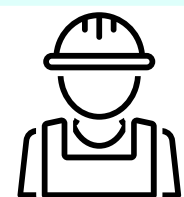
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KEY STAKEHOLDERS **WITHIN** CARBON MARKETS

PART 1: PROJECT DEVELOPERS
C. Project Developer Challenges



Challenges in Carbon Project Development

1

Regulatory Hurdles

Navigating complex, differing national and international regulations can delay project implementation and increase costs.

Example: Transitioning from the Kyoto Protocol's Clean Development Mechanism to the Paris Agreement's Article 6 market has introduced significant uncertainty for developers



Funding and Financial Constraints

Securing funding is challenging due to high upfront costs and market volatility.

Example: Reliable funding mechanisms are crucial, with many projects struggling to secure necessary capital

2



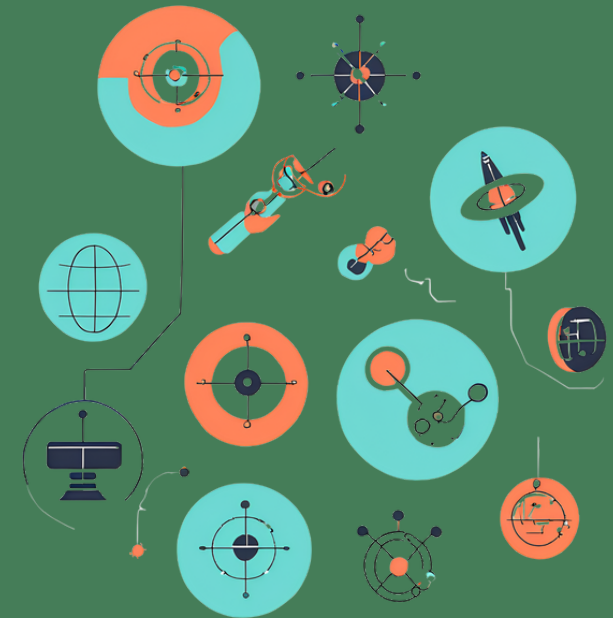
Challenges in Carbon Project Development

3

Verification and Measurement

Accurate MRV of carbon reductions is essential but complex, often leading to credibility issues.

Example: Increased scrutiny and greenwashing claims highlight the need for rigorous scientific approaches, such as using satellite data and AI for better measurement



Market Dynamics and Transparency

The carbon market faces criticism for its lack of transparency and standardization.

Example: Establishing global standards and improving market credibility is ongoing, but achieving consensus remains challenging

4

Challenges in Carbon Project Development



Permanence and Risk Management:

Ensuring the permanence of carbon sequestration projects is difficult due to risks like deforestation and environmental changes.

Example: Nature-based solutions are vulnerable to environmental changes, which can reverse carbon storage benefits

5

Community Engagement and Social Acceptance

Gaining support and cooperation from local communities can be challenging, especially when projects impact their land use or livelihood.

Example: A project in Kenya recently faced an outcry from a local minority because a project limited their ability to hunt. As in the development of any large scale project, It is often incredibly difficult to get unanimous support due to varying ideologies and local politics in different parts of the world.



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Stay tuned for part 4 of my post
on Project Developers
highlighting : **The potential
future outlook of carbon project
developers**

*Stay
tuned*



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