

EARLY-STAGE FINANCING FOR COMMUNITY-LED FOREST CARBON PROJECTS: THE BARRIERS AND SOLUTIONS



ABOUT PLAN VIVO

Plan Vivo is a leading certification system for high-integrity nature-based projects.

Recognised for its rigorous standards, participatory approach and measurable impacts, Plan Vivo helps channel funding directly to community-led projects. Through the issuance of carbon credits, Plan Vivo certified projects help mitigate climate change, protect nature and promote sustainable livelihoods – providing a mechanism for businesses to take climate action.

Plan Vivo only certifies high-integrity, nature-based projects that have been co-created with local people.¹ Financial support for our certified projects enables vital nature restoration and conservation work, whilst providing local people with a reliable, long-term source of income that recognises and supports their role in protecting and restoring crucial ecosystems.

1. Please note, when we refer to local people within this report, it is in reference to Indigenous Peoples, local communities and smallholder farmers.



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UNLOCKING FINANCE FOR COMMUNITY-LED NATURE-BASED CARBON PROJECTS

Plan Vivo has over 25 years of experience working with community-led projects, having certified the first ever carbon project in the Voluntary Carbon Market (VCM) in 1997.

This wealth of experience allows us to support projects through their certification journey. This ranges from the early-stage design of Project Idea Note (PINs), to the production of comprehensive Project Design Documents (PDDs), before achieving certification under [Plan Vivo's Carbon Standard](#), known as PV Climate.

At the core of our mission is the commitment to support projects to access finance that is fair, equitable and directly benefits the local people involved.

That's why every project certified under PV Climate ensures **at least 60% of carbon revenues go directly to the local people on the ground**. Through our revenue sharing requirements and the sale of independently verified Plan Vivo carbon credits (PVCs), we have channelled more than \$54.9m USD² to local people facing some of the greatest threats from climate change and biodiversity loss.

2. Total figure as of Plan Vivo Annual Report 2024-25



Photo credit: Kagyaa Strick, Nature Reserve Agroforestry Buffer Zone, OKO Forests

WHAT ABOUT PROJECTS THAT ARE PRE-CERTIFICATION?



One of the biggest challenges facing community-led, nature-based carbon projects is accessing early-stage finance (i.e. the capital needed to fund critical pre-certification project development activities).

To better understand the scale of this financing gap and the key drivers underpinning it, we commissioned a piece of independent research, led by Zara Huseynova at [Terraformation](#). The analysis included a combination of targeted desk-based research, 16 in-depth interviews and 25 surveys, enabling us to 'lift the hood' on the early-stage project financing gap.

This report, developed by Plan Vivo, highlights the key findings, including:

- *The current state of early stage project finance*
- *The main barriers facing project developers*
- *The solutions Plan Vivo are implementing to help overcome these barriers*

WHY IS EARLY-STAGE FINANCE SO CRITICAL?

Developing a high-integrity, community-led carbon project is capital-intensive. Outlined below are some of the common project development activities that often require significant amounts of funding.

While not exhaustive, this list highlights the wide range of activities required to achieve PV Climate certification.

CAPITAL-INTENSIVE PROJECT DEVELOPMENT ACTIVITIES



Community-led projects can take

3–5 years

to complete the pre-certification activities outlined above. Delays are often driven by capacity gaps and a lack of early-stage finance.

The implications are significant. During this period, projects have to secure alternative sources of funding in the absence of carbon revenues.

WHAT TYPES OF FINANCE ARE PROJECTS ACCESSING PRE-CERTIFICATION?

Projects rely on various funding sources. **When asking respondents about early-stage project development finance, we found:**

1. Grant funding is the dominant source of early-stage project finance, but it's increasingly difficult to access

64%

of projects surveyed rely on philanthropic, public, or NGO funding to **cover critical pre-certification activities.**

Small and flexible grants of

\$10k-\$50k

were seen as **critical to address internal capacity gaps** such as carbon baselining.

Grant funding is becoming increasingly **difficult to access.** Several respondents cited the withdrawal of key funders such as USAID and European development agencies.

2. Private finance is available - but predominantly during the final phases of project development

Only **32%** of project developers had **accessed private finance pre-certification.** Funding was typically secured from family offices, high-net-worth individuals, or impact investment funds.

A **completed feasibility study, a solid PIN, and a draft PDD** were almost always required to secure private finance.

Grant funding is often required to cover early-stage project development activities **before private investors are willing to engage.**

3. Project developers are increasingly exploring private financing opportunities, but they are highly conditional

65% of respondents reported a **growing shift towards private finance.** This trend appears to be driven primarily by the decline in flexible grant funding rather than increased investor appetite.

Access to private finance was **highly conditional on the existence of key de-risking mechanisms** such as pre-sale contracts and pay-on-delivery offtake agreements.



WHAT ARE THE MAIN CERTIFICATION BARRIERS FOR PROJECT DEVELOPERS?

While community-led, nature-based carbon projects can deliver life-changing benefits, the path to certification is complex, demanding, and highly context-specific. Each project's journey is shaped by the unique characteristics of its community, ecosystem, and intervention model.

When asked about the challenges faced during early-stage development, project developers identified the following key barriers to achieving certification:



1. Project development takes time and is expensive

Developing a high-integrity nature-based carbon project typically takes 12-24 months and costs between \$100k-\$250k. (See Figure 1 below for insights into how these costs vary for different projects).



2. Project teams typically lack carbon modelling expertise

Accurately modelling the carbon impact of restoration and conservation activities requires specialist skillsets that are not always accessible. Projects often need to contract external experts to develop detailed carbon models.



3. Securing long-term land tenure can be difficult

Landscapes and communities are diverse. Projects often implement a mosaic of co-designed interventions. Securing clear documentation and evidence of land tenure is particularly difficult for projects based in regions with complex or emerging land governance systems.



4. Finding the right investor at the right time

The appetite and risk threshold of different finance providers varies significantly. Investors have several requirements relating to a project's size, risk profile, and stage of development. Matching a project with a suitable investor is often time-consuming and largely a matter of luck.



5. Legal and transaction costs are a hidden barrier to private finance

Legal counsel, due diligence processes, negotiations, and contracting all require time and specialised support. These activities are expensive and present a barrier to projects which are trying to access private finance.

BREAKDOWN OF PRE-CERTIFICATION PROJECT COSTS BY PROJECT SIZE AND COMPLEXITY

Estimated cost to develop PDD

% of projects and their characteristics

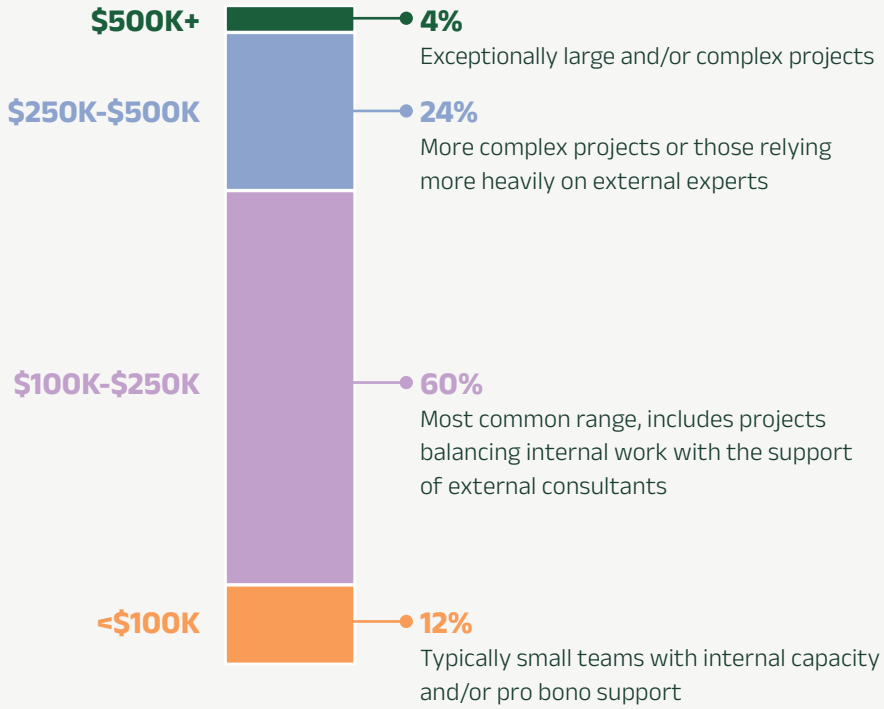


Photo credit: Kogayae Strict Nature Reserve Agroforestry Buffer Zone, OKO Forests

OVERCOMING THE BARRIERS

These barriers reflect the high-risk, resource-intensive, and technically demanding nature of early-stage carbon project development.

In response, Plan Vivo is advancing several initiatives to help projects overcome these challenges. One initiative is the [Plan Vivo Accelerator Programme](#). Now in its second cohort, the Accelerator is delivered in partnership with [Terranomics](#) and a consortium of technical experts from [The Landscapes and Livelihoods Group](#) and [EKOS](#).

The Accelerator provides participating projects with targeted one-to-one support, technical guidance and investment readiness assistance, helping them to build capacity, expand their skillsets and harness the knowledge of industry experts over a 12 month period.



1. Targeted one-to-one technical support

Upskilling project teams in core technical areas enabling them to produce robust technical specifications and a high-quality PDD.



2. Investment readiness support

Refining financial models, developing pitch decks and enhancing marketing & communications strategies to facilitate targeted investment engagement.



3. Supporting projects to develop high-quality PDDs

Working with projects to accurately document project interventions, reflecting their alignment with PV Climate and reducing the time and cost to produce a PDD.



4. Pitch day with investors and philanthropies

Connecting Accelerator projects with targeted finance providers who are comfortable with the early-stage risk and return profiles of community-led carbon projects.

PIONEERING SOLUTIONS: THE PLAN VIVO PROJECT ACCELERATOR

DOES THE PLAN VIVO ACCELERATOR WORK?

Eight projects participated in Cohort One of the Accelerator, which concluded in April 2025.

All projects successfully completed the programme. Of these, six projects submitted complete first drafts of their PDDs within six months of the programme's close. This reflects both the effectiveness of the Accelerator model and the commitment of participants to achieve PV Climate certification. Initial reviews from Plan Vivo Project Officers have highlighted the high quality of the Cohort's PDDs.



LET'S HEAR FROM COHORT ONE

“

The structured sessions were valuable, offering practical insights and technical knowledge that helped us better understand how to approach each section of the PDD and gave us confidence in the process. Engaging with other participating projects gave us a broader perspective on the diversity of approaches for the carbon projects and the motivation to refine our project. The collaborative environment fostered learning, inspiration, and a sense of community that we found particularly encouraging as a growing organization.

Faith Mukami, Ardhi Njema, Kenya

“

Thanks to the Accelerator, we are now better positioned to secure validation, attract buyers, and scale our impact across Ghana's forest transition zone. We are grateful for the opportunity and highly recommend the Accelerator to any organisation serious about delivering high-integrity, locally-grounded nature-based solutions.

Kofi Debrah, OKO Forests, Ghana

“

The Rwanda Lifescape PDD we started screening today is very well-written with almost all the details and well-organised annexes and supplementary documents. You might think its first round of reviews had already been completed. Well done. I wish all projects got this opportunity now I see the difference in technical capacity from [Accelerator] alumni.

Adrine Kirabo, Plan Vivo Regional Projects Officer (East Africa)

GET IN TOUCH

Are you a philanthropist, investor or carbon credit buyer?

To support early-stage community-led projects or learn more about our Accelerator, get in touch:

[**accelerator@planvivofoundation.org**](mailto:accelerator@planvivofoundation.org)



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Are you a project looking to certify with Plan Vivo?

If you've got a project that you'd like to certify with Plan Vivo, reach out to our projects team:

[**projects@planvivofoundation.org**](mailto:projects@planvivofoundation.org)



*Calum Davies,
Climate Lead*

Together, we can help close the early-stage finance gap and ensure that communities are at the centre of climate and nature solutions.



