



The Contribution Claim Model

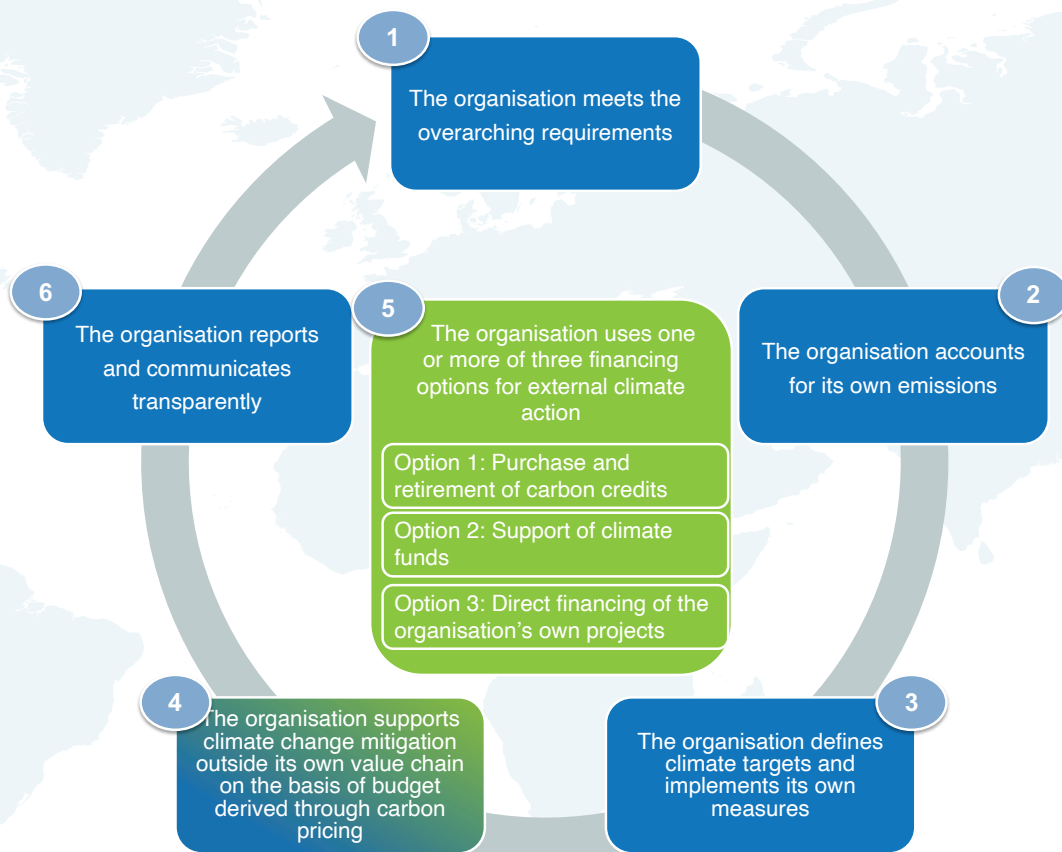
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Background

Against the backdrop of rapidly advancing climate change and rising global temperatures, more and more companies are setting their own climate change mitigation targets and intend to supplement their internal decarbonisation measures by supporting mitigation beyond their own value chain. Many organisations have used carbon offsetting in the past by offsetting unavoided or unavoidable emissions with carbon credits from the Voluntary Carbon Market. This often formed the basis for claims about the “climate neutrality” of

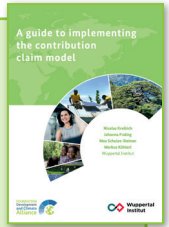
the company and its products or services. Due to current EU regulations (e.g. Empowering Consumers Directive), transparent statements on corporate climate commitments have become increasingly important. The Contribution Claim Model offers an alternative beyond carbon offsetting for companies that want to meet their responsibility for greater climate change mitigation. The guidelines developed in the research project serve as orientation and to sharpen the Contribution Claim Model.

Functioning of the model



Unique selling points

- Increased legal certainty and transparency: In contrast to carbon offsetting, the contribution claim model does not provide for offsetting emissions against emission reductions. This strengthens statements on climate commitments in self-promotion and advertising and facilitates clear communication.
- Reputational gain: The use of the contribution claim model strengthens the profile of the parties involved as organisations that act responsibly. These contribute to achieving the global net zero target and effectively advance the implementation of the United Nations 2030 Agenda and the Paris Agreement.
- Credibility and comparability: Standardised requirements ensure that the financing of climate action outside the value chain does not replace internal efforts, but instead has a complementary and ambition-enhancing effect.
- Harmonisation of the polluter-pays principle and ability to pay: The amount of the carbon price for determining the budget for financing external mitigation measures is determined individually and communicated transparently. Sector-specific framework conditions can thus be taken into account, while at the same time the polluter-pays principle is being considered.
- High-quality climate change mitigation measures: As there is no offsetting of emissions, the pressure on organisations to obtain as many emission reductions as possible at the lowest possible price is reduced. The external climate change mitigation measures to be supported as part of the Contribution Claim Model meet a wide range of requirements that ensure high quality.
- Broad spectrum of mitigation activities: In addition to projects with a direct climate change mitigation effect, measures that do not directly lead to measurable emission reductions or removals can also be supported. In this way, the range of potential mitigation activities can be expanded and the funding of broad-based transformative activities that support sustainable development are made possible.
- Financing options adapted to needs and capacities: The Contribution Claim Model offers three financing options that can be chosen and combined depending on respective capacities and intended impact.



The application of the guideline: An overview of all requirements

The Contribution Claim Model contains general requirements for the organisation wishing to use the approach (see diagram, no. 1 to 4 and 6) and for the mitigation activities that are supported as part of this approach (no. 5):

1. **Overarching requirements:** The overarching requirements include a commitment to the Paris Agreement and the 2030 Agenda and a move away from lobbying activities that undermine ambitious climate change policies.
2. **Greenhouse gas emissions accounting:** The participating organisation accounts for all its emissions (Scope 1, 2 and 3) and has the GHG inventory verified externally. It also implements measures to improve the data situation.
3. **Target setting and implementation of own mitigation measures:** The participating organisation sets itself a long-term reduction target in line with the 1.5°C target and has this validated. Based on this, it develops a climate strategy including ambitious interim targets, which ultimately leads to the implementation of climate change mitigation measures within its own value chain.
4. **Support for climate protection outside its own value chain:** The participating organisation supports climate change mitigation outside its own value chain. The budget available for this is determined by pricing the unavoided or unavoidable emissions (Scope 1, 2 and 3) on the basis of an individual carbon price that increases over time.
5. **Requirements for external mitigation activities:** In principle, the same basic requirements apply to all three options, which are adapted to the respective option and modified or expanded and operationalised accordingly. The requirements are grouped into the following three sub-areas:
 - meta-requirements, which describe the basic orientation of the activities,
 - governance requirements, which relate to the various responsibilities involved in implementing the measure, and
 - implementation requirements, which must be taken into account when designing and implementing the measure.

6. Reporting and communication: The participating organisation reports transparently on key parameters. Statements made about participation in the Contribution Claim Model are not misleading, are in accordance with applicable law and are not based solely on targets set but also on results achieved.

The content and requirements of the Contribution Claim Model were developed as part of a project initiated by the Foundation Development and Climate Alliance and carried out by the Wuppertal Institute for Climate, Environment and Energy. Further information on the content developed during the project can be found at:

- Concept Paper (German) „Grundprinzipien eines Contribution Claim-Ansatzes“ ([LINK](#))
- “A guide to implementing the contribution claim model“ ([LINK](#))

