

GUIDE · CLIMATE FINANCE & CO_2 CERTIFICATES

Financing climate action

And only paying for what really works: prices, quality and rules for CO_2 certificates – and the right financing routes.

1 CO_2 prices compared

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How to use this guide: Before you buy a CO_2 certificate, go through the seven questions. The self-check at the end shows how robust your climate financing is today.

Financing climate action – and only paying for what really works



Who it is for: Managing directors, finance and sustainability managers, banks and savings banks that finance climate projects – and farmers who want to know who pays for their climate contribution.

What you can do after reading it:

- distinguish the four types of climate benefit – and why one tonne is not the same as another,
- put prices for CO_2 certificates into context and tell good certificates from bad ones,
- know which climate claims are permitted since 27 Sep 2026,
- find the right financing routes: funding, green loans, supply chain budgets.

> **Our stance:** Reduce first, then contribute. A certificate is no substitute for your own reductions – but it is an honest contribution for what cannot yet be avoided today.

Four types of climate benefit – one tonne is not the same as another

Anyone financing climate action needs to know what they are getting. An avoided tonne stores nothing, a tonne in humus can be lost again, a tonne in biochar stays for centuries.



Avoidance
nothing stored

Reduction
nothing stored

Temporary removal
years to decades

Permanent removal
centuries and longer

no storage storage duration → permanent

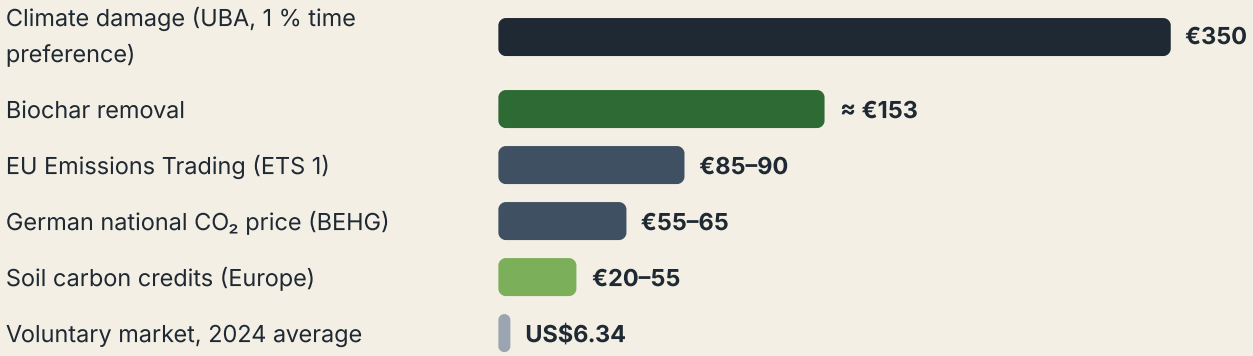
Type	What happens	How long	Where it counts	Example
Avoidance	An emission is not created in the first place – by someone else	nothing stored	contribution outside your footprint	Renewable energy, efficient cookstoves
Reduction	Your own emissions or those of your suppliers fall	nothing stored	in your own footprint (Scope 1–3)	Less mineral fertiliser on your supplier farms
Temporary removal	CO_2 is taken from the air and stored biologically	years to decades, reversible	as a contribution or – with traceability – in the supply chain	Humus, hedges, agroforestry, forest
Permanent removal	CO_2 is taken from the air and stably bound	centuries and longer	for residual emissions on the way to net zero	Biochar, BioCCS, direct air capture

Why this matters: Fossil CO_2 has an effect over centuries. Anyone who wants to balance it with a tonne that only lasts 20 years has merely postponed the problem. That is why new standards such as the SBTi Net-Zero Standard v2 rely on long-lived removals for residual emissions. Temporary removals are still valuable – they cost less, have an impact in the region and bring added benefits for soil and water. They just have to be labelled and paid for as what they are.

The market today: what a tonne costs

The voluntary market is cheap because it mostly trades avoidance – in 2024 the average was US$6.34 per tonne. According to the German Environment Agency, the climate damage of one tonne of CO_2 is €350.

What one tonne of CO_2 costs (rounded)



Price for one tonne of CO_2	Value	As of
Climate damage according to the German Environment Agency (1 % time preference / 0 %)	€350 / €1,000	2026
Biochar removal (Puro.earth index)	around €153	Oct. 2026
EU Emissions Trading (ETS 1)	around €85–90	Nov. 2026
German national CO_2 price (BEHG)	€55–65	2026 and 2027
Soil carbon certificates in Europe	approx. €20–55	2026, indicative
Voluntary market, average of all certificates	US$6.34 (removals US$19.50, reductions US$4.05)	2024

What this means for you:

- **Cheap is a warning sign.** A certificate for a few euros is almost always avoidance – often with doubts about additionality and measurement.
- **The fair price is higher.** If you take climate damage as your benchmark, you pay closer to €350 than €15 for a permanent tonne. The difference can be channelled into regional projects.
- **Plan with rising prices.** From 2028 the European market price applies to heating and transport, and the Carbon Border Adjustment makes imported raw materials more expensive. Every tonne you avoid today saves more later.

The rules: what is permitted and what is not

Since 27 Sep 2026 you may no longer advertise with “climate neutral” if this is based on purchased certificates. A clearly described contribution is permitted and credible.

Rule	Status November 2026	Meaning
Advertising claims (EmpCo, implemented in German unfair competition law UWG)	In force since 27 Sep 2026. Prohibited: climate-neutral claims based on offsetting, generic environmental claims without evidence, own labels without a recognised scheme, future targets without a verifiable plan.	Check advertising and packaging; risk of cease-and-desist letters from competitors and associations.
Green Claims Directive	On 4 Nov 2026 the European Commission announced that it will withdraw the proposal.	EmpCo/UWG remains the rule – it becomes neither stricter nor looser as a result.
EU certification framework CRCF	Methodologies for biochar, BioCCS and DACCS in force since 7 May 2026. Carbon farming methodologies adopted, entry into force expected at the end of 2026. No certification scheme recognised yet, EU registry by the end of 2028.	Anyone buying today should look for methodologies close to the CRCF and a later transfer.
GHG Protocol – Land Sector and Removals Standard	Published 30 Jan 2026, binding from 1 Jan 2027. Removals in the supply chain only with permanence monitoring and physical traceability to the field.	Insetting only works with primary data from the farm – averages are not enough.
SBTi Net-Zero Standard v2	Published 11 Jun 2026. Certificates do not count towards your own reduction target; from 2035, ongoing emissions are increasingly to be addressed through contributions, partly with long-lived removals.	Reduce first; removals complement, they do not replace.
Sustainability reporting (CSRD)	Mandatory only above 1,000 employees and €450 million turnover, new standards from financial year 2027.	Certificates are reported separately from your own footprint.

Avoid double counting: A tonne may only be sold once and used for a claim by only one buyer. If a reduction already appears in the footprint of your supplier or of a district, say “financed contribution” – not “our tonne”.

Fine to say

- “In 2026 we co-financed the rewetting of 4 ha of peatland in Lower Saxony (registry no. …).”
- “We are cutting our emissions by 40 % by 2030 compared with 2023 – plan and audit report at …”
- “In 2026 our potato growers planted cover crops on 300 ha.”

Risky or prohibited

- “This product is climate neutral.”
- “Climate neutral by 2030” without a plan and verification.
- “CO_2-offset shipping.”

Financing routes: where the money can come from

The cheapest tonne is the subsidised one: for investments in efficiency and renewable heat, the German federal government covers 20–60 %. For climate projects in the field, buyers in the supply chain are increasingly paying.

Route	For whom	What is available (as of Nov. 2026)
EEW funding (BAFA/KfW)	Companies	Grants of 20–60 % depending on the module, e.g. transformation plan 40–60 % up to €60,000, process heat from renewables 40–60 %; applications until 31 Dec 2028, always before the project starts
KfW 295	Companies	Loan for up to 100 % of costs, max. €100 million, with a repayment grant at the EEW rates
Energy consulting (EBN)	Companies	50 % of the consulting fee; guideline runs until 31 Dec 2026
Green loans and bonds	Companies, farms	Ask your bank: many banks offer better terms for projects with verifiable climate impact
Supply chain budget (insetting)	Buyers and farms	The company finances measurement and measures at its suppliers and thereby improves its own footprint; retailers and manufacturers can share the costs
Eco-scheme for agroforestry	Farms	€600 per hectare of woody area and year
Palu (peatland rewetting)	Owners, land managers	Planning and implementation 100 %, compensation for loss of value and yield; 20 % bonus for applications up to 16 Apr 2027; minimum area 5 ha
CO_2 certificates	Project developers, farms	Sale of verified removals – most economical for biochar and peatland, for humus usually only as part of a supply chain programme

The bank perspective: Banks and savings banks have to assess climate risks in their loans. A business with robust climate data and a plan is a better borrower – and regional climate projects are, for many institutions, a way to bring their own strategy to life.

Combining pays off: A project can combine funding, bank financing and a supply chain budget. The only important thing is that every tonne is counted exactly once and sold exactly once.

Seven questions before you buy a CO_2 certificate

If you cannot answer one of these questions with “yes”, ask – or do not buy.

1. **What exactly is it?** Avoidance, reduction, temporary or permanent removal – is this clearly stated on the certificate?

2. **Is it additional?** If the measure would have happened without your money, it does not count.
3. **Was it measured or only calculated?** Is there a baseline measurement and a re-measurement on site?
4. **How long does it last?** For how many years is the carbon stored, and who is liable if it is released again?
5. **Who verified it?** Is there an independent verification according to a recognised methodology?
6. **Is there a serial number in a registry?** Only then is it ruled out that the same tonne is sold twice.
7. **Where is it?** Can you name the site or plant – and show it to your customers?

Self-check: is your climate financing robust?

Count how many questions you can answer with “yes”.

- [ ] We know what one tonne of CO_2 costs us today – in emissions trading, in the national CO_2 price and in our own planning.
- [ ] Our investment planning assumes a rising CO_2 price.
- [ ] We have checked which funding programmes match our planned investments.
- [ ] Our bank knows our climate strategy and we know whether it offers green loans.
- [ ] In budget and reporting we clearly separate our own reductions from contributions outside the company.
- [ ] When we buy certificates, we know whether they are avoidance, reduction or removal and how long they last.
- [ ] Every tonne we buy has a serial number in a registry.
- [ ] We do not use claims such as “climate neutral” or “CO_2 offset” in advertising.
- [ ] We have checked whether climate projects in our own supply chain can be financed.
- [ ] We can show our customers exactly where our contribution has an impact.



8–10
“Yes” answers

Green – Your climate financing is robust. Check whether a supply chain budget would have more impact.



4–7
“Yes” answers

Amber – Some building blocks are missing. A climate financing workshop provides clarity.



0–3
“Yes” answers

Red – There is a risk of bad investments and legal problems. Get advice before you buy certificates.

Your next step

Before you buy certificates or plan a major investment, an outside view is worthwhile: together with you, we review funding, financing and the quality of possible contributions.

Offer	Content	Price
Climate financing workshop	4 hours: funding, green loans, certificates, permitted claims	€395 plus VAT
Strategy day	One day on site with you, resulting in a first roadmap including financing	on request
Funding advice	Find suitable programmes, calculate profitability, support the application	on request
Supply chain programme	Finance and verify climate projects at your suppliers	depending on scope

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As of November 2026. All information without guarantee; this guide does not replace legal, tax or investment advice.