



CO-OPERATIVE CLIMATE ACTION PLAN



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Co-operative Development
Foundation of Canada
#130 1947



co-operatives
and mutuals
canada



Canadian Credit Union Association

BACKGROUND

The world is in crisis - climate change is real and dramatically impacting our natural resources, shifting agroecosystem boundaries, and increasing frequent and extreme weather events.

Today, we need to reduce greenhouse gas emissions and develop strategies to sustainably counterbalance future impacts of climate change. UN Climate Change (UNFCCC)'s COP 26 urged for global demands for higher, more aggressive, and achievable emissions reduction and concrete pathways to change. As part of this response, Canada, together with more than 120 countries, is part of a global response pledging to achieve net-zero emissions by 2050.

Carbon neutrality and net-zero are being more and more aggressively pursued, and emissions reductions are becoming an essential part of all serious ESG strategies. Canadian Cooperatives and Credits Unions are asked to rise to the challenge, partnering with CDF Canada, CMC, and CCUA in the Co-operative Climate Action Proposition.

The challenges and necessary constraints that are imperative to the fight against climate change also hold the potential to demonstrate the extraordinary relevance of the cooperative model. Cooperatives put people in the center, using their reach and their influence to play a central role in building more resilient communities. Only our collective efforts can ensure an effective and sustainable response to climate change, and collective efforts are what the cooperative model is all about.

CDF Canada is uniquely positioned to help the Co-operative sector advance their climate action goals. CDF Canada has a strong track record of building capacity in Co-op governance and business management that has generated sustained and rippling positive impacts for the communities, businesses and families involved. In its 75+ years of existence, CDF Canada continues to sustain positive outcomes in the lives of people worldwide including poverty reduction, food security, gender equality, and economic empowerment. The fight against climate change is a great opportunity to continue to show the world the power of the cooperative model and the difference it can make.

In the light of climate change challenges, CDF Canada and partners bring the
Cooperative Climate Action Proposition (CAP).

The background of the entire page is a photograph of green leaves and dark brown soil. The leaves are in the upper and right portions, while the soil is in the lower portion. A green rectangular frame surrounds the text area.

CO-OPERATIVE CLIMATE ACTION PLAN (CAP)

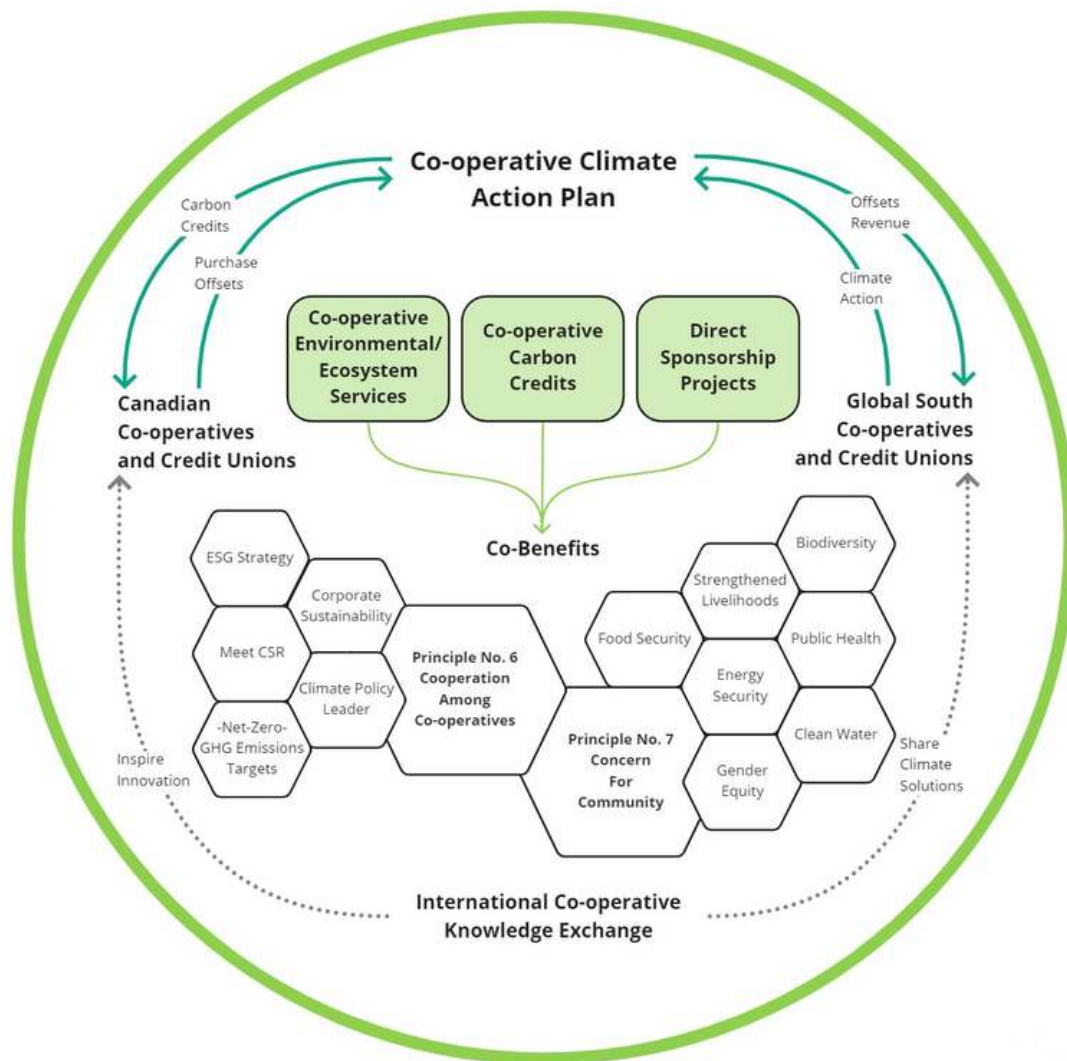
CDF Canada, in collaboration with Cooperatives and Mutual Canada and Canadian Credit Union Association, is designing the Co-operative Climate Action Proposition (CAP).

CAP is both a call to action to mobilize the Canadian cooperatives sector and a roadmap to guide the sector forward in the face of the ongoing climate emergency.

CAP will:

- Investigate potential direct, effective, and innovative climate actions to mitigate emissions through the collaboration of cooperatives around the world;
- Demonstrate how Canadian Co-ops can offset their emissions while helping Global South Co-ops and contributing to the Sustainable Development Goals; and
- Provide accessible climate actions that go beyond simply offsetting emissions, by bringing exciting and innovative mitigation and ecosystem solutions into reach.

HOW DOES IT WORK?



Most mitigation opportunities are in the global South together with a disproportionately high vulnerability to the impacts of climate change. CAP will work toward addressing these needs and achieving the Sustainable Development Goals (SDGs) through international development projects that incorporate verified climate action, using Climate Mitigation (M) and Climate Adaptation (A) techniques. A suite of restorative climate innovation practices and Nature-based Solutions will be integrated into CAP Projects using an intersectional approach to international development.

CAP will be a platform to design development projects that include important climate action (M/A) components.

Within these projects, CAP will **identify, design, and evaluate carbon offset opportunities**. These will include Co-operative Environmental/Ecosystem Services, Co-operative Carbon Credits, and Direct Sponsorship Projects established in the South to meet the needs of participating communities. Offsets will be available for purchase to Canadian Cooperatives and Credit Unions. This will create long-term revenue for Co-ops in the South to strengthen their livelihoods and fund ongoing climate actions designed to **create Climate Action Co-benefits** including food security, gender equality and more. Innovative climate actions will be shared in Canada and the global South through **formalized learning opportunities with CAP's Knowledge Exchange Center**.

CO-OPERATIVE CLIMATE ACTION PROCESS

CAP will be developed with an advisory CAP Steering Committee including experts from Canada's Co-operatives and Credit Unions. CAP will support both Canadian Co-operatives and Co-operatives in the global South to streamline their involvement in carbon sequestration and ecosystem services, equipping them with the knowledge and capacity to take real steps forward in response to the climate emergency.

Project Development: CAP will work collaboratively to identify project opportunities. Canadian Co-operatives, together with Co-operatives and communities in the global South, will play an active role in the design of projects, fostering buy-in and ownership. Through a participatory climate risk assessment process, tailored solutions will be chosen to sequester greenhouse gas emissions, strengthen co-benefits, and support the achievement of the Sustainable Development Goals. These will be implemented, monitored, and certified through CAP.

Access to Offsets: Through CAP, the accessibility of offsets and ecosystem services will be improved to create an efficient way for Canadian Co-operatives to operationalize their CSR and ESG targets. By accessing verifiable and real offset projects, Co-operatives will avoid the pitfalls of the offset market.



Knowledge Exchange: Through CAP, Canadian Co-operatives teams will be able to visit projects, providing expert advice, engaging in professional development, and fostering global engagement. Knowledge exchange on climate change actions with global South Coops will build global resilience in the face of climate change through shared innovation. Through CAP, the Canadian coops sector will be seen as an innovative and dedicated climate leader – Coops designing and implementing innovative climate change.

Through supporting the creation and exchange of "Co-operative Carbon Credits" and other offset services, CAP will collaborate with Co-ops and CU to align with ESP priorities, enable them to meet their ESG targets, and help them fulfill the 6th and 7th Cooperative Principles.

"Co-operatives, to best serve their members and communities, should cooperate with each other, both at home and abroad"

- ICA

CAP CLIMATE ACTION INITIATIVES

Co-operative Environmental and Ecosystem Services

Payment to farmers and landowners through CAP in exchange for managing their lands according to specific practices which achieve habitat benefits including climate mitigation, watershed services, and biodiversity conservation.

Co-operative Carbon Credits

Carbon offsets are generated and verified through CAP, then sold directly to purchasers from the Canadian Co-operative sectors. These Credits will be quantified from a number of Climate Action initiatives, determined by a community's risks and resources.

Direct Sponsorship Program

A Canadian Co-operative can partner directly with a global South Co-operative, supporting their Climate Action initiatives directly and engaging throughout the design and implementation process, including visits to the project sites.



Forest Management Initiatives:

Reforestation, afforestation, and forest management techniques will rehabilitate landscapes and conserve biodiversity. This includes mixed-species tree planting for carbon sequestration with a focus on commercial trees (e.g., coffee, cocoa, cashew, mango, shea) to support agroforestry, helping communities preserve vital ecosystems while participating in high value markets.

Emissions Reductions Initiatives:

Renewable energy solutions for farmers, communities, and Co-operatives reduce emissions and strong co-benefits. Solar panels offer clean energy, support children to stay in school, and create access to digital finance. Sustainable charcoal harvesting preserves healthy ecosystems, maintains a thriving trade, and reduce emissions from standard practices. Adopting high efficiency options reduces emissions, deforestation, and reduces the burden of work on women.

Agricultural and Aquaculture Initiatives:

Climate Smart Agriculture practices including soil management, intercropping, and 4R nutrient management rejuvenate depleted soil, manage water content, and sequester carbon. The increased yields are crucial to combat growing food insecurity. Landscape management such as modified herding practices restore degraded grasslands to their significant potential as a carbon sink and reducing desertification. Seaweed propagation for carbon sequestration and the use of seaweed to reduce animal methane emissions creates new market opportunities for small scale fishers while conserving marine spaces.

Watershed Management Initiatives:

Community-led rehabilitation efforts support the re-establishment and conservation of coastal ecosystems, including marshes and mangroves, preserving, and enhancing the world's greatest carbon sinks that also protect coastal communities from the impacts of severe weather events. Landscape management and rainwater catchment surrounding waterways significantly reduces the need for irrigation and supports the rejuvenation of aqueducts and groundwater. This encourages the restoration of natural biomes and long-term carbon capture.

CO-OPERATIVE CLIMATE ACTION BUYER & SELLER

Developing carbon offset projects now has the potential to be financially lucrative for Canadian Cooperatives given the regulatory changes expected in Canada and the expected price to be paid on carbon dioxide emissions in future years. Through CAP, the interested Canadian Co-operatives will not be buying these carbon credits on the carbon market - but rather through exclusive arrangements with Co-operative partners who produce them, maintaining their carbon rights. Projects will be supported, arranged, and verified by CDF Canada and its technical partners, with most certified according to international standards such as the Gold or Verra Standards.

CAP projects will entail the creation of certified carbon credits and ecosystem services. CAP aims to transfer the proceeds of these to the local Co-operatives in the South, thereby ensuring their long term buy-in, and the sustainability of climate actions. CAP will support natural resource management opportunities for Co-operatives while providing a new carbon revenue stream based on payments for credits and ecosystem services. This revenue will have a compounding effect, bolstering livelihoods, and enabling long-term feasibility of climate action.

Importantly, CAP projects will allow transparency and monitoring of the process that will support a robust ethical approach to both the communities participating in CAP, and to the longevity of the offsets created.

Technical assistance will identify and implement climate solutions that improve the land and ecosystems, This will boost livelihoods and be supported further with the carbon revenues, incentivizing more farmers and communities to work in a way that conserves and rejuvenates nature. These natural systems, including forests, waterways, and agricultural land, are the most effective resources against climate change.



WANT TO BE PART OF CHANGE?

Did we pique your interest? Here are just a few of the many ways your organizations can take part in CAP:

- Join our advisory CAP Steering Committee composed of interested Canadians Co-operatives. The committee will define CAP conditions of operations and projects' rules.
- Commit to acquire carbon offsets or ecosystem services generated by CAP.
- Collaborate with our team to join a specific Direct Sponsorship Project, see it grow, and make it your Commit funding to the development of CAP and market your participation in this initiative.
- Integrate CAP in your ESG strategy.

Contact Us!
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