WHITEPAPER

From Concept to Credit: A Guide for Early-Stage Project Developers

www.cloverly.com
sales@cloverly.com

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Executive summary

Between 2020 and 2023, $17 billion was invested in carbon credit initiatives — five times the market's 2023 value. During that same time period 1,500 new projects were registered with the five leading carbon credit registries, while as many as another 1,500 were under development. These expanding market opportunities and increased investor interest signal an industry ready to scale, meaning there's a growing need for high-quality, innovative initiatives. But despite carbon credit projects' growing appeal, many early-stage developers struggle to successfully bring their business to market and scale their operations.

To be able to win in the market and sustainably expand, it's crucial for developers to adopt a strong, commercially-focused strategy at every stage of the process. From building a project concept to determining an issuance schedule and launching credits in the voluntary carbon market (VCM), developers need to consistently account for their buyers' needs to maintain competitiveness, optimize their revenue potential, and position themselves for long-term success. In this guide, we share five key steps early-stage developers can implement to strategically launch and scale their carbon credit projects.

1. Laying the groundwork

Understand the project's feasibility, begin working with on-the-ground stakeholders, secure land access, and assess its potential impacts before creating a Project Design Document (PDD). Then, apply to register the project with a credible carbon credit standard.

2. Crafting a strategic roadmap

Determine an issuance timeline , aligning the schedule with market conditions as much as possible. Once issuance goals are determined, start to build a comprehensive business strategy that includes project milestones, target market analyses, and a go-to-market plan.

3. Getting ready for credit issuance

Ensure a robust measurement, reporting, and verification (MRV) process is in place. Once credits are verified, they can be issued on the VCM. Before issuance, you make sure a clear go-to-market plan is in place that covers the project's pricing, marketing, and sales strategies.

4. Bringing a carbon credit project to market

Once credits are ready to be issued, it's important to prepare for commercialization. A key part of this is determining sales channels, including whether to sell to buyers directly or use intermediaries. When it comes to building buyer trust, ensuring a smooth sales process and inventory management is key.

5. Scaling for growth and impact

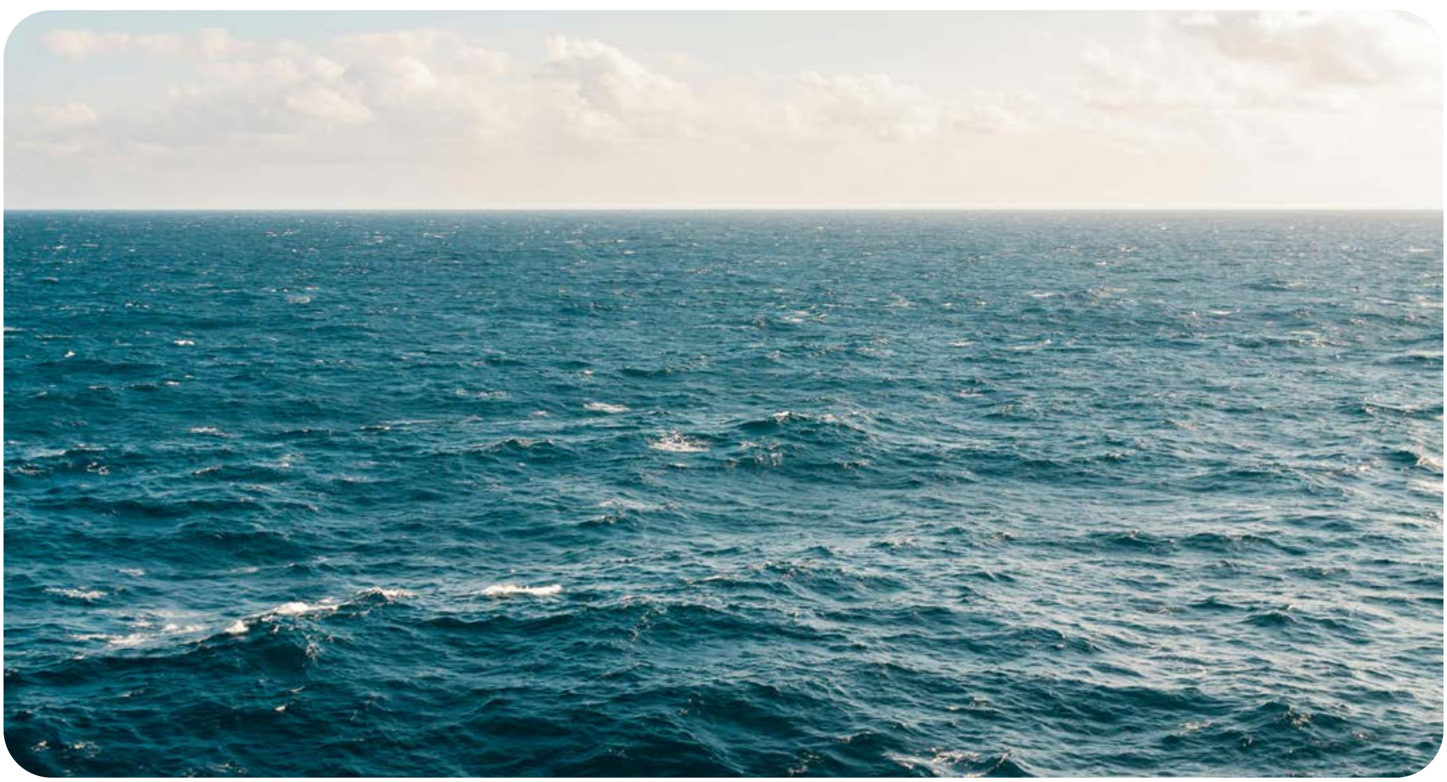
As the project grows, it's essential to continuously refine marketing strategies and tactics, as well as sales proposals and processes. At the same time, effective inventory control is critical to avoid overselling carbon credits and maintain credibility with buyers.

Introduction

Recent investments in global carbon credit projects signal a sector poised for growth. Between 2020 and 2023, $17 billion was invested in carbon credit initiatives — five times the market's 2023 value, according to a report by Trove Research, now part of data and analytics provider MSCI Carbon Markets. In those same three years, more than 1,500 new projects were developed and registered with the five leading carbon credit registries, while as many as another 1,500 were in the works.

As investors commit more capital to carbon credit projects, developers are scaling up their initiatives and expanding into new markets to meet rising demand. These growth efforts often require careful and strategic approaches to commercialization, as well as robust go-to-market plans that factor in project developers' unique carbon credit issuance schedules. By integrating these release timelines into their business and commercialization strategies, developers ensure they're set up for success when it comes to securing long-term buyers, staying competitive, and maximizing revenue potential.

Early-stage developers must navigate the voluntary carbon market (VCM), plan strategically, and strengthen their commercial acumen to successfully launch their project and expand their impact. However, building and scaling a carbon credit project involves multiple considerations — from design and registration to business strategy, sales, marketing, and measurement, reporting, and verification (MRV). In this guide, we'll break down the five key steps for project growth, using developers' expected issuance dates as anchors.



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Step 1: Laying the groundwork

When developing a carbon credit project, there's a number of factors to consider, including project feasibility, site selection, market demand, methodology, financing, and regulatory requirements. If you're an early-stage developer, you may have already completed these initial efforts. If so, click below to move on to Step 2: Crafting a strategic roadmap.

Conceptualize and refine the project

After formulating an idea, developers need to understand the project's feasibility and begin working with stakeholders on the ground to select a site, secure land access, and assess any potential environmental and social impacts. When conducting a feasibility study, developers should confirm whether they're eligible to sell carbon credits, demonstrate community and stakeholder support for their project, and address key operational components, including governance, financing, risk mitigation, and implementation strategy. Developers must also assess whether their project's emissions reductions are additional and permanent, meaning they wouldn't occur otherwise and are not easily reversible. Leakage prevention is also an important consideration to ensure the project doesn't cause emissions elsewhere.

When building a carbon credit project, developers need to create a project design document (PDD), which outlines key details, such as the project's baseline emissions assessment, methodology, boundary level and activities, and emissions projections. To be able to start selling carbon credits, developers' PDDs must comply with the requirements of their chosen registry and be independently verified and validated. For example, Verra and Gold Standard — two leading carbon credit registries — each have their own PDD requirements and templates that developers must follow.

Register the project

Once developers finalize the details of their project, they can pre-register for initial validation before formally registering with a carbon credit standard. One pre-registration option allows developers to express early interest in project registration, enabling them to receive preliminary feedback from the registry. This early input helps developers understand the timeframe available for making the necessary adjustments to their PDD. Another approach developers can take involves reviewing the PDDs of similar projects, which helps them understand the expectations of certain registries. Developers can also work with advisors who specialize in their project type and methodology to ensure they meet the requirements before formally registering their project.

"The biggest challenge that developers face is working with the registries," says Rob DePaola, Director of Supply Operations at Cloverly. "Getting formally registered can sometimes take much longer than expected, especially if there's complex projects with sophisticated baselines and measurements." To manage unpredictable timelines, developers should make sure they're transparent with clients, investors, and stakeholders about any changes to a project's approval or credit issuance schedule. Setting clear milestones and diversifying revenue streams can also help ensure financial stability before credits are issued.

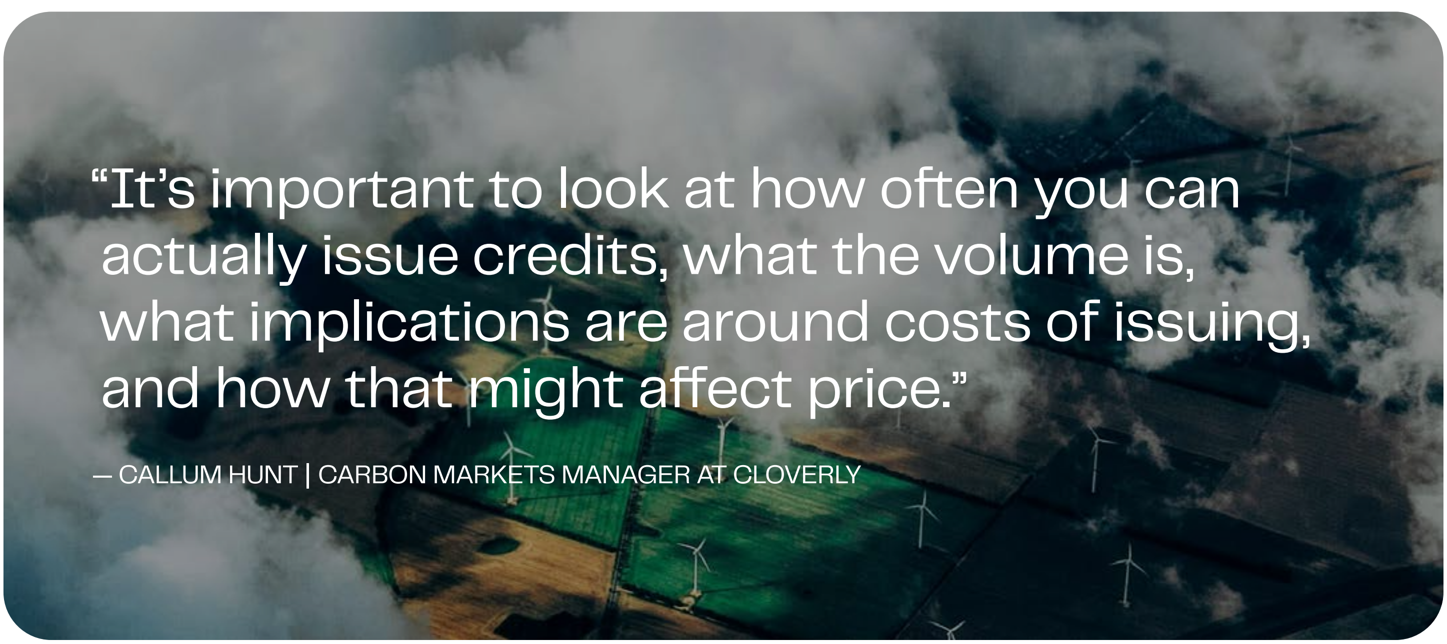
Step 2: Crafting a strategic roadmap

As developers wait for their projects to be validated, verified, and approved, it's essential to craft a business strategy to prepare for a seamless market entry. Without a well-defined plan, developers may struggle to secure buyers and encounter financial or operational setbacks that could hinder their long-term success. At the same time, it's also essential for developers to enhance their business and commercial acumen, meet buyers where they are, and ensure they have professional operational and sales processes in place.

Determine an issuance schedule

Carbon credit issuance schedules vary based on developer, project type, and registry requirements. To maximize revenue potential, developers should ideally plan their issuance schedules as early as possible and align them with market conditions. However, issuance timelines are often contingent on project verification and approval, which can sometimes take up to a year, depending on the registry's processing bandwidth. Further approval delays can also be common if a registry lacks an adequate amount of resources. "Developers will need to align their go-to-market plans around when the registries issue the credits," says DePaola. "A lot of times, credits are issued annually or biannually from the registries."

When creating an issuance timeline, developers will also need to consider how often they're able to issue credits under their chosen registry and methodology, as well as the implications of issuance costs on their credit pricing. "It's important to look at how often you can actually issue credits, what the volume is, what implications are around costs of issuing, and how that might affect price," says Callum Hunt, Carbon Markets Manager at Cloverly. "If it's a really small quantity of credits, then paying to have all the issuance done is going to be a little bit inhibitive to the price that you can sell the credits at."



Develop a business strategy

Once developers establish their issuance goals, they'll need to craft a comprehensive business strategy that covers their market position, financial planning, implementation approach, and commercialization plan. A strong business strategy helps ensure a project is competitive, financially sustainable, and compliant with global standards and regulations, increasing its chance of success. At the same time, developers should also align their business strategy with their issuance plan to help them secure buyers in advance and to make sure their carbon credit sales align with market demand and pricing trends.

"A common mistake that early-stage project developers make is not vetting their project idea against market demand for the type of credit they plan to sell," DePaola says. "That's why investing in market research is crucial." To assess their project's market-readiness, developers can use carbon markets data tools, like AlliedOffsets, to analyze registry sales trends and identify which credits are in demand. Staying informed about industry news and hiring sales and marketing professionals who are experienced in the carbon markets can also strengthen developers' go-to-market efforts.

At this stage, developers should start profiling potential buyers by studying their historical purchasing patterns, market preferences, and interest in various project types. Identifying ideal buyers early on serves as developers' North Star, helping to guide their commercialization efforts when it comes to pricing, marketing, and sales.

The carbon credit business plan blueprint

A well-rounded organizational strategy includes:

- Project design details
- Target market and competitor analyses
- Project differentiation, timeline, and milestones
- Credit issuance schedule
- Capital and operating costs
- Funding sources
- Measurement, reporting, and verification plan
- Risk management strategy
- Go-to-market plan (pricing, sales, and marketing strategies)
- Corporate partnerships strategy
- Expansion opportunities

Step 3: Getting ready for credit issuance

Once developers build a strategic plan, it's time to start preparing to launch their credits in the VCM. This involves having a robust measurement, reporting, and verification (MRV) system to validate emissions reductions and meet the requirements of certain registries. It also means developers need to focus on crafting a bespoke go-to-market plan that solidifies their target buyers, pricing strategies, and marketing and sales channels.

Measure, report, and verify

The MRV process monitors the emissions that a carbon credit project either removes or avoids. These measurements are then reported to accredited third parties for independent verification, allowing the project to get certified and for credits to be issued. MRV approaches vary depending on project type, with some developers outsourcing the process to specialized providers, like Sylvera or Pachama. Other developers may use grant funding to build their own MRV systems, which are then refined and scaled for greater accuracy and efficiency.

"Setting up an MRV process is a little bit like building a business," Hunt says. "At first, businesses may operate flexibly, but as they grow, they adopt more formal processes, procedures, and partnerships. The same applies to project developers — either they have the resources to outsource MRV from Day 1 or they need to build a system that fits their MRV criteria."

Craft a go-to-market plan

As developers wait for registry approval, they should begin building their go-to-market strategy so they can enter the market more efficiently, maximize their credit value, and appropriately position their project. By this stage, developers should have defined profiles in place for their ideal customers so their entire go-to-market plan can be tailored to meet buyer needs and expectations. Additionally, developers should ensure they're focused on their project's differentiators to ensure they stay competitive.

Understanding your buyer

Developers should view buyers as their North Star when it comes to shaping their positioning, pricing, and sales and marketing strategies. While buyers have varying concerns across industries, they commonly care about:

- Trust, quality,and risk
- Project co-benefits
- Metrics, substantiation, and compliance with relevant regulations
- Value chain alignment
- Fair pricing

Differentiate your project

To attract high-quality buyers and stand out in the VCM, developers need to identify and emphasize their project differentiators. Buyers are increasingly looking for high-integrity credits that offer permanence, verifiable impacts, and beyond-carbon benefits, such as community development or biodiversity protection. At the same time, many buyers — especially those new to the VCM — may not initially know what types of credits they need. “The idea of investing in carbon credits is still quite nascent for the average person at the buyer’s company,” DePaola says. “That means the narrative is more important than a lot of people think.”

Once developers identify their key differentiation points, they should communicate them clearly and consistently to build credibility. Many buyers are interested in projects that align with their value chain or emissions profile in some way, whether it’s geographically or by project type. For example, a coffee producer looking to offset its emissions may prioritize agriculture projects in the regions it grows coffee in. Generally speaking, buyers want to tell interesting stories in their annual sustainability reports, meaning developers should identify industries that are relevant to their project and focus on sales-prospecting within those sectors.

Build a pricing framework

Developing a pricing strategy is another crucial component of a go-to-market plan. To determine competitive prices, developers should research the costs of similar carbon credits and assess them based on project type, methodology, registry, location, and whether the credit is removal- or avoidance-based. Developers also need to conduct financial modeling to align the prices of their credits with their project’s economics, accounting for both their capital and operating expenditures. “You can’t sell credits for less than what it costs to get the project off the ground,” says DePaola. “Understanding market pricing and aligning it with your project’s economics is essential to long-term sustainability and success.”

Developers may also want to consider offering discounts to buyers interested in long-term offtake agreements, though they must balance these with the project’s long-term financial objectives. If these agreements generate sufficient revenue to cover a project’s costs and pay back lenders, they can still be advantageous even if they’re sold at a lower price. Any additional revenue beyond those points contribute directly to developers’ profits, which positions them favorably in the market.

Create a marketing strategy

As developers finalize their pricing plan, they should also create a marketing strategy that communicates their roadmap for branding, positioning, and lead generation. A robust marketing strategy helps developers speak directly to buyers’ needs and concerns, while showcasing their project’s unique differentiators and selling points. For example, if a carbon credit project contributes to multiple Sustainable Development Goals, developers can highlight these impacts alongside their carbon reductions. “If you can tell your project’s story in a clear, compelling way and create shareable digestible content, it will make a big difference in how buyers perceive and engage with your credits,” DePaola says.

A strong marketing strategy focuses on several key components, including building a professional web presence, establishing strategic partnerships, engaging in targeted outreach, storytelling, and being transparent with buyers. A well-structured website and online presence build credibility, while partnerships, certifications, and alignment with industry standards enhance buyer trust and a project’s marketability. “Transparency is critical when marketing your project,” DePaola says. “We encourage developers to have all their project documentation handy and shareable at the ready for buyers.”

Step 4: Bringing a carbon credit project

Once a project is officially verified and registered, developers can begin selling their carbon credits. To ensure a successful launch, developers must ensure they're ready to execute on their business strategy and go-to-market plan. Oftentimes, this requires welcoming a few new marketing and sales hires who can support the project through commercialization.

Get ready for commercialization

Developers will need to prepare to officially commercialize their project so they can start selling carbon credits. A key part of this is determining which sales channels to use and whether to sell directly to buyers or use intermediaries and carbon marketplaces, like. Cloverly. Some developers may want to combine multiple sales channels, balancing marketplace listings with their own in-house sales team to broaden their buyer network and maximize reach. Additionally, developers should consider which buyers their project generally appeals to and their own restrictions as some of their project's stakeholders may want them to avoid selling to certain industries.

Beyond a project's sales strategy, developers should also fully activate their marketing plan ahead of commercialization and credit issuance. To do this, they can focus on building an email list of qualified prospects, nurturing potential buyers, and developing a public relations plan to promote their project through media, industry events, and partnerships.

Choose your tech-stack

A successful carbon credit project requires a robust technology-stack to streamline operations, enhance buyer confidence, and support project growth. Key tools of a tech-stack may include:

- MRV software
- GHG accounting
- Carbon marketplaces
- CRM
- Electronic agreements
- Project management solutions
- Carbon pricing analytics
- Cloud storage and file sharing
- Communication tools

Issue and sell carbon credits

Developers can begin selling carbon credits in the VCM once their project is approved and officially registered with an internationally-recognized standard. Before launch, it's important for developers to ensure their business strategy, financial projections, go-to-market execution, and growth plan are aligned with market conditions and their issuance dates. Proper alignment ensures developers can attract buyers, optimize their pricing as needed, and scale their project.

"So many buyers are trying to mitigate risk," DePaola says. "They're really hesitant to invest in something that another company hasn't already invested in." To secure premium buyers, developers must go beyond simply listing their credits for sale and position their projects as high-quality investments. This starts with transparency and open communication, ensuring buyers remain informed throughout the project. High-value buyers also expect rigorous measurement and verification, meaning developers must provide clear, data-backed proof of their project's emissions reductions and co-benefits.

When it comes to interacting with buyers, a smooth sales process and effective inventory management are also crucial. Developers should track and disclose how much of their issuance has been pre-sold and make sure their sales channels — whether direct or through intermediaries — are aware of their spot inventory. "Coordinating presales and spot sales are the biggest challenges developers face," DePaola says. "There's no easy answer, but they should be transparent with everyone on what the issuance timeline is and be really clear with buyers on where they're at."

How to attract an early offtake agreement

- Develop a high-impact narrative
- Communicate the project baseline
- Share top-quality measurements
- Get listed on a leading registry

Step 5: Scaling for growth and impact

As they operate and expand their project, developers must focus on continuous improvement and growth. This involves consistently refining their project proposals, sales processes, and marketing strategies and tactics, which requires actively seeking buyer feedback. At the same time, developers need to continue managing their carbon credit inventory effectively and ensure they're accurately tracking sold and reserved credits to prevent overselling and market disruptions.

Refine the sales process

Like startups in other sectors, developers must iterate on their commercialization strategy using buyer feedback, marketing and sales pipeline metrics, and market trends. As developers continue to familiarize themselves with their target buyers, they should refine their sales and marketing playbooks for each type of customer, ensuring they can clearly communicate their project's value in ways that resonate with each company's climate and sustainability strategy. This part of the process mirrors the refinement approach in other industries, where initial assumptions are tested and adjusted based on market responses.

To optimize their go-to-market efforts and expand, developers should adopt best practices from high-performing enterprise sales and marketing teams. Tracking the sales pipeline is crucial for knowing when to follow up with potential buyers and maintaining deal momentum. Developers should also focus on continuously enhancing the buyer experience to differentiate themselves from competitors and drive repeat business. To improve the buying experience, developers can respond to inquiries quickly and leverage technology solutions like Cloverly's Catalyst to simplify and accelerate their sales process.

What advanced buyers want:

While some developers think they should be armed with answers, buyers typically care more about:

- Prompt responses
- Organization
- Transparency
- Willingness to collaborate

Manage credit inventory

Effective inventory management is crucial for developers selling carbon credits on an ongoing basis. To maintain their credibility, developers must ensure they have a real-time view of their inventory, tracking those that have been sold, reserved, and retired, as well as those available for spot sales. This helps keep developers stay organized when it comes to managing their credits, which prevents overselling risks. To help manage their inventory, many developers are using Cloverly's Catalyst solution to help oversee their spot and forward credits.

Once credits are sold and used by buyers, they must be officially retired to prevent overselling or double-counting risks. Retiring credits accurately and on time is critical when it comes to maintaining market integrity and buyer confidence. As developers grow their project, they should also make sure they're staying on top of the relevant carbon credit verification standards. Staying informed of any updates and changes helps developers ensure their projects are compliant, which is especially important if they choose to issue more credits in the future.

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Win in the market

Successfully launching and scaling a carbon credit project demands a strategic, commercially-focused approach at every stage. Developers that integrate commercialization early — aligning project design and registration with a clear business strategy and go-to-market plan — are best-positioned to navigate the complexities of the VCM. Proactively managing credit issuance schedules, securing early buyer commitments, and upholding rigorous verification standards help strengthen developers' market credibility and financial stability. Paired with a buyer-centric perspective, these early actions help developers ensure long-term success and sustained business growth.

Looking ahead, the VCM will continue to evolve, driven by regulatory shifts, corporate net-zero commitments, and the growing demand for high-integrity credits. Developers who prioritize scalability, market intelligence, and adaptive business strategies will be well-equipped to capitalize on future opportunities while mitigating risk. By continuously iterating on their approaches, expanding market access, and maintaining transparency, developers can not only scale their projects — they can drive meaningful impact when it comes to accelerating climate action.

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Create your project's roadmap with Cloverly

Cloverly empowers carbon credit project developers with software to scale their business, as well as providing buyers with access to a trusted procurement platform. As trusted advisors in the VCM, we've helped hundreds of developers launch and scale their projects.

» Streamline your operations with a unified dashboard that showcases the full lifecycle of your carbon credits

» List your credits on different channels to increase demand and establish buyer trust and credibility

» Build a customized proposal that speaks to buyers' sustainability and climate objectives

» Address buyers' pricing questions and provide tiered volume-based pricing in one centralized place

» Store project descriptions, imagery and key documentation in one place and push updates out to buyers and all distribution channels

TALK TO THE CLOVERLY TEAM

Cloverly

www.cloverly.com
sales@cloverly.com

About Cloverly

Cloverly's purpose-built Catalyst software helps project developers win deals by simplifying carbon credit management, enabling omni-channel sales distribution, and acting as a single source of truth for buyer interactions. Our solution helps developers facilitate inventory planning, set risk buffers, and get access to streamlined sales support on request. Request a demo to learn more.