

Climate Trust Capital

Critical transitions:



Innovation: Paying for nature

Geographic focus: USA

\$: \$5.5 million



Launched in 2016, Climate Trust Capital (CTC) is a private equity style fund investing in projects that generate carbon offset credits while providing market-rate returns. Through its investments, it aims to generate carbon credits that equate to sequestering 2 million tons of CO₂ emissions over ten years.

CTC is a for-profit investment manager, a wholly-owned subsidiary of the Climate Trust (not-for-profit). CTC invests in early-stage, US-based carbon offset projects like grassland conservation, biogas plants and forestry. These projects are certified by the Climate Action Reserve, a carbon credit accreditor, ensuring that the generated carbon credits are transparent, monitored and verified.¹⁸⁶ The fund’s revenues are generated from selling credits on the voluntary carbon markets and traded on the California cap-and-trade program, leveraging market-based incentives to turn a profit. Within its projects, it often partners with mission-aligned partners on the ground.

The fund was brought to existence through a \$5.5 million programme-related grant from the David and Lucile Packard Foundation.¹⁸⁷

Since 2019, the fund has reached \$40 million in carbon project funding commitments, and is fully invested in seven projects.¹⁸⁸ Examples of these projects include: a \$2.2 million dollar investment in a 113,000-acre improved forest management project in Maine that was developed in accordance with the California Air Resources Board protocol for U.S. Forest Projects;¹⁸⁹ a \$1.12 million investment into an anaerobic digester in a dairy farm that traps and destroys methane emitted from the farm’s manure lagoon;¹⁹⁰ and a \$262,000 investment in a grassland conservation project, creating conservation easements that protect soil carbon from being released.¹⁹¹

Stakeholders:

David and Lucile Packard Foundation; Climate Trust

Status:

● Operational
fully invested