

BRIEFING

Missing
benefit-sharing
and poor
community
engagement in
carbon projects
– a Zimbabwe
case study

**SWED
WATCH**

Swedwatch is an independent not-for-profit organisation that conducts in-depth research on the impacts of businesses on human rights and the environment. The aim of the organisation is to contribute towards reduced poverty and sustainable social and environmental development through research, encouraging best practice, knowledge sharing and dialogue.

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Executive summary

Despite mounting criticism over poor environmental integrity and human rights abuses linked to carbon projects, the carbon market continues to grow. Valued at US\$ 1.4 billion in 2024, the voluntary carbon market (VCM) is projected to expand to US\$ 35 billion by 2030 and could reach US\$ 250 billion by 2050.¹ Much of this growth is driven by corporations in high-income countries, including European Union (EU) member states, purchasing credits to offset their own emissions or make environmental claims – an approach increasingly criticised for failing to deliver real emission reductions and for enabling greenwashing.²

Beyond corporate demand for offsets, international carbon trading under Article 6 of the Paris Agreement is also expected to expand, following COP29 in 2024, which established rules for governments to use carbon credits to help achieve national climate goals. For example, the EU has agreed to allow its member states to use international carbon credits to offset part of the 2040 climate goal, despite strong opposition from civil society.³ In fact, carbon markets are now increasingly framed by their proponents as channels for closing the climate finance gap and directing investments to low- and middle-income countries.⁴ However, major concerns remain regarding the lack of financial transparency, poor community engagement, and inequitable sharing of carbon revenues with local communities.

This Swedwatch briefing examines the carbon market in Zimbabwe and illustrates how carbon market projects frequently fail to deliver on promised benefits and instead risk exploiting host communities. The research draws on first-hand accounts from community members in the Chimanimani district of Zimbabwe, who were included as part of a cookstoves carbon project developed by the company C-Quest SGM ZM Stoves Private Limited. The company is part of the C-Quest group, which is headquartered in Washington, D.C. under C-Quest Capital LLC (hereafter referred to as C-Quest, collectively referring to its parent entity, subsidiaries, and affiliated offices). C-Quest registered two cookstove projects in Zimbabwe under verified carbon standard (VCS) of Verra.⁵ The company aimed to distribute more than 800,000 fuel-efficient improved cookstoves to households across Zimbabwe, stating that these stoves would burn wood more efficiently and create fewer emissions compared to traditional open-fire wood cooking that families relied on.

Swedwatch's findings reveal that, while C-Quest sold carbon credits sourced from its Zimbabwe cookstove projects to high-emitting corporations, community members and local authorities were entirely unaware of the carbon trading scheme and received no share of the revenues from these transactions. The interviews with community members confirmed that C-Quest failed to conduct meaningful consultations and obtain informed consent from the families to sell carbon credits. No efforts were made to negotiate a fair and transparent benefit-sharing agreement with the community either, and they shared frustrations about the lack of information about the financial details of the project, which they thought was a donation. Community members interviewed explained that the revenues should have been used to support local development and climate resilience, or even to repair broken stoves, provide suitable cooking pots, or improve the stove design. Particularly since these limitations affected the overall usability of the stoves and undermined the legitimacy of the claimed emission reductions.

Swedwatch's analysis showed that by the end of October 2025, over 1.4 million credits had been issued across the two projects, with an estimated market value of between US\$ 6.5 million and US\$ 13.7 million. Based on credits already sold or retired, C-Quest likely earned between US\$ 2.4 million and US\$ 5.3 million. Community testimonies confirmed that none of these funds reached the communities whose stove use enabled credit generation, except for small token payments to volunteers and a local implementer. While C-Quest stated that revenues were used to subsidise stoves and recover implementation costs, no project-level data on prices, costs, or earnings were disclosed, making it impossible to assess whether revenue use was fair or equitable.

Meanwhile, media reports confirmed that C-Quest has been at the centre of a multi-million-dollar fraud linked to its cookstove projects⁶, illustrating the vast financial value that can be extracted by foreign corporate project developers and promised to investors, while the low-income communities hosting such projects remain excluded from any real financial benefit. At the time of publication, Swedwatch confirmed through media reports that C-Quest had filed for bankruptcy, and the ownership of several cookstove projects it operated – including the two in Zimbabwe – was transferred before that to Bridge Carbon LLC, headquartered in the UK.⁷ It is a newly established company, reportedly founded by former senior executives and an investor in C-Quest. In its response to Swedwatch, Bridge Carbon confirmed that the company had not gained any financial benefits from the projects in Zimbabwe since taking over from C-Quest, and that it had chosen to close the operations and withdraw the projects from Verra. Bridge Carbon emphasised that there is no link between them and the fraudulent conduct of C-Quest and it cannot address any grievances or offer to compensate for fraud. Further details of their response are provided on page 26.

These patterns of financial capture by foreign corporations and the diversion of carbon revenues abroad prompted the Zimbabwean government to introduce mandatory benefit-sharing, including a 30 percent levy on carbon credit transactions, alongside requirements for human rights safeguards and environmental integrity.⁸ While this marks progress, concerns remain that central governance and control of revenues may undermine meaningful community participation and rights.

Overall, the findings show that vulnerable communities in low- and middle-income countries risk being exploited when community engagement, financial transparency, and benefit-sharing is left to the voluntary discretion of corporate project developers. It exposes the stark inequality in carbon markets, where enormous financial value can be extracted from local communities. This finding is supported by previous research that shows revenues from the carbon projects often flow to corporate project developers and intermediaries based abroad.⁹ The finding also exposes the deeper structural injustice of the carbon offsetting industry, where corporate clients stand to benefit from unverifiable credits, while there is little evidence that any value from these transactions reach the climate-vulnerable communities to support their needs.

This study concludes that carbon projects must not be used to bypass the emissions reductions and financial obligations of high-income countries, including EU member states with large historical emissions. Where such projects are pursued as foreign

investments in low-income and climate-vulnerable regions, upholding responsible business conduct is crucial. Under the UN Guiding Principles (UNGP) on Business and Human Rights, all businesses have a clear duty to respect human rights, which includes avoiding harm to people and the environment. Corporate actors in the carbon market, whether sellers (project developers) or buyers of credits, must not only meet baseline duty to ‘do no harm’ but also align with the Paris Agreement’s broader commitments to ensure equity and sustainable development. This requires financial transparency, genuine community engagement that respects the right to free, prior, and informed consent, and mandatory benefit-sharing as non-negotiable human rights safeguards. Without these, carbon markets risk becoming tools for greenwashing and climate injustice.

About this briefing

This briefing draws on lessons from Zimbabwe to provide actionable recommendations on carbon market investments in low- and middle-income countries that can deliver fair and equitable outcomes, with particular attention to the use of revenues for community benefit-sharing. It outlines guidance for project developers and buyers, as well as for government policymakers shaping regulatory frameworks.

Recommendations in brief

- Corporate project developers in the carbon market should ensure meaningful engagement with local communities, full transparency on project level financial details, and the establishment of a benefit-sharing agreement in consultation with the communities to guarantee the fair and equitable share of revenues and monetary benefits from the sale of carbon credits.
- Corporations buying carbon credits from low- and middle-income countries must use their leverage to ensure fair and equitable benefit-sharing with local communities, making it a central human rights and environmental due diligence (HREDD) requirement in the credit procurement process.
- State actors should increase funding and capacity-building support for local communities affected by carbon projects, enabling them to understand the potential risks and benefits, and actively participate in the negotiation, decision-making, and ownership of carbon projects.
- Governments of low- and middle-income countries hosting carbon projects should establish regulations requiring project developers to implement binding benefit-sharing agreements that allocate a fair share of revenues to the local communities. Legislation should mandate the following: stakeholder engagement; the right to free, prior, and informed consent (FPIC); financial transparency; and access to an effective grievance and redress mechanism.

Key terms

CARBON MARKET: A carbon market is a trading system that enables the buying and selling of carbon credits. Each credit represents the reduction, avoidance, or removal of one metric tonne of carbon dioxide equivalent (tCO₂e). There are mainly two types of carbon market: voluntary and compliance.

VOLUNTARY CARBON MARKET (VCM) typically operates outside government regulation. It allows companies to buy and retire carbon credits voluntarily to meet self-defined climate goals, including offsetting all or part of their emissions. Once a credit is retired, it means that it is essentially used up for an environmental claim and cannot be double counted.

COMPLIANCE MARKETS are regulated systems created under legally binding climate frameworks at national, regional, or international levels. For example, the Clean Development Mechanism (CDM) under the Kyoto Protocol, and the Article 6 mechanisms under the Paris Agreement. Compliance systems also refer to jurisdictional carbon pricing instruments such as carbon taxes and emissions trading schemes, like the EU Emissions Trading System (EU ETS). While the EU ETS banned international credits after 2020, some compliance schemes still allow them, such as Singapore's carbon tax, and the EU has recently announced plans to allow international carbon credits traded under Article 6 to achieve its 2040 climate target. This means the compliance and VCM markets often overlap.

CARBON PROJECT: Mitigation activities that verifiably reduce, avoid, or remove greenhouse gas emissions to generate credits. Mainly categorised into two types:

1. **Nature-based (land-based)**, such as forest conservation, afforestation, or soil carbon enhancement, which aim to protect or expand natural carbon sinks.
2. **Household or community energy demand/technology initiatives** that minimise reliance on fossil fuels (e.g. clean cookstoves, electricity generation from renewable sources such as solar or wind, and fossil-free transport).
3. A more recent category involves **engineered carbon capture and storage technologies**, including direct air capture (DAC) and bioenergy with carbon capture and storage (BECCS), which aim to physically remove carbon dioxide from the atmosphere and store it over the long-term.

CARBON CREDITING PROGRAMME/STANDARD is a regulatory or voluntary programme that defines the rules and procedures for developing carbon projects. When the mitigation activities complete monitoring, reporting and verification, carbon credits are issued by the programme. Examples of leading voluntary market programmes include Verra's verified carbon standard and the Gold Standard.

PROJECT DEVELOPER/OWNER is the entity responsible for designing, implementing, and managing a carbon project that generates carbon credits. While many large-scale projects are owned and operated by corporations often with external consultants, some projects are developed by governments, community-based organisations, and international non-governmental organisations (NGOs) too.

INTERMEDIARY: Brokers, traders, exchanges, or financial institutions that facilitate the buying and selling of carbon credits.

Introduction

This briefing examines how community engagement and benefit-sharing shape the fairness and equity of carbon markets, with a particular focus on one case study from Zimbabwe. Although carbon markets are promoted as tools to deliver climate finance to lower-income countries, evidence suggests that these markets frequently fail to deliver promised benefits and can even exacerbate existing inequalities.

Carbon Market Watch's (CMW) Due South report states that companies implementing and managing carbon projects are overwhelmingly based in high-income countries, where the profits generated from the carbon market are concentrated, despite most projects being hosted in lower-income regions that are in greater need of climate finance.¹⁰ This imbalance is further compounded by the opacity of the carbon market, where intermediaries such as traders and brokers often capture a significant share of profits.¹¹ These actors can raise the price of carbon credits to such an extent that only a small fraction of the value ultimately reaches the project developer or the participating community. Existing research also shows that carbon projects lack clear or enforceable benefit-sharing frameworks, and the concept itself is seldom defined within market standards.¹² As a result, there is little evidence that local communities receive a transparent or fair share of revenues from the sale of carbon credits.

Drawing on first-hand testimonies from community members affected by a carbon project in Zimbabwe, this briefing examines how the promises of carbon finance often fail to materialise at the local level. The case focuses on C-Quest's Zimbabwe projects, part of one of the world's largest clean cooking programmes aimed at generating carbon credits through the distribution of fuel-efficient stoves. These projects were promoted as dual-purpose initiatives intended to reduce carbon emissions while improving indoor air quality and health outcomes for billions of people in low- and middle-income countries who rely on open-fire or charcoal. However, recent fraud investigations into C-Quest's clean cooking projects have raised serious concerns about the environmental integrity, financial transparency, and equitable benefit-sharing arrangements within such investments.

Methodology

The findings presented in this briefing draw on first-hand accounts from community members, interviews with local and national stakeholders, and a desk-based review of project documents. Field research was conducted by Green Governance Africa (GGA), in collaboration with Swedwatch, between October 2024 and March 2025. During the initial fieldwork in December 2024, three focus group discussions (FGDs) were held with a total of 25 participants – 21 females and four males – in the Chimanimani region, one of several areas in Zimbabwe where C-Quest distributed cookstoves to families.

In March 2025, a follow-up visit was conducted with two Swedwatch staff. During this visit, two additional FGDs were carried out with 22 participants – 21 females and one male – to further explore and validate earlier findings. A total of ten key informant interviews were conducted, covering representatives from local government in Chimanimani, relevant national authorities, the local implementing partner, and trained stove installers.

While this briefing does not seek to generalise the findings across all carbon projects in Zimbabwe, the case study provides important insights and lessons that corporate and government actors should take into account to ensure fair and equitable outcomes for local communities in future.

Benefit-sharing in carbon projects

In carbon projects, benefit-sharing typically refers to how the local communities are allocated monetary and non-monetary benefits resulting from the project. For the purposes of this briefing, benefit-sharing is defined specifically as the mechanism through which revenues derived from the sale of carbon credits are shared with local communities and indigenous peoples affected by or participating in such projects.

As recommended by CMW, benefit-sharing must be seen as separate or additional to payments for services (PES), such as short-term compensations for specific tasks such as cookstove installation or forest patrols, and from co-benefits, which refer to broader sustainable development outcomes such as improved gender equality, biodiversity, or air quality resulting from the mitigation activities.¹³ While these can overlap in practice, CMW warn that using these terms interchangeably risks confusion and weakens the implementation of robust benefit-sharing agreements, ensuring a share of revenues with local communities and indigenous peoples.¹⁴

The type of revenue sharing and monetary benefits and how these are distributed and to whom can differ based on project types, such as land-based versus energy projects. For example, they can include direct cash payments, payments into a community fund or loans, and this may be distributed to individuals who contribute to the credit generation, local authorities, or other implementers supporting the initiative, or the community.¹⁵ They can be a transaction, often linked to the pricing of the carbon credit (e.g. percentage share of revenues or profit) or a fixed payment, which may or may not be tied to the amount of emissions reduced or avoided.¹⁶

CMW states that benefit-sharing tends to be poorly defined and rarely enforced by leading carbon crediting programmes and is often not subjected to independent verification.¹⁷ A report published by Öko-Institut in 2023 showed that only two out of five assessed programmes – Plan Vivo and American Carbon Register – referenced benefit-sharing agreements, while only Plan Vivo specifically mandates that a percentage of the revenues should go to local stakeholders.¹⁸

The Integrity Council for the Voluntary Carbon Market (ICVCM), created in 2021, is an industry-led initiative that sets the global benchmark for high-integrity carbon credits through its Core Carbon Principles (CCPs).¹⁹ It currently evaluates the eligible carbon crediting programmes and methodologies and permits them to issue CCP-aligned credits if the projects meet their criteria. While ICVCM has recognised benefit-sharing as a core integrity criterion, it does not currently mandate carbon credit programmes to have binding rules for all projects.²⁰ Instead, it only outlines expectations for where programmes already include benefit-sharing provisions. For example, if a project claims benefit-sharing, ICVCM requires that benefit-sharing plans should be developed together with communities, included in project documents, and with outcomes made publicly available.

Civil society groups, however, argue that this falls short. CMW has called on ICVCM to adopt binding rules on benefit-sharing regulated by carbon crediting programmes, as the absence of it harms local communities and indigenous peoples.²¹ Existing evidence shows that most carbon crediting programmes oppose mandatory benefit-sharing provisions, citing the confidentiality of commercial terms and the limited role or resources of crediting bodies to oversee such arrangements.²²

The civil society organisations Grassroots Justice Network and Namati note that carbon crediting programmes can help safeguard communities and support revenue sharing, but stress that only strong national laws and regulations can ultimately guarantee these rights.²³ They have identified seven carbon justice principles, which include fair compensation that calls for communities to receive 50 percent of gross revenues in all nature-based projects implemented on their lands, with full authority to decide how that money is spent. They also argue that communities must be enabled to lead stewardship activities, access training and employment, and receive independent legal support without fear of reprisal.

According to the Africa Carbon Markets: Status and Outlook Report 2024-25 report, carbon market legislations are still evolving across the region with various degrees of mandatory benefit-sharing provisions.²⁴

A human rights safeguard linked to business responsibility

International human rights standards and norms relating to business human rights reinforce the case for benefit-sharing. The UNGPs make it clear that companies cannot rely solely on state regulation but have an independent responsibility to respect human rights. Although benefit-sharing is not explicitly mentioned in the UNGPs, it has become an increasingly recognised norm for achieving equity and justice across sectors such as extractives,²⁵ renewable energy,²⁶ and genetic research,²⁷ particularly when business activities affect the rights of indigenous peoples and local communities.

The UN Special Rapporteur on Climate Change and Human Rights, Elisa Morgera, has emphasised that fair and equitable benefit-sharing is central to realising the rights of Indigenous Peoples and local communities in natural resource governance.²⁸ She frames benefit-sharing not as compensation for violations, but

as a standing obligation alongside free, prior, and informed consent (FPIC)²⁹ and impact assessment. This obligation has both procedural dimensions – such as access to information and good-faith consultations – and substantive ones, including expanding communities’ choices and capabilities through income generation and equal partnerships.

Similarly, a 2024 report by the Business & Human Rights Resource Centre (BHRC) provides lessons learned on benefit-sharing within a just transition. In mining and renewable energy projects, it recommends moving beyond voluntary corporate social responsibility initiatives or one-off compensations toward regulatory frameworks that guarantee equity, inclusion, and long-term prosperity for frontline communities.³⁰ Such models, the BHRC states, should prioritise enforceable benefit-sharing provisions, community participation, and safeguards like FPIC. The report also highlights the need to strengthen land rights, prevent elite capture, and ensure transparency in fund allocation.

These lessons are directly applicable to the carbon market, where private companies play a dominant role as investors, project developers, and buyers, and have faced mounting criticism for serious human rights abuses, particularly in large-scale forestry and land-use initiatives. In many cases, these projects harm Indigenous Peoples and local communities, affecting their safety, land rights, food production, livelihoods, and culture.³¹ These documented harms prompted the former UN Special Rapporteur on the Rights of Indigenous Peoples, Francisco Calí Tzay, to call for a moratorium on carbon markets.³²

Although energy projects such as cookstoves typically do not carry the same level of human rights risks associated with nature-based projects, these too have come under increasing scrutiny for poor environmental integrity such as over crediting or fake claims of emissions reductions.³³ These flaws enable ongoing emissions that drive catastrophic global warming, which ultimately affect the human rights of vulnerable populations worldwide.

As investments in voluntary and Article 6 markets expand, benefit-sharing must therefore be treated as a core element of human rights and environment due diligence (HREDD) conducted by corporate and government actors. This safeguard is fundamental to ensuring a decent standard of living and is closely tied to communities’ procedural rights, such as the right to information, participation, and consent. Embedding benefit-sharing in this way also supports the Paris Agreement’s commitments to equity, poverty eradication, and climate justice for frontline communities rather than reinforcing exploitation and inequality.

Corporations buying carbon offsets

CMW notes that there is a prevailing narrative that companies that do offset accelerate corporate internal decarbonisation but there is weak empirical data to prove a causal link.³⁴ In fact, a recent study published in *Nature* reveals that many of the world's largest corporate buyers of carbon credits have sourced predominantly low-quality offsets that offer little evidence of delivering real or additional emission reductions.³⁵ Despite this, several large corporations, including companies in the EU, are using or may plan to use carbon credits to meet their climate change targets, with varying levels of transparency and commitment to environmental integrity and human rights safeguards.³⁶ These issues highlight the need for clear disclosure requirements and stronger human rights and environmental due diligence when procuring carbon credits from low- and middle-income countries. Existing evidence shows that most buyers carry out their due diligence internally, relying primarily on in-house assessments while some engage external consultants or rating agencies to supplement their analysis with technical expertise.³⁷

Zimbabwe's carbon markets

Zimbabwe is among the most active host countries for carbon projects in Africa, supplying significant volumes of credits to the voluntary market. According to the Voluntary Registry Offsets Database maintained under the University of California's Berkeley Carbon Trading Project, 26 carbon projects were registered in Zimbabwe as of 31 December 2024.³⁸ The majority of these projects are forestry and cookstove initiatives. The largest initiative is the Kariba REDD+ project, one of Africa's most high-profile voluntary carbon projects, with subsequent investigations showing the issuance of millions of fake credits and benefits denied to local communities.³⁹

Swedwatch's analysis of the Berkeley database shows that there are only seven foreign companies, behind Zimbabwe's carbon projects, all headquartered in high-income countries. This concentration of foreign control mirrors a broader continental trend. Previous research shows that 62 percent of the 101 companies engaged in voluntary carbon market projects across Africa are based in countries with 'very high' human development, with very little evidence of whether revenues from the sale of credits flow to the host countries.⁴⁰ More recently, media has reported that Zimbabwe entered into a carbon project deal with the Emirati firm Blue Carbon, granting control over 7.5 million hectares of forest, nearly 20 percent of the country's landmass.⁴¹ This deal has been widely criticised in the media and various research reports as a form of land grabbing, including concerns about the loss of sovereignty and threats to the livelihoods of people who depend on the land.⁴²

Figure 2. Companies listed as project proponents behind carbon projects registered in Zimbabwe as of December 2024⁴³

Project proponents	Headquarters	No. of projects
CO2balance UK Ltd	UK	16
Namene Solar Lights Ltd	UK	2
The African Stove Company Limited	UK	2
SACCI1 Ltd	UK	1
Carbon Green Investments (Guernsey)	UK	2*
C-Quest Capital SGS Stoves Private Limited	US	2
Aither Group SA	Switzerland	1*

Note: The ownership of C-Quest's projects was transferred to a new company (Bridge Carbon) at the time of publication. No other companies listed in this table are accused of any misconduct in this report.

**Projects listed as withdrawn in the carbon crediting program register.*

According to one local media report, Zimbabwe has lost tens of millions of US dollars in revenues from unregulated carbon market deals.⁴⁴ In response, the Zimbabwean government has undertaken major legal reforms in recent years to regulate the business activities in the carbon market and prevent future loss of revenue as the country moves from voluntary market to Article 6 carbon trading, and address concerns over environmental integrity, human rights safeguards, and transparency. This includes the Carbon Credits Trading (General) Regulations enacted on 2 May 2025 under the Environmental Management Act, which mandates a benefit-sharing mechanism.⁴⁵ For any voluntary carbon market project, a 30 percent fee is applied on the transaction value, while for authorised mitigation outcomes (ITMOs) traded under Article 6, the levy is set at 30 percent of total credit issuance, paid directly into the National Transaction Account as the designated share of proceeds. This provision is intended to ensure that a portion of revenues from both voluntary and compliance markets remain in the country. The regulations also require that at least 20 percent of total project investment should be directed straight to local communities for eligible purposes, such as recruitment and training of local staff, improving healthcare and sanitation, developing public-use infrastructure, or supporting food security and gender equality.

In addition, the regulations created the Zimbabwe Carbon Markets Authority (ZiCMA) as the designated national authority (DNA) with the responsibility for project approvals, monitoring, registry management, and international authorisation. It also put in place explicit safeguards, including requirements for securing free, prior, informed consent and stakeholder consultations. Additionally,

a National Grievance Redress Mechanism (NGRM) is established under ZiCMA, allowing affected stakeholders to submit formal complaints, which are reviewed and investigated by an Advisory Grievance Committee. According to the Zimbabwe Environmental Law Organisation (ZELA), the main challenge lies in the implementation and enforcement of these rules and sustainable development requirements.⁴⁶

FACT BOX 3

What is Article 6 of the Paris Agreement on carbon market?

The Article 6 mechanisms of the Paris Agreement establish rules for international carbon credit trading between governments and other entities. There are two mechanisms now operational under this Article:

ARTICLE 6.2

It allows countries (i.e. government to government) to trade emissions reductions, known as Internationally Transferred Mitigation Outcomes (ITMOs), through bilateral, multi-lateral, or unilateral agreements. These trades can help countries meet their nationally determined contributions (NDCs) and global climate mitigation goals. To ensure environmental integrity and avoid double counting, the seller country is required to apply a corresponding adjustment to its national emissions balance, reflecting the transfer of the mitigation outcome to the buyer country.

ARTICLE 6.4

In contrast, Article 6.4 creates the Paris Agreement Crediting Mechanism (PACM), a high integrity international carbon market overseen by the UN Article 6.4 Supervisory Body (SBM). To issue UN-recognised credits known as Article 6.4 emission reductions (A6.4ERs), project developers must register their projects with the Supervisory Body and secure approval from both the host country and the UN entity. These credits can then be purchased by governments, corporations, or other entities to meet their climate goals, subject to corresponding adjustment accounting and other rules. In addition, Article 6.4 requires two mandatory levies:⁴⁷

- 5 percent of share of proceeds (SOP) towards the Adaptation Fund. It refers to the allocation of a portion of revenues or in-kind contributions from carbon market transactions to specific stakeholders or purposes. SOP levies and fees can be also determined by the host country governments as a source of revenues for public spending.
- A cancellation of ITMOs of 2 percent is compulsory at issuance, to contribute to overall mitigation in global emissions (OMGE).

Findings: Gaps in consent, consultations, and revenue sharing

This chapter presents the findings from field research conducted in Zimbabwe. Swedwatch, in collaboration with local partner Green Governance Africa, carried out on-site investigations in Chimanimani District, located in Manicaland Province. This district is one of several low-income areas where C-Quest has operated. According to interviewed local stakeholders, between June 2022 and June 2024, an estimated 20,000 households in Chimanimani received new stoves, installed with the support of local implementing partner, Development Aid from People to People (DAPP), a local NGO.

Focus group discussions and key-informant interviews revealed that C-Quest did not ensure meaningful community engagement and benefit-sharing. Several concerns were identified: no share of revenues from the sale of carbon credits reached the local community; the lack of informed consent from families using the stoves to trade carbon credits; limited financial transparency; insufficient community consultation prior to the start of the activities; and the absence of an effective grievance mechanism.

Figure 3. Two Verra cookstoves projects registered by C-Quest in Zimbabwe as energy demand projects⁴⁸

Project title	Total improved cookstoves distribution	Estimated annual emission reductions (tco ₂ e)	Total credits issued	Total credits retired
Installation of high-efficiency wood-burning cookstoves in Zimbabwe. [ID 2341] <i>Registered: 2022</i>	500,000	454,274	1,249,487	456,748
Installation of high-efficiency wood-burning cookstoves in Zimbabwe - Project 2 [ID 2890] <i>Registered: 2023</i>	375,000	868,550	197,050	100,505
Total	875,000	1,322,824	1,446,537	557,253

No revenues reached vulnerable local communities

Due to the absence of financial disclosures by C-Quest, it remains unclear how much revenue the company has earned from selling credits sourced from Zimbabwe cookstoves projects. Swedwatch's analysis of Verra issuance records for both projects showed that a total of 1,446,537 verified carbon units or carbon credits were issued at the end of October 2025. The recent market prices for cookstove credits range from US\$ 4.50 to US\$ 9.50, according to forecasts from Allied Offsets.⁴⁹ At these prices, C-Quest's issued credits volume is worth between US\$ 6.5 million and US\$ 13.7 million. Furthermore, based on the credits already retired or used for an offsetting claim, C-Quest has likely earned between US\$ 2.4 million and US\$ 5.3 million. Credit retirement data is sourced from Verra's VCS issuance records for the two projects, as of October 2025. The latest retirement occurred on 23 October 2025 from project VCS2341, indicating that credits continue to be used for offsetting or environmental claims despite the projects having been withdrawn.

Despite this financial potential, Swedwatch's findings confirmed that no community benefit-sharing agreement was put in place by C-Quest in consultation with the local stakeholders.

Focus group discussions with families using the stoves and interviews with government officials revealed that they were not aware of the carbon trading and had not received any share of the revenues. According to the respondents, only a token payment of US\$ 1 per installation was paid to volunteers who helped to build the stoves. These volunteers were recruited and trained by C-Quest's local partner, DAPP, who also confirmed receiving a fee for every stove they installed, although the amount was not disclosed by DAPP during the interview.

“There was no money earned from the project, the only people who got some money were those that were responsible for constructing the stoves who got \$1 per each stove.”

Community focus group participant.

Community members noted the benefits of the stoves and stated that they would continue to use them because of the positive benefits, including less smoke, quicker cooking, and reduced time spent collecting firewood. However, they also expressed frustration at not being informed about the trade of carbon credits and its financial value.

When asked about their expectations about how the revenues should be used, the community members indicated that the money should be used to repair broken stoves or provide suitable pots as many of the interviewees reported that they could not use the stoves anymore. Alternatively, they suggested that a share of the revenues should be allocated to a community fund to support development needs.

“Yes, we would have liked to receive a share of the revenue and would have used this fund for access to health, water, and education. For the community.”

Comment from a community member during the focus group discussion.

Regarding the lack of shared revenues, an informant from the local government authority in Chimanimani similarly commented:

“If we knew what we know now when the project was introduced, we would have negotiated better to ensure that there were some benefits that accrue to the community and that, as a local authority, we would have ensured that some of such resources would have remained at the local level to spur some development including starting some climate related projects that can further support the community.”

The Chimanimani region is home to marginalised communities experiencing high levels of poverty, further exacerbated by recurring climate-related disasters such as Cyclone Idai in 2019, which destroyed homes and swept away farmland. Community members described erratic rainfall, prolonged dry periods, and the disappearance of wild food species, resulting in worsening food insecurity. This decline in harvests and disrupted livelihoods has caused devastating social consequences.

One female member of the community described how climate-related declines in harvests have increased household stress, saying that when men feel unable to provide for their families, tensions rise and incidents of violence against women and children can occur.

The generation of credits would be impossible without the contribution of local women using the stoves, many of whom live in vulnerable situations. Yet they did not receive any financial support from the project to strengthen their resilience. Instead, the credits were sold to high-emitting corporations. While the full list of corporate buyers is not publicly disclosed on the Verra registry, media reports have linked C-Quest’s cookstove offsets to major corporate clients, including fossil fuel companies identified as investors in the projects.⁵⁰

At the same time, significant financial gains were made by former senior executives of C-Quest based abroad. In October 2024, the company admitted to the US Securities and Exchange Commission (SEC) that it had misled investors by overstating emission reductions from its cookstove projects.⁵¹ The company’s founder and former senior officials now face criminal charges in the United States in connection to the fraud. According to US Department of Justice court filings, the C-Quest fraud involved deceiving an unnamed investor into committing up to US\$ 250 million in the company, and part of this agreement included the purchase of more than US\$ 16 million worth of the founder’s shares.⁵²

These figures illustrate the vast sums of financial value that can be extracted by corporate project developers and promised investors in carbon projects, while communities are excluded from any real monetary benefits. This form of elite capture of revenues and exclusion of communities has been previously documented in other offsetting schemes in Zimbabwe – most notably the Kariba forest project – where reports show that most of the €100 million in revenues were paid to the companies behind the project, rather than to the local villages.⁵³

As of January 2025, the ownership of both projects was transferred from C-Quest to Bridge Carbon Africa Stoves Development Private Limited, part of the Bridge Carbon group of companies, headquartered in the UK. In its response to Swedwatch, Bridge Carbon confirmed that it had already decided to withdraw both cookstoves projects in Zimbabwe in July 2025, stating that it had not derived any financial benefit from them and had no knowledge of recent credit retirements. A full response from Bridge Carbon is provided on page 26.

FACT BOX 4

C-Quest Fraud Case

In June 2024, C-Quest announced that it had uncovered wrongdoing by its former chief executive officer and the founder, resulting in the over-issuance of millions of carbon credits under its clean cooking projects registered with Verra.⁵⁴ The case was reported to the federal authorities and to Verra by C-Quest's board, under a newly appointed chief executive officer (now leading the Bridge Carbon group and interviewed by Swedwatch). This disclosure subsequently led to coordinated federal enforcement actions and prompted Verra to suspend all of C-Quest's cookstove projects and later cancel five million overissued credits.⁵⁵

On 2 October 2024, the US Department of Justice (DOJ), the Commodity Futures Trading Commission (CFTC), and the Securities and Exchange Commission (SEC) announced parallel criminal and civil proceedings against C-Quest's parent company, CQC Impact Investors LLC, and several former senior executives. The indictment filed by the DOJ alleged that the accused individuals engaged in a multi-year scheme to fraudulently obtain carbon credits worth tens of millions of dollars by using manipulated and misleading data, to make it appear as if the cookstove projects were far more successful in reducing carbon emissions than was actually the case.⁵⁶ It further states that the credits were allegedly sold to unsuspecting buyers in the multi-billion dollar global carbon market, while the defendants also fraudulently secured investments exceeding US\$ 100 million. The criminal case remains ongoing before a court in New York.

The CFTC filed a complaint against the founder of C-Quest seeking civil monetary penalties and announced the filing and settlement of charges against C-Quest.⁵⁷ The company reportedly paid a fine of US\$ 1 million and agreed to several compliance undertakings. Meanwhile, the SEC case was settled through a cease-and-desist order after C-Quest admitted to fraud.⁵⁸

Lack of informed consent

C-Quest's project documents submitted to Verra stated that families would be informed that credits generated would finance stove subsidies and project costs, and that households would sign declarations transferring ownership of carbon assets to the project proponent. Evidence from focus groups and interviews, however, show that this did not happen. Swedwatch found that none of the families knew C-Quest was trading credits from their stove use. They recalled being told the stoves would save fuel and reduce smoke, then being asked to sign documents and given a registration card. None of the stove owners understood that, by signing, they



A woman holding the registration card that she received after the installation of cookstoves
PHOTO: GGA

may have transferred rights to credits created from their cooking. One participant in the focus group mentioned that some people tried to withdraw money with the cards, mistaking them for bank cards – an example of the inadequate and culturally inappropriate communication by C-Quest and its partner.

“When we were given these cards, we were told to keep them secure and not much information was given on what they were for. Some of us thought they were bank cards, and we were to withdraw some money with them at some stage. Remember at that time projects that were coming to our community were projects that were helping us post Cyclone Idai and we thought this was the same and that it will have some monetary benefit.”

The Clean Cooking Alliance (CCA) states that all project developers must obtain informed consent from all users before including them in carbon projects and ensure that revenues are distributed fairly along the value chain.⁵⁹ As CCA notes, “cookstove and fuel users must have a complete understanding of the consequences of their participation in a carbon project,” “consent is freely given without deception, intimidation, or coercion,” and users must “thoroughly read and understand any legal agreement transferring the rights to carbon credits before signing it.”

Although C-Quest itself has endorsed CCA responsible carbon financing principles, its commitment came only after projects in Zimbabwe were already underway, raising doubts about how far these principles have been applied in practice voluntarily. Verra also requires project developers to obtain informed consent before registering

a project. Existing evidence shows that many initiatives fail to meaningfully engage communities and ensure FPIC in practice.⁶⁰ The case of C-Quest in Chimanimani provides clear evidence of this, as neither the families using the stoves, nor the local authorities were adequately informed about the trade of credits from cookstoves. This underscores the responsibility of crediting programmes and accredited validators to go beyond procedural checks and ensure that consent and benefit-sharing are genuinely secured and verifiable in practice, rather than reduced to box-ticking exercise.

Lack of financial transparency

Swedwatch's findings revealed a severe lack of transparency around the financial aspects of C-Quest's cookstove projects. Project documentation on Verra's website contained no budget, credit prices, costs, or revenues. This information was not shared with families participating in the scheme or local government stakeholders such as Chimanimani Rural District Council, provincial development authorities, and the Environmental Management Agency. All of them reported they were unaware the initiative was a commercial carbon credit scheme. During the interviews, they expressed frustration, stressing that if they had known revenues were being generated, they would have sought to negotiate a share for local development and climate action needs.

For C-Quest, the project costs may have included procurement of equipment, travel, and staffing. However, the lack of financial disclosure undermines the claims that revenues were simply reinvested to subsidise the stove costs and keep the project feasible. Without access to figures on credit prices, revenues, or profit margins, communities had no way of understanding the value of their participation or to negotiate a fair share of the benefits. The lack of financial transparency not only facilitates elite capture of revenues but hinders accountability and creates space for fraudulent practices, leaving local communities excluded while project developers reap disproportionate gains.

C-Quest's local partner in the region, DAPP, admitted that, while they knew the project was designed to generate and sell carbon credits, this was never clearly discussed in the meetings:

“We knew that this was a project to generate carbon credits, and we even mentioned in our training that the project will result in reduction of carbon, but what we did not mention explicitly was that there will be generation of some money and there was never discussion of how that money could trickle down to the community.”

Key Informant from DAPP

An anonymous source close to C-Quest's business operations further admitted that financial information generally tends to be withheld: “we cannot share much information because, in such information, that is where our money lays.”

These findings reinforce earlier research done by CMW, which raises serious concerns about the lack of transparency in voluntary carbon projects.⁶¹ To strengthen accountability, CMW experts argue that voluntary market crediting programmes should require companies and project developers to disclose detailed information on the financial distribution of funds, clarifying how revenues are allocated among project developers, intermediaries, and communities. Integrity initiatives such as the ICVCM are urged to mandate greater transparency by enforcing the public disclosure of project-level financial reports. In addition, VCM standards should ensure that all project documentation is made publicly accessible on registry platforms and that regular audits are carried out to guarantee accurate and up-to-date records.

According to Clean Cooking Alliance transparency is seen as a prerequisite for determining the fairness of carbon markets for a clean and improved cooking sector. They state that transparency can be strengthened by making noncompetitive information on carbon markets more accessible and argues for projects that generate higher revenues from carbon credit sales to allocate a greater share of profits to local participants through benefit-sharing mechanisms, while adding that any such arrangements must not bankrupt the project by pulling too many funds away from its operation.

“Carbon financing for the clean and improved cooking sector evokes ethical considerations stemming from the involvement of low-income households in carbon projects. There is currently little transparency around how stakeholders involved in clean and improved cooking carbon projects balance economic and moral considerations, particularly in relation to sharing risks and revenue.”

Figure 4: An illustration taken from Clean Cooking Alliance’s 2024 report showing that a large portion of carbon revenue earned by clean and improved cooking activities tends to stay with actors further up the value chain⁶²





A photo of a broken TLC-CQC Rocket Stove at a house in Chimanimani. Families were asked to construct the stove base themselves, using clay bricks joined with a mixture of clay, sand, manure, and water for insulation. C-Quest was responsible for supplying the essential metal components – including the top plate, pot skirt, and stick support – which are designed to optimise airflow, improve heat transfer, and ensure more complete combustion and fuel savings. Swedwatch's findings showed that over 1,000 households built the base as instructed but did not receive the equipment to complete their stoves. PHOTO: GGA

Lack of consultation and grievance mechanisms

C-Quest registered two cookstove projects in Zimbabwe, where the stoves distributed to families in Chimanimani were part of a grouped project, which allowed C-Quest to avoid undergoing a full validation and scale up over time and reduce transaction costs.⁶³

Swedwatch's findings revealed serious shortcomings in this approach. Instead of conducting new consultations with local authorities and community members in Chimanimani district, C-Quest relied on feedback from its earlier project in a different region of the country, Mashonaland. While this approach may have been cost-efficient for C-Quest and expedited the activities, it ignored specific local needs and priorities.

Swedwatch findings showed that the lack of meaningful community engagement led to both design flaws that undermined stove use and the legitimacy of claimed reductions, and negative social impacts.

While community members agreed to the positive impacts of the stoves and confirmed that they would like to continue using them, this was challenged by the fact the stoves broke down quickly. Interviews with families using the stoves show that they had no repair support from the company or sometimes had to pay for it themselves. The project's design phase compounded these problems by overlooking cultural fit and regional variations. In colder areas like Chimanimani, the traditional choto stove serves a dual purpose, providing heat in addition to cooking, yet this crucial factor was ignored, possibly overstating the usage levels. These comments from the focus groups and key informants' highlights the environmental integrity issues:

“The stoves are not durable. They can easily be broken down, e.g. by mistake. If it happens, we need to pay a person to fix them. It can cost between 1 and 5 dollars.”

Focus group participant

“In certain areas, the clay available for stove construction was of subpar quality, which led to structurally weak stoves that lacked durability.”

Key Informant, DAPP

“We could have advised the project on how cold our homes are and how the traditional stove is not just for cooking but also a source of heat in the cold seasons.”

Focus group participant

“Although we like these stoves, they are small for our big families, and our traditional three-legged pots cannot be accommodated by the stoves.”

Focus group participant

“A few of us were trained on how to install and repair the stoves, and this limited our ability to do things on our own, and now we have dysfunctional stoves that we can't repair, and those that were trained now charge us for repairs now that the project has ended.”

Focus group participant

These findings echo earlier media reports documenting concerns that C-Quest cookstove projects in Africa promised more than it could deliver.⁶⁴

An official from Zimbabwe's Environmental Management Authority (EMA) expressed concern about relying on anecdotal evidence of emissions reductions, noting the absence of scientific verification: “As EMA we do not have any information or details that suggest that such changes were achieved from the project and as such, we are not very comfortable to confirm these benefits.”

The negative social impacts documented during the community interviews include the exclusion of vulnerable groups and conflict over resources to build stoves:

“Most of us do not have cattle, so we struggled to find cow dung. We even witnessed some conflict when we were sourcing the dung as those with cattle didn’t want to give their dung for free.”

Focus group participant

“Some of us were left out of the programme because we were unable to mould the bricks because we are old and do not have children or grandchildren who could help us, whilst we are the ones with great need of these stoves as we struggle to gather firewood, and we cannot afford to buy either.”

Focus group participant

The project also failed to accommodate the cultural significance of the choto, which is more than a household item but part of a family’s heritage:

“We worry that, with these new stoves, what happens when we die, because traditionally my family is supposed to come and take my stove back to where I come from.”

Interview with stove owner

During implementation of the project, further challenges emerged. Some stove components were imported without the knowledge of the local partner, DAPP, limiting their capacity to support households when shortages arose:

“Some components for the stoves were procured from outside the country, known only to the developer; these components have hindered our ability to complete some stoves in the community. We believe that if these materials had been produced locally, the project would have been more sustainable, and we could have provided support for those who constructed but did not receive the materials.”

Key informant, DAPP

Although a grievance and redress mechanism were referenced in project documents, community members were unaware of its existence and had no clear channel to raise their complaints. For example, families were asked to gather local resources such as clay, sand, manure, and water to construct the stove bodies, with the expectation that C-Quest would later supply the essential metal components needed to complete them.

During the fieldwork, Swedwatch found that more than 1,000 households were left with half-constructed stoves, with no information about whether they would ever be completed.

“We were left with half-constructed stoves, and until this day, we don’t know if we will ever get to use them. It would have been better if these materials we need to finish the stoves was locally produced, maybe we could have bought it for ourselves”

Community focus group participant

The problem was compounded when C-Quest ended its partnership with DAPP, severing local communication channels. With the developer absent, frustration was directed at DAPP, eroding trust in other programmes it continues to run in the community:

“The project united us well at first, but that has died down now that the organisation that used to coordinate us has just abandoned us without even notifying us.”

Focus group participant

FACT BOX 5

A local implementing partner’s perspective on power imbalance

Partnering with a trusted local organisation like DAPP was intended to support community engagement and context-sensitive implementation. DAPP was responsible for awareness sessions, volunteer training, stove installation, and reporting to C-Quest – receiving an undisclosed fee per installation. However, key informants from DAPP reported being excluded from strategic decisions and denied access to project data, including carbon credit verification records. Several installations were reportedly rejected without explanation. Ongoing community complaints about broken stoves and unfulfilled distributions to over 1,000 households have further damaged DAPP’s credibility on the ground:

“Although we were the implementing partner, we felt the partnership was not well balanced as we did not have access to some information and some decisions were made without our consultation... This has dented our reputation, with the community still asking questions on the project.”

/Key informant, DAPP

This case illustrates the risks of tokenistic partnerships in carbon markets, where local actors are tasked with implementation but excluded from oversight and decision-making yet are left to bear reputational damage when projects fail due to fraud or other reasons.

Note on change of project ownership and response from Bridge Carbon LLC

At the time of writing this report, Swedwatch verified through court documents⁶⁵ that C-Quest had filed for bankruptcy in February 2025, shortly after the indictment of C-Quest's founder and former senior executives for alleged fraud involving the over-issuance of millions of carbon credits from its cookstoves projects. C-Quest's website has since been taken offline, and no contact information was available for Swedwatch to seek comments on the findings of this report.

However, Swedwatch was able to confirm, based on project documents available on Verra's website, that the ownership of the two Zimbabwe cookstove projects had been transferred to a new company, Bridge Carbon, in January 2025. According to carbon industry sources, Bridge Carbon was launched by former senior C-Quest executives together with one of C-Quest's investors, Vision Ridge Partners, a US-based private equity firm.⁶⁶ An announcement made by Bridge Carbon in November 2024 confirms that the company had acquired a portfolio of C-Quest's projects, including 1.5 million clean cookstoves deployed across sub-Saharan Africa and Southeast Asia, stated to be high quality, and viably operating.⁶⁷

Swedwatch subsequently reached out to Bridge Carbon to respond to the findings of this report and requested a dialogue on remediating community grievances, such as lack of revenue sharing, absence of financial transparency, failure to obtain informed consent from stove users to trade carbon credits, broken stoves, and households still waiting for stoves promised to them. In its response, Bridge Carbon LLC's Chief Executive Officer (CEO) explained that the company is not formally or legally linked to C-Quest:

“The two companies (Bridge Carbon and C-Quest) are legally and formally very much not linked. In the post restructuring, the investor (Vision Ridge Partners) and management team made huge efforts to separate the past from the future and avoid damaging the new company with the history of the past. The leadership of the new company nor the investor were in any way associated with the fraud committed by C Quest. An arms-length transaction between the old, tainted company and the new company brought across some of the assets, some offices and executives and staff that worked feverishly to rescue the business and its impact.”

Email response from Bridge Carbon CEO to Swedwatch, 20 September 2025

Bridge Carbon's CEO confirmed that the company is not operating in Zimbabwe and had decided, in July 2025, to withdraw the two projects and notify Verra accordingly. The company stated that it did not see an economically viable way to restore the existing projects or to initiate new ones, given the market realities of the clean cooking sector and government regulations in Zimbabwe. At the time of publication, the Verra registry showed that both Zimbabwean projects had been withdrawn.

The CEO clarified that no new credits had been issued or sold from Zimbabwe cookstoves projects since the fraud, and that Bridge Carbon had not derived any financial benefit from them. Furthermore, he continued to emphasise that accountability had been fulfilled through the reporting of the fraud to the regulatory authorities and to Verra, and the cancellation of carbon credits from its inventory to compensate for the fraud. The CEO also stated that Bridge Carbon cannot assume any further responsibility for, or provide compensation for, the past actions of C-Quest, while committing instead to uphold higher standards going forward: “No. Bridge Carbon does not have the financial resources to undo the fraud and restore projects from its predecessor company, C-Quest Capital.”

Analysis and conclusion

Overall, three key issues emerged from the evidence gathered from Zimbabwe and existing studies on how carbon projects undermine fair and equitable outcomes. First, carbon projects risk excluding and exploiting local communities due to lack of binding rules on benefit-sharing. Second, they risk primarily benefitting project developers and corporate buyers based abroad. Finally, carbon projects cannot credibly be treated as climate finance when revenues fail to reach the frontline communities.

Carbon projects risk excluding communities from the revenues and decision-making if left to voluntary corporate action

Swedwatch’s findings reveal that, while C-Quest sold carbon credits sourced from its Zimbabwe cookstove projects to corporate clients, community members and local authorities were entirely unaware of the carbon trading and received no share of the revenues from these transactions. The interviews with community members confirmed that C-Quest failed to obtain informed consent from the families and no efforts were made to negotiate a fair and transparent benefit-sharing agreement on how the revenues should be used.

While C-Quest stated that carbon finance would subsidise stove prices and cover implementation costs, the absence of financial transparency makes it unclear whether this was done fairly. Several interviewees suggested that the revenue could have been used to repair broken stoves, provide suitable cooking pots, to improve the stove design, or to support climate resilience and development initiatives. However, they expressed shock and concern that carbon credits had been sold without their knowledge and that they were excluded from both the revenues and decisions on how these funds should benefit the community.

Swedwatch also found that C-Quest breached several procedural rights, including access to information, participation in decision-making, the right to give informed consent, and access to an effective grievance mechanism. While these breaches did not cause severe harm in this case, existing research shows that when meaningful

community engagement and benefit-sharing are not respected, especially in nature-based carbon projects, communities can face threats to their livelihoods, food security, and cultural practices.

Under earlier versions of its rules, Verra required stakeholder consultations to identify potential benefits and risks but provided no binding requirements on how project revenues or other monetary benefits should be shared with participating communities, effectively leaving it to voluntary corporate discretion. However, under its updated rules released in December 2025, Verra now requires projects to establish a benefit-sharing mechanism where projects affect land or resource rights holders, where customary rights exist, or where Indigenous Peoples are present in the project area, alongside strengthened requirements to support FPIC processes.⁶⁸ While this represents a positive development, the application of these benefit-sharing requirements to non-land-based projects such as cookstoves, remains unclear.

These findings are consistent with research from Carbon Market Watch, showing that voluntary approaches fail to ensure fair and transparent benefit-sharing. As highlighted by the Grassroots Justice Network, national laws are needed to guarantee communities a fair share of revenues, decision-making power on their use, legal support, and protection from reprisals.

Findings also showed that community members appreciated the stoves for reducing smoke, speeding up cooking, and saving time that would otherwise be spent collecting firewood. Scientific evidence confirms that improved stoves such as those distributed by C-Quest can provide convenience and small reductions in household air pollution, but these gains are generally too limited to deliver meaningful health co-benefits.⁶⁹ As such, researchers have argued that voluntary carbon market should channel finance toward distribution of stoves that meet WHO standards for being "clean" and should prioritize the health needs of those cooking daily over an open fire, rather than those wanting to buy cheap carbon credits to justify continued emissions.⁷⁰

Overall, this situation reflects how communities living in poverty and under climate stress may embrace low-emitting technologies like improved cookstoves yet still remain vulnerable to exploitation under unfair benefit-sharing when it is left to voluntary discretion of corporations.

Carbon projects primarily benefit corporate project developers and buyers abroad while often failing to deliver real emissions reductions

Revenues from the Zimbabwe cookstove projects remain opaque due to the absence of financial disclosures by C-Quest. Swedwatch's analysis showed that by the end of October 2025, more than 1.4 million credits had been issued across the two cookstoves projects, estimated to be worth between US\$6.5 million and US\$13.7 million at recent market prices. Based on the credits already sold or retired, C-Quest likely earned between US\$ 2.4 million and US\$ 5.3 million. Based on community testimonies, none of these funds reached the communities whose stove use enabled credit generation, except for a small token fee paid to volunteers and to the local

implementer.

Through media reports, Swedwatch was able to confirm how much of the financial value was captured abroad. The Zimbabwe projects formed part of C-Quest's wider portfolio spanning several countries, which secured major investor commitments. In 2024, Verra cancelled millions of credits after uncovering manipulated emissions data, and the US Department of Justice has since indicted former senior staff and the C-Quest founder for the alleged fraud. Court filings showed investors were misled into committing up to US\$ 250 million, including over US\$ 16 million for the founder's shares. These revelations underscore how carbon projects can deliver substantial profits to international actors, while excluding the communities at their core, replicating extractive patterns seen across other industries.

While the investigation and enforcement actions against C-Quest demonstrate a degree of accountability higher up the carbon market value chain, there has been little corresponding focus on ensuring that the affected communities in Zimbabwe – who have faced sudden project closures and the loss of anticipated health, social and financial benefits of clean cooking – receive adequate support or redress. The suspension of C-Quest's cookstove projects due to the company's misconduct directly affects communities that relied on the stoves for reduced smoke exposure, quicker cooking, and less firewood use, as ongoing support and distributions may be disrupted. The fraud revelations also risk undermining community trust, especially where people already felt poorly informed about the project's financial aspects. Any expected community benefits linked to carbon revenues may no longer materialize, and the scandal risks increasing skepticism toward future carbon market projects in these areas.

Among the first projects approved for trading credits under Article 6 mechanisms or offering credits with corresponding adjustments for compliance schemes are improved cookstove initiatives. While C-Quest Zimbabwe projects are not part of these schemes, similar cookstove projects have been criticised by civil society organisations for significantly overstating their claimed emissions reductions, raising concerns about who ultimately benefits.⁷¹

Carbon credits from Zimbabwe projects were sold to high-emitting companies, enabling continued emissions and potential greenwashing based on unverifiable reductions. While industry reports often assert that credit purchasers decarbonise faster, there is little empirical evidence to support this claim. An in-depth analysis of 89 multinational companies' historical emissions and climate targets, based on self-reported environmental data and more than 400 sustainability reports, found no significant difference between the climate strategies of companies that purchased offsets and those that did not.⁷²

The Science Based Targets initiative (SBTi) has likewise warned that offset reliance risks delaying genuine net-zero action.⁷³ It states: "The evidence suggests that there could be clear risks to corporate use of carbon credits for the purpose of offsetting. This includes potential unintended effects of hindering the net-zero transformation and/or reducing climate finance. BVCM and contribution claim approaches may represent preferable models for accelerating net-zero transformation and increasing

climate finance.”

Similarly, under leading business and human rights guidelines, the use of carbon offsetting is discouraged. The OECD [Organisation for Economic Co-operation and Development] Guidelines for Multinational Enterprises on Responsible Business Conduct call on companies to prioritise direct emission reductions and to use credits only as a last resort, and only where integrity is proven.⁷⁴ Furthermore, the UN Working Group on the issue of human rights and transnational corporations and other business enterprises has emphasized that businesses must take collective action to address climate-related human rights impacts and contribute to a just transition to a zero-carbon economy, without relying on offsetting as a substitute for real emissions reductions.⁷⁵

In this context, benefit-sharing must be recognised as a human rights safeguard rather than a licence to offset. The UN Guiding Principles underline that companies cannot rely on state regulation alone but carry an independent duty to respect human rights through due diligence. For corporate buyers of carbon credits, this requires conducting robust human rights and environmental due diligence (HREDD) when purchasing carbon credits and treating fair and equitable benefit-sharing as a core criterion.

Carbon projects cannot be treated as climate finance

Despite being promoted as tools to mobilise climate finance to lower-income countries, C-Quest’s project delivered no revenues to a community already enduring extreme poverty and worsening climate change impacts. For example, the women whose daily stove use enabled the generation of credits received no support to cope with rising food insecurity or the increase in gender-based violence linked to the socio-economic pressures of extreme weather.

At the time of writing, Zimbabwe has enacted new regulations that include provisions on environmental integrity and human rights safeguards, alongside requirements for mandatory benefit-sharing. For any voluntary carbon market project, a 30 percent fee is now applied on the transaction value, while for authorised mitigation outcomes (ITMOs) traded under Article 6, the levy is set at 30 percent of total credit issuance, paid directly into the National Transaction Account as the designated share of proceeds. According to local media reports, these proceeds are used to establish a loss and damage fund, intended to support communities recovering from extreme weather.⁷⁶

While these measures mark an important step, questions remain over whether revenues will equitably reach the local level where communities’ contributions generate the credits in the first place. Even if revenues from carbon markets are shared, it is not enough to close the funding gap on mitigation, adaptation, and loss and damage in the country. For instance, up to US\$35 billion will be cumulatively needed by 2030 for adapting to climate change in Zimbabwe’s agriculture sector alone,⁷⁷ which is roughly the same as the entire projected value of the voluntary carbon market by 2030—underscoring the gap between the scale of finance generated

through offsets and the actual needs of climate-vulnerable countries.

In recent years, carbon markets have gained prominence as instruments for financing climate action in low- and middle-income countries, largely because economically advanced nations continue to fall short of their obligations to deliver predictable climate finance.⁷⁸ At COP29 in Baku in 2024, climate-vulnerable nations demanded at least US\$ 1.3 trillion per year in mostly public-funded grants to cover mitigation, adaptation, and loss and damage, yet negotiators agreed on a grossly inadequate target of just US\$ 300 billion by 2035. This outcome was widely condemned as unjust and reflective of high-income countries' refusal to meet their historical responsibility for climate change.⁷⁹

COP29 saw the rushed adoption of Article 6 rules, which were passed on the opening day without debate, raising concerns over transparency and inclusiveness in decisions that will shape the future of international carbon trading.⁸⁰ Following this, the UN Special Rapporteur on Climate Change and Human Rights, Professor Elisa Morgera, and the UN Independent Expert on Foreign Debt, Professor Attiya Waris, criticised the increasing role of carbon markets. In a statement responding to COP29 outcomes, they expressed serious concerns about the prioritisation of carbon markets over other, more effective climate solutions and other pending decisions on climate finance, without the necessary transparency and due consideration of justice issues and negative human rights impacts.⁸¹ The Special Rapporteurs repeated the potential for disproportionate negative human rights impacts on Indigenous Peoples and small scale farmers who often bear the environmental and social consequences of offset projects.

Civil society organisations have echoed these concerns. The Center for International Environmental Law (CIEL) has cautioned that carbon markets cannot replace climate finance.⁸² The Dutch non-governmental organisation, SOMO (the Centre for Research on Multinational Corporations) warns that, while climate funding needs are real, frontline communities should not be required to host offset projects to access these funds. In the current context of lower-income countries' mounting debt burden, SOMO observed that offsets are increasingly framed as one of the few options for governments to raise climate finance, even though such projects risk stripping communities of control over their territories while debt repayments already drain critical resources away from health, education, and environmental protection.⁸³

The findings in this report reinforce the calls of UN experts and civil society groups that caution against overreliance on carbon markets by illustrating yet another case of missing revenues. The Paris Agreement is grounded in principles of equity and common but differentiated responsibilities (CBDR), which require high-income countries – including the EU member states – not only to cut their own emissions but also to provide predictable, grant-based finance to support climate-vulnerable nations. Participation in Article 6 carbon trading must not be used as a substitute for these obligations.

At the same time, if carbon markets are to continue, Swedwatch recommends that they must be underpinned by meaningful community engagement, financial transparency, and binding rules on fair and equitable benefit-sharing. Without such measures, carbon markets risk serving primarily as instruments of greenwashing, rather than as effective mechanisms to contribute to climate finance and deliver

justice to those communities that have been most affected by climate change.

Full list of recommendations

For Bridge Carbon, specific to their project operations in Zimbabwe:

- Ensure a responsible exit by consulting with affected communities to inform them of the risks of project closure and to address grievances related to the lack of revenue sharing and other outstanding concerns.

For foreign corporate carbon project developers operating in low- and middle-income countries:

- Meaningfully engage local communities in all stages of carbon projects. Participation should be built on accessible, culturally appropriate information, and good-faith consultations to ensure local stakeholders have real influence over key decisions.
- Disclose project-level financial information to local stakeholders affected by carbon projects, including cost breakdowns, credit pricing, revenues, and profit, to enhance transparency and accountability in the management and use of revenues for benefit-sharing.
- Establish a benefit-sharing agreement through meaningful consultation with all local stakeholders involved in a carbon project. These agreements should guarantee a fair and equitable share of revenues from the sale of carbon credits, which is additional to the co-benefits generated by the project and should not count payment for services. The consultations must provide accessible information about potential risks such as project termination and disruptions to future payments.
- Obtain free, prior, and informed consent (FPIC) from all relevant local community stakeholders prior to starting the project activities and respect the communities right to refuse.
- Establish effective, accessible, and culturally appropriate grievance mechanisms that enable the communities affected by carbon projects to safely raise concerns and seek remedy.

For corporations in high income countries buying carbon credits sourced from projects located in lower-income countries:

- Conduct HREDD in the procurement of carbon credits to identify actual and potential human rights impacts of the projects from which credits are sourced. Fair and equitable revenue sharing with local communities should be explicitly recognised as a human right, and therefore a core part of any HREDD process, as

it is fundamental to ensuring a decent standard of living and inherently connected to communities' procedural rights to information, participation, and consent.

- Leverage purchasing power to push for greater financial transparency and benefit-sharing in carbon markets. This may include self-disclosure of the price paid per credit and the total volume, as well as only buying from project developers and intermediaries who can verifiably demonstrate a fair share of revenues reaching the local communities.
- Prioritise rapid and verifiable decarbonisation within own value chains and purchase high-quality carbon credits only as a form of contribution to global climate action (Beyond Value Chain Mitigation), not as a substitute for, or to claim equivalence with, internal emissions reductions. Carbon credit purchases should therefore be framed as additional climate contributions, in line with SBTi guidance, and should avoid misleading offsetting claims.

For policymakers in low- and middle-income countries hosting the carbon projects:

- Establish regulatory requirements for project developers to ensure meaningful community engagement, including submission of verifiable evidence on stakeholder consultations, FPIC process, and risk assessment, as part of the project approval and registration.
- Require project developers to set up clear benefit-sharing agreements that ensure affected communities receive a fair and transparent share of carbon revenues. These agreements should be developed together with local communities, publicly disclosed, and must prevent exclusion or misuse of funds.
- Levies and shares of proceeds collected from carbon projects must ensure that host communities have direct access to these funds and receive a meaningful share of the revenues generated.

For policymakers in the high-income countries, including member states of the EU:

- Increase funding to support trainings and capacity development directly to Indigenous Peoples and local communities to ensure they can engage effectively to safeguard their human rights, ensure fair benefit-sharing, and achieve co-ownership of projects.
- Require large companies using carbon credits to publicly disclose key financial information, including project ID and price per credit, to enable accountability and informed scrutiny of financial flows.
- Do not allow international carbon credits to be counted towards the national climate goals. Revoke any existing provisions that permit this, and ensure climate targets focus on real, verifiable domestic emission reductions.

- Prioritise predictable, adequate, and grant-based climate finance to support rights-based and inclusive climate action in lower-income, climate-vulnerable countries, in line with the obligations of economically developed countries under the Paris Agreement.

For the Integrity Council for the Voluntary Carbon Market (ICVCM) and carbon crediting programmes including Verra:

- Require project developers to establish a transparent and fair benefit-sharing agreement as a mandatory safeguard across all projects, developed in meaningful consultations with affected local community members and relevant stakeholders.
- Mandate public disclosure of all relevant project-level financial information such as costs and revenues to strengthen transparency, accountability, and equity in the allocation and use of carbon market revenues.

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